

REFUGIO GROUNDWATER CONSERVATION DISTRICT

FINANCIAL STATEMENTS

For the Year Ended September 30, 2020

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

To Management and Board of Directors
Refugio Groundwater Conservation District
Refugio, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Refugio Groundwater Conservation District, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles as adopted by the American Institute of Certified Public Accountants; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with generally accepted government auditing standards adopted by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Refugio Groundwater Conservation District, as of September 30, 2020, and the respective changes in financial position for the year then ended in accordance with generally accepted accounting principles as adopted by the American Institute of Certified Public Accountants.

Other Matters

Required Supplementary Information

Accounting principles as adopted by the American Institute of Certified Public Accountants require that the management's discussion and analysis, budgetary comparison information and Texas County and District Retirement System (TCDRS) information on pages 3-6 and 25-29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with generally accepted government auditing standards adopted by the American Institute of Certified Public Accountants, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Goldman, Hunt & Notz, L.L.P.

March 15, 2021

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020**

As management of Refugio Groundwater Conservation District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2020. This discussion and analysis is intended to be an easily readable analysis of the District's financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

Report Layout

In addition to the Management's Discussion and Analysis (MD&A), the report consists of basic financial statements, notes to the financial statements and supplementary information. The basic financial statements are highly condensed and present a government-wide view of the District's finances. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the District. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide basic financial statements.

Basic Financial Statements

- The Statement of Net Position and Balance Sheet – Governmental Funds is the first of two governmental fund and government-wide financial statements which focus on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the District owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. The presentation is similar to a private-sector business.
- The second governmental fund and government-wide financial statement is called the Statement of Activities and Revenues, Expenditures, and Changes in Fund Balance/Net Position – Governmental Funds. This statement summarizes the District's income and expenditures for the year. Once again, the presentation is similar to a private-sector business.
- The notes to the financial statements provide additional disclosure required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

The discussion and analysis of the District's financial performance provides an overall review of its financial activities for the year ended September 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the District's financial performance.

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020**

Financial Highlights

- The assets of Refugio Groundwater Conservation District exceeded its liabilities at the close of the fiscal year ended September 30, 2020 by \$1,310,706. Of this amount, \$1,310,200 of unrestricted net assets is available to meet the District's ongoing obligations.
- At September 30, 2020, unassigned fund balance for the General Fund was \$175,197 or 148% of total General Fund expenditures.
- The total cost of all District activities was \$119,514 for the fiscal year.

Government-Wide Overall Financial Analysis

**Refugio Groundwater Conservation District
Components of Net Position
September 30, 2020
With Comparative Totals for September 30, 2019
(in thousands)**

	Governmental Activities		Total Government		Amount Change	% Change
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>		
Current and other assets	\$ 1,317	\$ 1,237	\$ 1,317	\$ 1,237	\$ 80	6%
Capital assets	1	1	1	1	-	0%
Total assets	<u>1,318</u>	<u>1,238</u>	<u>1,318</u>	<u>1,238</u>	<u>80</u>	<u>6%</u>
Deferred outflows of resources	-	6	-	6	(6)	-100%
Total deferred outflows of resources	<u>-</u>	<u>6</u>	<u>-</u>	<u>6</u>	<u>(6)</u>	<u>-100%</u>
Total assets and deferred outflows of resources	<u>1,318</u>	<u>1,244</u>	<u>1,318</u>	<u>1,244</u>	<u>74</u>	<u>6%</u>
Other liabilities	7	9	7	9	(2)	-22%
Total liabilities	<u>7</u>	<u>9</u>	<u>7</u>	<u>9</u>	<u>(2)</u>	<u>-22%</u>
Net position:						
Net investment in capital assets	1	1	1	1	-	0%
Unrestricted	1,310	1,234	1,310	1,234	76	6%
Total net position	<u>\$ 1,311</u>	<u>\$ 1,235</u>	<u>\$ 1,311</u>	<u>\$ 1,235</u>	<u>\$ 76</u>	<u>6%</u>

The total net position increased by approximately \$76,000 due to a \$80,000 increase in cash and other assets from operations, a decrease in deferred outflows of resources of \$6,000, and a decrease in other liabilities of \$2,000.

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020**

Government-Wide Overall Financial Analysis (Concluded)

**Refugio Groundwater Conservation District
Condensed Statement of Activities
For the Year Ended September 30, 2020
With Comparative Totals for the Year Ended September 30, 2019
(in thousands)**

	Governmental Activities		Total Government		Amount Change	% Change
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>		
Revenues						
General revenues						
Taxes	\$ 189	\$ 167	\$ 189	\$ 167	\$ 22	13%
Interest	14	17	14	17	(3)	-18%
Total revenues	<u>203</u>	<u>184</u>	<u>203</u>	<u>184</u>	<u>19</u>	<u>10%</u>
Expenditures/expenses						
Personnel	-	36	-	36	(36)	-100%
Professional fees	19	48	19	48	(29)	-60%
Contracted services	82	7	82	7	75	1071%
Administrative	17	20	17	20	(3)	-15%
Depreciation	1	1	1	1	-	0%
Total expenditures/expenses	<u>119</u>	<u>112</u>	<u>119</u>	<u>112</u>	<u>7</u>	<u>6%</u>
Excess of revenues over expenditures/expenses before non-operating revenue	84	72	84	72	12	17%
Non-operating revenue/(expense)	<u>(8)</u>	<u>(3)</u>	<u>(8)</u>	<u>(3)</u>	<u>(5)</u>	<u>167%</u>
Change in net position	<u>76</u>	<u>69</u>	<u>76</u>	<u>69</u>	<u>7</u>	<u>10%</u>
Beginning net position	1,235	1,166	1,235	1,166	69	6%
Ending net position	<u>\$ 1,311</u>	<u>\$ 1,235</u>	<u>\$ 1,311</u>	<u>\$ 1,235</u>	<u>\$ 76</u>	<u>6%</u>

Total ad valorem tax revenues increased approximately \$22,000, while interest revenue decreased by \$3,000. Total expenses increased by \$7,000, and were impacted by a decrease in personnel expenditures of \$36,000, a decrease in professional fees of \$29,000, an increase in contracted services of \$75,000, and a decrease in administrative expenditures of \$3,000. Non-operating expense decreased by \$5,000 due to the termination of the District retirement plan. The total impact of this activity was an increase of \$7,000 in the change in net position from the prior year.

Budgetary Highlights

Actual revenues in the General Fund were greater than budgeted revenues by \$50,583. Actual General Fund expenditures were \$69,886 less than budgeted expenditures. The District did not revise its budget for the General Fund during the fiscal year.

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020**

Capital Assets

At September 30, 2020 the District had \$506 invested in net capital assets. Depreciation expense for the year was \$900.

**Refugio Groundwater Conservation District
Capital Assets
(net of accumulated depreciation)
September 30, 2020
With Comparative Totals for September 30, 2019
(in thousands)**

	Governmental Activities		Total Government		Amount Change	% Change
	2020	2019	2020	2019		
Office equipment	\$ 22	\$ 22	\$ 22	\$ 22	\$ -	0%
Subtotal	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>-</u>	<u>0%</u>
Accumulated depreciation	21	21	21	21	-	0%
Capital assets, net	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>0%</u>

Additional information on the District's capital assets can be found in the notes to the financial statements.

Debt Outstanding

At year-end, the District had no debt outstanding.

Economic Factors and Next Year's Budgets and Rates

The District's property tax rate for 2020/2021 is \$0.018260 per \$100 valuation. The net taxable value is \$1,038,390,530 for total tax revenue of \$189,610.

The District budgeted \$191,129 in revenues and \$175,196 in expenditures for 2020/2021.

Financial Contact

The District's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, please contact Tim Andruss, General Manager, 604 Commerce Street, Refugio, Texas 78377.

REFUGIO GROUNDWATER CONSERVATION DISTRICT
STATEMENT OF NET POSITION AND BALANCE SHEET – GOVERNMENTAL FUNDS
September 30, 2020

	<u>General Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS				
Cash and investments	\$ 1,298,365	\$ 1,298,365	\$ -	\$ 1,298,365
Taxes receivable	13,035	13,035	-	13,035
Other receivables	4,593	4,593	-	4,593
Prepayments	1,443	1,443	-	1,443
Capital assets, net of accumulated depreciation	-	-	506	506
Total assets	<u>1,317,436</u>	<u>1,317,436</u>	<u>506</u>	<u>1,317,942</u>
Total assets	<u>\$ 1,317,436</u>	<u>\$ 1,317,436</u>	<u>\$ 506</u>	<u>\$ 1,317,942</u>
LIABILITIES				
Accounts payable	<u>\$ 7,236</u>	<u>\$ 7,236</u>	<u>\$ -</u>	<u>\$ 7,236</u>
Total liabilities	<u>7,236</u>	<u>7,236</u>	<u>-</u>	<u>7,236</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable taxes	13,035	13,035	(13,035)	-
Total deferred inflows of resources	<u>13,035</u>	<u>13,035</u>	<u>(13,035)</u>	<u>-</u>
FUND BALANCE				
Nonspendable	1,443	1,443	(1,443)	-
Committed				
Legal and contingencies	160,075	160,075	(160,075)	-
Groundwater research and management	960,450	960,450	(960,450)	-
Unassigned	175,197	175,197	(175,197)	-
Total fund balance	<u>1,297,165</u>	<u>1,297,165</u>	<u>(1,297,165)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,317,436</u>	<u>\$ 1,317,436</u>		
Net position:				
Invested in capital assets, net of related debt			506	506
Unrestricted			<u>1,310,200</u>	<u>1,310,200</u>
Total net position			<u>\$ 1,310,706</u>	<u>\$ 1,310,706</u>

The notes to the financial statements are an integral part of this statement.

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
RECONCILIATION OF THE STATEMENT OF NET POSITION AND BALANCE
SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
September 30, 2020**

Amounts reported for governmental activities in the Statement of Net Position (page 7) are different because:

Total fund balance - governmental funds (page 7)	\$ 1,297,165
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	506
Delinquent taxes receivable are not considered available to pay for current period expenditures and, therefore, are deferred in the funds.	<u>13,035</u>
Net position of governmental activities	<u><u>\$ 1,310,706</u></u>

The notes to the financial statements are an integral part of this statement.

REFUGIO GROUNDWATER CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES AND REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE/NET POSITION – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	<u>General Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues				
Property taxes, including penalty and interest	\$ 188,864	\$ 188,864	\$ 278	\$ 189,142
Interest	13,584	13,584	-	13,584
Total revenues	<u>202,448</u>	<u>202,448</u>	<u>278</u>	<u>202,726</u>
Expenditures/expenses				
Professional fees	19,782	19,782	-	19,782
Contracted services	81,383	81,383	-	81,383
Administrative	17,449	17,449	-	17,449
Depreciation	-	-	900	900
Total expenditures/expenses	<u>118,614</u>	<u>118,614</u>	<u>900</u>	<u>119,514</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	<u>83,834</u>	<u>83,834</u>	<u>(622)</u>	<u>83,212</u>
Other financing sources				
Change in net pension asset	-	-	(45,594)	(45,594)
Refund of pension contributions in excess of liability	37,333	37,333	-	37,333
Total other financing sources	<u>37,333</u>	<u>37,333</u>	<u>(45,594)</u>	<u>(8,261)</u>
Net change in fund balance/net position	121,167	121,167	(46,216)	74,951
Fund balance/net position - beginning	<u>1,175,998</u>	<u>1,175,998</u>	<u>59,757</u>	<u>1,235,755</u>
Fund balance/net position - ending	<u>\$ 1,297,165</u>	<u>\$ 1,297,165</u>	<u>\$ 13,541</u>	<u>\$ 1,310,706</u>

The notes to the financial statements are an integral part of this statement.

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE/NET POSITION – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020**

Amounts reported for governmental activities in the Statement of Activities (page 9) are different because:

Net change in fund balance - total governmental funds	\$ 121,167
Depreciation expense on capital assets reported in the government-wide statement of activities does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	(900)
Governmental funds report contributions made to the pension plan as expenditures. However, in the statement of activities, pension expense is affected by changes in the net pension asset and deferred outflows of resources related to pension expense. This is the amount by which pension contributions exceeded pension expense in the current period.	(45,594)
Some revenue reported in the governmental funds was earned in prior periods and is not reported in the government-wide statement of activities.	<u>278</u>
Change in net position of governmental activities	<u><u>\$ 74,951</u></u>

The notes to the financial statements are an integral part of this statement.

REFUGIO GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF ACCOUNTING

Basis of Accounting/Measurement Focus

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounting and reporting policies of the District relating to the funds included in the accompanying financial statements conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*, and by the Financial Accounting Standards Board (when applicable). The more significant accounting policies of the District are described below.

A. Governmental Fund Financial Statements and Government-Wide Financial Statements

The governmental fund financial statements and government-wide financial statements are combined in the Statement of Net Position and Balance Sheet – Governmental Funds and the Statement of Activities and Revenues, Expenditures, and Changes in Fund Balance/Net Position – Governmental Funds. These statements present summaries of governmental activities for the District.

Government-wide financial statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position and Balance Sheet – Governmental Funds. The Statement of Activities and Revenues, Expenditures, and Changes in Fund Balance/Net Position – Governmental Funds presents changes in fund balance/net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in two categories: 1) property taxes and 2) investment earnings.

Governmental fund financial statements are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, current liabilities, and current deferred inflows of resources are included on the Statement of Net Position and Balance Sheet – Governmental Funds. The Statement of Activities and Revenues, Expenditures, and Changes in Fund Balance/Net Position – Governmental Funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District are charges for property tax and interest income. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF ACCOUNTING
(Continued)**

The following is the District's Governmental Fund type:

General Fund

The General Fund is the general operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

B. Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable

Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted

Amounts constrained to specific purposes by their providers, through constitutional provisions, or by enabling legislation.

Committed

Amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority, the Board of Directors. To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned

Amounts the District intends to use for a specific purpose, but does not meet the criteria to be classified as restricted or committed. Intent can be expressed by the District Board of Directors or by an official to which the District delegates the authority.

Unassigned

All other spendable amounts.

C. Restricted Resources

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

D. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and certificates of deposits with maturity dates of twelve months or less.

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF ACCOUNTING
(Continued)

E. Budget

The District Board members follow these procedures in establishing the District budgets:

- a. Thirty to sixty days prior to the beginning of each fiscal year, the department supervisors submit to the Board members a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted at which comments concerning the budget are heard.
- c. The budget is legally enacted by the Board members prior to the beginning of the fiscal year.
- d. Any revisions that alter the total expenditures of any fund must be approved by the Board members.

F. Vacation and Sick Leave

During the fiscal year ended September 30, 2019, the District's only employee retired. Beginning in fiscal year ended September 30, 2020, the District began utilizing services provided by Victoria County Groundwater Conservation District as part of the interlocal agreement between the two organizations to perform the work that was previously performed by the District's employee. As the District no longer has any employees, it also no longer has vacation or sick leave expenses or liabilities.

G. Property Tax

The Appraisal District annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally on January 1, a tax lien attaches to property to secure the payment of all taxes, penalty, and interest ultimately imposed for the year on the property. By September 1 of each year, or as soon thereafter as practicable, the rate of taxation is set by the Board of Directors of the District based upon the aggregate appraisal value.

Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent February 1 and attach as an enforceable lien on the property as of July 1 of the following year. The Refugio County Tax Assessor/Collector collects and remits the property taxes to the District on a monthly basis. Property taxes not collected within 60 days are deemed not to be material to the financial statements, so no allowance for doubtful accounts has been established.

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF ACCOUNTING
(Concluded)**

H. Deferred Outflows/Inflows of Resources

The District reports deferred inflows of resources on its General Fund balance sheet. Deferred inflows of resources arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources also arise when the District receives resources before it has legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred inflows of resources is removed from the balance sheet and revenue is recognized.

I. Capital Assets

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

Office equipment	3 – 7 years
Weather station equipment	5 – 7 years
Vehicle	5 – 7 years

J. Contracts

Interlocal Cooperation Agreement

On August 24, 2015, the District entered into an Interlocal Cooperation Agreement with Victoria County Groundwater Conservation District (VCGCD) to provide office and field equipment incidental to the operation of the District. This contract is renewed annually.

NOTE 2: THE FINANCIAL REPORTING ENTITY

Creation of District

Refugio Groundwater Conservation District operates with a Board of Directors form of government. The District was created on November 6, 2001 under and subject to the authority, conditions, and restrictions of Section 59, Article XVI, Texas Constitution. It has the same boundaries as Refugio County, which covers an area of 771 square miles and is in the West Gulf Coast Plain of South Texas. The District’s mission is to develop, promote, and implement water conservation, augmentation, and management strategies in order to protect water resources for the benefit of the citizens, economy, and environment of Refugio County, Texas.

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

NOTE 3: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Custodial Credit Risk - Deposits

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. The District's deposits were fully collateralized at September 30, 2020. At year-end, the carrying amount of the District's deposits was \$1,298,365 and the respective bank balance totaled \$1,298,551. Of the total bank balances, \$500,000 was covered by Federal Depository Insurance. The balance not covered by Federal Depository Insurance was covered by additional securities pledged to the District at September 30, 2020. The fair market value of the pledged securities at year end was \$1,200,000.

Investments

In accordance with the Texas Government Code, Subtitle F, Chapter 2256, Subchapter A, Authorized Investments for Governmental Entities, the District can invest in the following, subject to requirements within the Code:

1. Obligations of, or guaranteed by Governmental Entities
2. Certificates of Deposit and share certificates
3. Repurchase agreements
4. Securities Lending Programs
5. Banker's Acceptance
6. Commercial Paper
7. Mutual Funds
8. Guaranteed Investment Contracts
9. Investment pools

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of September 30, 2020 the District had no investments.

Other investment Risks

As the District does not have investments, it is not exposed to Credit Risk, Concentration of Credit Risk or Interest Rate Risk.

NOTE 4: OTHER DISCLOSURES

Tax Revenues

The tax rate for 2019/2020 was \$0.01770 per \$100 valuation. The taxable value was \$940,989,200. All tax monies are used for maintenance and operations.

Location of District

The District is located in Refugio County, Texas. The general membership of the Board is elected within the District.

REFUGIO GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 5: CHANGES IN FIXED ASSETS

	Primary Government			Ending Balance
	Beginning Balance	Additions	Retirements	
Governmental activities:				
Capital assets, being depreciated:				
Office equipment	\$ 21,993	\$ -	\$ -	\$ 21,993
Total capital assets, being depreciated	<u>21,993</u>	<u>-</u>	<u>-</u>	<u>21,993</u>
Less accumulated depreciation for:				
Office equipment	20,587	900	-	21,487
Total accumulated depreciation	<u>20,587</u>	<u>900</u>	<u>-</u>	<u>21,487</u>
Total capital assets, being depreciated, net	1,406	(900)	-	506
Governmental activities capital assets, net	<u>\$ 1,406</u>	<u>\$ (900)</u>	<u>\$ -</u>	<u>\$ 506</u>

Depreciation expense for the year ended September 30, 2020 totaled \$900.

NOTE 6: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the year ended September 30, 2020, the District purchased commercial insurance to cover general liabilities. Contractors have the required general liability coverage as required by the various construction contracts.

Hurricanes can cause flooding, particularly in coastal areas such as the area where the District is located. Hurricanes can also cause windstorm and other damage and hurricane induced flooding can submerge roadways connecting coastal areas with inland areas, thus preventing the evacuation of people and/or property. If a hurricane (or other natural disaster) destroyed all or part of the area in which the District operates, the assessed value of property within the District could be substantially reduced, with a corresponding decrease in tax revenues or increase in the tax rate. Further, there can be no assurance that a casualty loss will be covered by insurance (certain casualties, including flood, are usually excluded unless specific insurance is purchased), that any insurance company will fulfill its obligation to provide insurance proceeds or that insurance proceeds will be used to rebuild or repair damaged District property. Even if insurance proceeds are available and the District does repaired/rebuild damaged assets, there could be a lengthy period in which assessed values within the District could be adversely affected. The Gulf Coast region in which the District is located is subject to occasional destructive weather. There can be no assurance the District will not endure damage from future meteorological events.

The District operates in a regulated industry. As a result, various lawsuits, claims, and legal and regulatory proceedings can be instituted or asserted against the District.

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

NOTE 6: RISK MANAGEMENT (Concluded)

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States caused business disruptions through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. As a result, the outbreak has caused uncertainty in the financial markets. The District's operations are considered to be essential services, and as such, the District has remained open and continues to provide services to the community. The District's primary revenue stream, ad valorem tax revenue, is not expected to be materially impacted by this event.

NOTE 7: LEASE AGREEMENT

The District rents offices from an unrelated party on a month to month basis for \$600 per month.

NOTE 8: PENSION PLAN

A. Plan Description

The District participated as one of 799 plans in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system. The Board of Trustees of TCDRS is responsible for the administration of the plan. The defined benefit pension plan provides pensions for all full and part-time non-temporary employees, regardless of the number of hours they work in a year. All eligible employees are required to participate in the pension plan and employees in a temporary position are not eligible for membership. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The most recent CAFR for TCDRS can be found at the following link www.tcdrs.org.

B. Benefits Provided

The District provides retirement benefits to its employees. The plan provisions are adopted by the Board of Directors, within the options available in the state statutes governing TCDRS (TCDRS Act). Employees can retire regardless of age with 30 years of service. The "Rule of 75" will determine retirement eligibility. Members are vested after 10 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the Board of Directors within the constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement the benefit is calculated by converting the sum of the employee's accumulated contribution and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

NOTE 8: PENSION PLAN (Continued)

B. Benefits Provided (Concluded)

Plan Provisions for the District were as follows:

	Plan Year 2019
Employee deposit rate	7.0%
Matching ratio (District to employee)	1.50 to 1
Years required for vesting	10
Service retirement eligibility (expressed as age/years of service)	75/10, 0/30
Updated service credit	0.00%

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	0
Active employees	0
Totals	0

C. Contributions

The contribution rate for employees in TCDRS is either 4%, 5%, 6%, or 7% of compensation, as adopted by the employer's governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees. Investment income funds are a large part of the benefits employees earn.

The contribution rates for the District were 0.00% in the calendar year 2018 and 0.00% in the calendar year 2019. The District's contributions to TCDRS for the year ended September 30, 2020 was \$0.

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

NOTE 8: PENSION PLAN (Continued)

D. Net Pension Asset

The District's Net Pension Asset (NPA) was measured as of December 31, 2019 and the Total Pension Asset/Liability (TPA/L) used to calculate the Net Pension Asset was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Asset/Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation:	2.75% per year
Overall payroll growth:	Varies by age & service. 4.9% average over career including inflation
Investment rate of return	8.0%, net of pension plan investment expense, including inflation

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.25% (made up of 2.75% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee.

Mortality rates for active members were based on 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014. Mortality rates for service retirees, beneficiaries and non-depositing members is based on 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014. The Mortality rates for disabled retirees is based on 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

The actuarial assumptions that determined the total pension liability as of December 31, 2019 were based on the results of an actuarial experience study from the period January 1, 2013 – December 31, 2016, except where required to be different by GASB 68.

REFUGIO GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 8: PENSION PLAN (Continued)

D. Net Pension Asset (Continued)

The long-term expected rate of return on pension plan investments is 8.10%. This rate reflects the long-term rate of return funding valuation assumption of 8.00% plus 0.10% adjustment to be gross of administrative expenses as required by GASB 68. The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed 2017. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the below table. These capital market assumptions are based on April 2020 information for a ten year time horizon.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
US Equities	14.50%	5.20%
Private Equity	20.00%	8.20%
Global Equities	2.50%	5.50%
International Equities - Developed	7.00%	5.20%
International Equities - Emerging	7.00%	5.70%
Investment-Grade Bonds	3.00%	-0.20%
Strategic Credit	12.00%	3.14%
Direct Lending	11.00%	7.16%
Distressed Debt	4.00%	6.90%
REIT Equities	3.00%	4.50%
Master Limited Partnerships (MLPs)	2.00%	8.40%
Private Real Estate Partnerships	6.00%	5.50%
Hedge Funds	8.00%	2.30%
Totals	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Asset/Liability was 8.10%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Asset/Liability.

REFUGIO GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 8: PENSION PLAN (Continued)

D. Net Pension Asset (Continued)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at December 31, 2018	\$ 49,244	\$ 89,068	\$ (39,824)
Changes for the year:			
Service cost	4,573	-	4,573
Interest on total pension liability	4,284	-	4,284
Effect of plan changes	(53,284)	-	(53,284)
Effect of economic/demographic gains or losses	(3,011)	-	(3,011)
Effect of assumptions changes or inputs	-	-	-
Refund of contribution	-	-	-
Benefit payments	(1,806)	(1,806)	-
Administrative expense	-	-	-
Member contributions	-	1,280	(1,280)
Net investment income	-	7,964	(7,964)
Employee contributions	-	-	-
Terminating employer transfer	-	(96,506)	96,506
Other	-	-	-
Net changes	(49,244)	(89,068)	39,824
Balance at December 31, 2019	\$ -	\$ -	\$ -

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension asset of the District, calculated using the discount rate of 8.10%, as well as what Refugio Groundwater Conservation District net pension asset would be if it were calculated using a discount rate that is one percentage point lower (7.10%) or one percentage point higher (9.10%) than the current rate.

	1% Decrease in Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
Total pension liability	\$ -	\$ -	\$ -
Fiduciary net position	-	-	-
Net pension liability/(asset)	\$ -	\$ -	\$ -

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

NOTE 8: PENSION PLAN (Concluded)

D. Net Pension Asset (Concluded)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at www.tcdrs.org.

E. Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020 the District recognized a change in net pension asset of \$45,594.

At September 30, 2020 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings	-	-
Contributions made subsequent to measurement date	-	-
Total	\$ -	\$ -

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30,	Net Deferred Outflows (Inflows) of Resources
2020	\$ -
2021	-
2022	-
2023	-
2024	-
Thereafter	-
Total	\$ -

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

NOTE 9: OTHER POSTRETIREMENT BENEFIT PLAN (OPEB)

A. Group Term Life (GTL)

The District also participated in the retiree Group Term Life (GTL) program for the Texas County and District Retirement System (TCDRS), which is a statewide, multiple-employer, public employee retirement system. All full and part-time, non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCERS pension plan. Only employers that have elected participation in the retiree GTL program are included in the OPEB plan. The plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the retiree GTL program. The OPEB benefit is a fixed \$5,000 lump-sum benefit. No future increases are assumed in the benefit amount. Benefit terms are established under the TCERS act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year. Contributions made to the retiree GTL program are held in the GTL Fund. The GTL fund does not meet the requirements of a trust under Paragraph 4b of GASB 75, as the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan. For the fiscal year ended September 30, 2020, the District did not recognize an asset/liability or deferred inflows/outflows of resources associated with the GTL as the amounts were immaterial in nature. TCERS issues a publicly available CAFR that includes financial statements and required supplementary information for the GTL. This report may be obtained by writing to TCERS, P.O. Box 2034, Austin, TX 78768-2034, or by calling 800-823-7782. TCERS's CAFR is also available at www.tcers.org.

B. Funding Policy

The district's contribution rate for the retiree GTL program is calculated annually on an actuarial basis, and is equal to the cost of providing a one-year death benefit equal to \$5,000. The District's contributions to the GTLF for the years ended September 30, 2020, 2019, and 2018 were \$0, \$85, and \$127, respectively, which equaled the contractually required contributions each year.

NOTE 10: TERMINATION OF PENSION PLAN AND OTHER POSTRETIREMENT BENEFIT PLAN (OPEB)

During the fiscal year ended September 30, 2019, the District's only employee retired. Beginning in fiscal year ended September 30, 2020, the District utilized services provided by Victoria County Groundwater Conservation District as part of the interlocal agreement between the two organizations to perform the work that was previously performed by the District employee. The District has not, nor plans to hire additional staff. Consequently, the District is no longer eligible to participate in the Texas County and District Retirement System (TCERS) or the Group Term Life insurance program and terminated these plans effective October 1, 2019. A surplus amount of \$37,333 was remaining in the District's account at the date of termination. This amount was returned to the District by TCERS in December 2019 and is recognized as part of miscellaneous revenue in the Statement of Activities and Revenue, Expenditures, and Changes in Fund Balance/Net Position – Governmental Funds.

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

NOTE 11: FUND BALANCE

The Government committed the following fund balance types by taking the following action:

<u>Committed Purpose</u>	<u>Amount</u>	<u>Action</u>
Legal and contingencies	\$ 160,075	Through formal action
Groundwater research and management	\$ 960,450	Through formal action

The Government does not have a formal minimum fund balance policy.

A schedule of fund balance is provided below:

<u>FUND BALANCE</u>	<u>Governmental Activities</u>	<u>Total</u>
Nonspendable	\$ 1,443	\$ 1,443
Committed:		
Groundwater conservation	160,075	160,075
Groundwater monitoring	160,075	160,075
Groundwater research	160,075	160,075
Groundwater management	160,075	160,075
Groundwater protections	160,075	160,075
Groundwater planning	160,075	160,075
Legal and professional services	160,075	160,075
Unassigned	175,197	175,197
Total fund balance	<u>\$ 1,297,165</u>	<u>\$ 1,297,165</u>

NOTE 12: SUBSEQUENT EVENTS

In preparing these financial statements, events and transactions have been evaluated for potential recognition or disclosure through March 15, 2021, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
For the Year Ended September 30, 2020**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues			
Property taxes, including penalty and interest	\$ 188,198	\$ 188,864	\$ 666
Interest	1,000	13,584	12,584
Refund of pension contributions in excess of liability	-	37,333	37,333
Total revenues	<u>189,198</u>	<u>239,781</u>	<u>50,583</u>
Expenditures			
Professional fees	61,000	19,782	41,218
Contracted services	87,000	81,383	5,617
Administrative	31,000	17,449	13,551
Capital outlay	9,500	-	9,500
Total expenditures	<u>188,500</u>	<u>118,614</u>	<u>69,886</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 698</u>	<u>\$ 121,167</u>	<u>\$ 120,469</u>

REFUGIO GROUNDWATER CONSERVATION DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2020

NOTE 1: BUDGET

The budget for the General Fund adopted during the year by the District was prepared using the modified accrual basis of accounting in accordance with generally accepted accounting principles. The General Fund has a legally adopted budget.

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (TCDRS)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (unaudited)
For Five Measurement Date Periods**

	Measurement Date 2015	Measurement Date 2016	Measurement Date 2017	Measurement Date 2018	Measurement Date 2019
Total pension liability					
Service cost	\$ 4,731	\$ 5,430	\$ 5,988	\$ 6,224	\$ 4,573
Interest on total pension liability	3,709	4,360	4,191	3,663	4,284
Effect of plan changes	(272)	-	-	-	(53,284)
Effect of economic/demographic gains or losses	(803)	2,651	839	362	(3,011)
Effect of assumptions changes or inputs	373	-	775	-	-
Benefit payments/refund of contributions	-	-	(36,400)	-	(1,806)
Net change in total pension liability	7,738	12,441	(24,607)	10,249	(49,244)
Total pension liability - beginning	43,423	51,161	63,602	38,995	49,244
Total pension liability - ending (a)	\$ 51,161	\$ 63,602	\$ 38,995	\$ 49,244	\$ -
Plan fiduciary net position					
Benefit payments/refund of contribution	\$ -	\$ -	\$ (36,400)	\$ -	\$ (1,806)
Administrative expenses	(69)	(78)	(58)	(72)	-
Member contributions	2,576	2,660	2,860	2,963	1,280
Net investment income	(1,967)	7,174	15,034	(1,600)	7,964
Employer contributions	1,689	-	-	-	-
Other	(8)	140	(450)	96	(96,506)
Net change in plan fiduciary net position	2,221	9,896	(19,014)	1,387	(89,068)
Plan fiduciary net position - beginning	94,578	96,799	106,695	87,681	89,068
Plan fiduciary net position - ending (b)	\$ 96,799	\$ 106,695	\$ 87,681	\$ 89,068	\$ -
Net pension liability (asset) - ending (a) - (b)	\$ (45,638)	\$ (43,093)	\$ (48,686)	\$ (39,824)	\$ -
Plan fiduciary net position as a percentage of total pension liability	189.20%	167.75%	224.85%	180.87%	N/A
Covered employee payroll	\$ 36,801	\$ 37,999	\$ 40,851	\$ 42,323	\$ 18,287
Net pension liability as a percentage of covered employee payroll	-124.01%	-113.41%	-119.18%	-94.09%	N/A

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (TCDRS)
 SCHEDULE OF CONTRIBUTIONS (unaudited)
 For Five Fiscal Year Periods**

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 37,999	\$ 40,851	\$ 42,323	\$ 18,287	\$ -
Contributions as a percentage of covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%

**REFUGIO GROUNDWATER CONSERVATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (TCDRS)
NOTES TO SCHEDULE OF CONTRIBUTIONS (unaudited)
For Five Measurement Date Periods**

Valuation timing:	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of economic/ demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.75%
Salary Increases	3.75% to 8.25% including inflation
Investment Rate of Return	8.10%
Cost-of-Living Adjustments	Cost-of-living adjustments for Refugio Groundwater Conservation District are not considered to be substantively automatic under GASB 68. Therefore, no assumptions for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Experienced-based table of rates that are specific to the District's plan of benefits.
Turnover	Experienced-based table of rates that are specific to the District's plan of benefits.
Mortality	
Depositing members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014
Service retiree, beneficiaries and non-depositing members	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014
Disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Other Information:	
Notes	The plan was terminated during the fiscal year ended September 30, 2020.