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ANNUAL FINANCIAL REPORT

CAMERON COUNTY  
IRRIGATION DISTRICT NO. 2

DECEMBER 31, 2021

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BUFFO & BERKMAN  
CERTIFIED PUBLIC ACCOUNTANTS

# CAMERON COUNTY IRRIGATION DISTRICT NO. 2

DECEMBER 31, 2021

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CAMERON COUNTY IRRIGATION DISTRICT NO.2

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS  
COUNTY OF CAMERON }

I Sam Simmons

of the Cameron County Irrigation District No. 2 hereby swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the 30th day of March, 2023 its annual audit report for the fiscal period ended December 31, 2021 and that copies of the annual audit report have been filed in the District's office, located at 26041 FM 510 San Benito, Texas

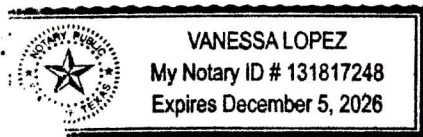
This filing affidavit and the attached copy of the audit report will be submitted to the Texas Commission on Environmental Quality to satisfy the annual filing requirements of the Texas Water Code Section 49.194.

Date: 3-30-2023, 2023

By: Sam Simmons

Sam Simmons

Sworn to and subscribed to before me this 30th day of March, 2023



Vanessa Lopez  
(Signature of Notary)

My Commission Expires on: December 5, 2026

Notary Public in the State of Texas.



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# **BUFFO & BERKMAN**

**CERTIFIED PUBLIC ACCOUNTANTS**

**324 E. HIDALGO BOX 710 956-689-2479  
RAYMONDVILLE, TEXAS 78580**

March 30, 2023

## Independent Auditor's Report

Board of Directors  
Cameron County Irrigation District No. 2

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund for Cameron County Irrigation District No. 2, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Cameron County Irrigation District No. 2'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 accounting principles generally accepted in the United States of America. 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 auditing standards generally accepted in the United States of America. 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 Cameron County Irrigation District No. 2, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

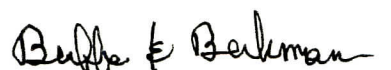
### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information such as management's discussion and analysis, budgetary comparison information and schedule of pension information on pages 9 through 12, pages 17 through 19 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 auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cameron County Irrigation District No. 2's basic financial statements. The other schedules are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

  
BUFFO & BERKMAN  
Certified Public Accountants

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Cameron County Irrigation District No. 2's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2021. The MD&A should be read in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements.

### Financial Highlights

1. The assets of the District exceeded its liabilities as of December 31, 2021 by \$32,684,003.
2. Of this amount \$638,580 represents unrestricted assets that may be used to meet the District's ongoing obligations to landowners and creditors. This amount equals 19.69% of the total operating expenses for the 2021 year, which means the District could operate about 2.40 months using the unrestricted funds alone.
3. The remainder of \$27,459,596 represent a restriction equal to the net amount invested in land, buildings, equipment, and construction in progress and \$4,585,827 represent a board imposed restriction for water delivery system improvements.
4. Total net position decreased by \$694,504. The District continues to operate without the need for debt borrowing.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction of the district's financial statements, consisting of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

This report also contains other schedules in addition to the basic financial statements themselves.

**The Government-Wide Financial Statements** *The government-wide financial statements* are designed to provide readers with a broad overview of the District's finances in a manner similar to private sector business.

The statement of net position presents information on all the District's net position and liabilities, with the difference between the two reported as total net position: Over time increases or decreases in net position may serve as useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information on how the District's net position changed during the year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

**Fund Financial Statements** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements related to finance. The District's funds are all categorized as governmental funds.

**General Funds.** General fund (M&O) is the main operating fund of the District. This fund is used to account for all financial resources not accounted for in the other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the M&O.

**Special Revenue Funds.** Special revenue funds are funds set aside by the District's board of directors to finance special purpose projects. For the year ended December 31, 2021 the District had two special purpose projects; the Canal Rehab project and the Water 2025 metering project. Grants from the Bureau of Reclamation together with funding from the District's M&O funds were deposited into these funds and only project related expenditures were paid from these funds.

**Notes to the Financial Statements** – The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement can be found on pages 16-28 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, over time as a useful indicator of a government's financial position. At December 31, 2021 assets exceeded liabilities by \$32,684,003

### Cameron County Irrigation District No.2 Statement of Net Position

	2021	2020	Change .
Current or other assets	\$ 5,803,348	\$ 6,421,938	\$ ( 618,590)
Capital assets, net	<u>27,459,596</u>	<u>27,675,294</u>	<u>( 215,698)</u>
Total assets	\$ 33,262,944	\$ 34,097,232	\$ ( 834,288)
Deferred outflows			
Pension	\$ 318,002	\$ 115,529	\$ 202,473
Liabilities			
Total liabilities	\$ 190,424	\$ 225,068	\$ ( 34,644)
Deferred inflows			
Pension	\$ 252,370	\$ 134,673	\$ 117,697
Unavailable revenue	<u>454,149</u>	<u>474,511</u>	<u>( 20,362)</u>
Total deferred inflows	\$ 706,519	\$ 609,184	\$ 97,335



Net position:			
Net investment in capital assets,	\$ 27,459,596	\$ 27,675,294	\$( 215,698)
Restricted	4,585,827	4,933,384	( 347,557)
Unrestricted	<u>638,580</u>	<u>769,831</u>	<u>( 131,251)</u>
Total net position	\$ 32,684,003	\$ 33,378,509	( 694,506)
Total liabilities, deferred inflows & net position	\$ 33,580,946	\$ 34,212,761	\$( 631,815)

Analysis of the District's Operations- The following table provides a summary of the District's operations for the year ended December 31, 2021

Cameron County Irrigation District No.2  
**Statement of Activities and changes in Net Position**  
**For the Year Ending December 31, 2021**

	2021	2020	Change
Income			
Flat rate assessment	\$ 825,378	\$ 845,793	\$( 20,415)
Operating revenues	1,384,057	1,866,236	( 482,179)
Sale of assets	66,324	91,405	( 25,081)
Interest income	67,757	80,638	( 12,881)
Intergovernmental	<u>204,920</u>	<u>513,851</u>	<u>( 308,931)</u>
Total Income	\$2,548,436	\$ 3,397,923	\$( 849,487)
Expenses:			
Irrigation Operating	<u>\$ 3,242,940</u>	<u>\$ 3,708,110</u>	<u>\$( 465,170)</u>
Total expenses	\$ 3,242,940	\$ 3,708,110	\$( 465,170)
Changes in net position	\$ ( 694,504)	\$( 310,187)	\$( 384,317)
Net position, January 01	\$33,378,509	\$ 33,688,696	
Net position, December 31	\$32,684,005	\$ 33,378,509	

Compared with the prior fiscal year, total income decreased by \$849,487.

Compared with the prior year, total expenses decreased by \$465,170.

## Capital Assets

### Analysis of changes in Capital Assets and Long-Term Debt

#### Capital Assets at Year-end

##### General Fund

	Beginning Balance	Additions	Deletions	Ending Balance
Land, Reservoirs & Right-of-Ways	\$ 978,385	\$	\$ 59,474	\$ 918,911
Buildings	772,697			772,697
Improvements	30,936,645	142,180		31,078,825
Auto and Trucks	471,734		39,113	432,621
Machinery and Equipment	2,587,947	2,339	113,516	2,476,770
Furniture and Fixtures	42,480	882		43,362
Construction in progress	1,979,450	425,541		2,404,991
	\$ 37,769,338	\$ 507,942	\$ 212,103	\$ 38,128,177
Less Accumulated depreciation	10,094,045	727,165	152,629	10,668,581
	\$ 27,675,293	\$( 156,223)	\$ 59,474	\$ 27,459,596

This year's major additions included:

Water Smart Canal repair project	425,541
Improvements and equipment	145,401

#### General Fund budgetary highlights

Revenues were \$ 589,877, under budget. Actual expenditures were under budget by \$264,414.

### The Budget and Economic Environment

The District will continue to apply for funding and grants to update and improve the efficiency of our canal system.

### Request for Information

The financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provide in this report or requests for additional financial information should be addressed to the District Manager. P.O. Box 687 San Benito, Texas 78586.

## **BASIC FINANCIAL STATEMENTS**

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**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**AS OF DECEMBER 31, 2021**

**ASSETS**

Cash & cash equivalents	\$ 3,589,452
Receivables:	
Flat rate taxes – net of uncollectible	507,844
Trade	55,193
Amounts receivable from federal agency	1,261,856
Notes receivable- portion due within one year	33,129
Prepaid expenses	95,682
Net pension asset	<u>121,665</u>
Total current assets	\$ 5,664,821
Notes receivable, less current portion included above	\$ 138,527
Capital assets:	
Land	\$ 918,911
Other capital assets	37,209,266
Accumulated depreciation	<u>( 10,668,581)</u>
Total capital assets	\$ 27,459,596
Total Assets	<u>\$ 33,262,944</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pension	\$ 318,002
Total assets and Deferred Outflows of resources	<u>\$ 33,580,946</u>

**LIABILITIES AND NET POSITION**

Accounts payable	\$ 11,874
Accrued expenses	45,436
Refundable deposits	<u>133,114</u>
Total Liabilities	<u>\$ 190,424</u>

**DEFERRED INFLOWS OF RESOURCES**

Unavailable revenue	\$ 454,149
Pension	<u>252,370</u>
Total deferred inflows of resources	\$ 706,519

Net position	
Net Investment in capital assets	\$ 27,459,596
Restricted	4,585,827
Unrestricted	<u>638,580</u>
Total net position	<u>\$ 32,684,003</u>

Total liabilities, Deferred inflows of resources and net position	<u>\$ 33,580,946</u>
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See accompanying notes to the financial statements.

**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Function/ Program</u>	<u>Expenses</u>	<u>Program revenues</u> <u>Operating,</u> <u>Grant and</u> <u>contributions</u>	<u>Net expenses</u> <u>revenues</u> <u>and changes</u> <u>in net position</u> <u>Governmental</u> <u>Activities</u>
Governmental activities:			
Irrigation distribution	\$ 3,242,940	\$ 1,588,977	\$ ( 1,653,963)
Total governmental activities	<u>\$ 3,242,940</u>	<u>\$ 1,588,977</u>	<u>\$ ( 1,653,963)</u>
General revenues:			
Flat rate taxes			\$ 825,378
Interest income			67,757
Sale of assets			<u>66,324</u>
Total general revenues			<u>\$ 959,459</u>
Change in net position			<u>\$ ( 694,504)</u>
Net position, beginning			<u>33,378,509</u>
Net position, ending			<u>\$ 32,684,005</u>

See accompanying notes to the financial statements



**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**GOVERNMENTAL FUND BALANCE SHEET**  
**For the Year Ended December 31, 2021**

	General Fund	Special Revenue Rehabilitation Project	Eliminations	Total Governmental Funds Totals
<b>Assets:</b>				
Cash and cash Equivalents	\$ 265,481	\$ 3,323,971	\$	\$ 3,589,452
Receivables:				
Flat rate taxes – net of uncollectible	507,844			507,844
Trade	55,193			55,193
Receivable due from federal agency		1,261,856		1,261,856
Notes receivable	171,656			171,656
Prepaid expenses	95,682			95,682
<b>Total Assets</b>	<u>\$ 1,095,856</u>	<u>\$ 4,585,827</u>	<u>\$</u>	<u>\$ 5,681,683</u>

**LIABILITIES AND FUND EQUITY**

<b>Liabilities</b>				
Accounts payable	\$ 11,874	\$	\$	\$ 11,874
Accrued expenses	45,436			45,436
Refundable deposits	133,114			133,114
<b>Total Liabilities</b>	<u>\$ 190,424</u>	<u>\$</u>	<u>\$</u>	<u>\$ 190,424</u>

**DEFERRED INFLOWS OF RESOURCES**

Unavailable revenues	\$ 454,149	\$	\$	\$ 454,149
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**Fund Equity**

<b>Fund balances</b>				
Nonspendable	\$ 95,682	\$	\$	\$ 95,682
Restricted		4,585,827		4,585,827
Unassigned	355,601			355,601
<b>Total Fund Equity</b>	<u>\$ 451,283</u>	<u>\$ 4,585,827</u>	<u>\$</u>	<u>\$ 5,037,110</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Fund Equity	\$ 5,037,110
Net pension asset	121,665
Deferred outflows pension	318,002
Deferred inflows pension	( 252,370)
Sub-total	\$ 5,224,407
Capital assets used in governmental activities are not financial resources and are therefore not reported	
Capital assets	38,128,177
Accumulated depreciation	( 10,668,581)
Net position, December 31, 2021	<u>\$ 32,684,003</u>

See accompanying notes to the financial statement



**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES- ALL GOVERNMENTAL TYPES**  
**For the Year Ended December 31, 2020**

	<u>General Fund</u>	<u>Special Revenue Rehabilitaion Project</u>	<u>Total Governmental Funds</u>
Revenues			
Water sales wholesale users	\$ 1,273,795	\$	\$ 1,273,795
Flat rate assessment	825,378		825,378
Service revenue	169,736		169,736
Intergovernmental receipts		204,920	204,920
Interest income	51,914	15,843	67,757
Total revenues	<u>\$ 2,320,823</u>	<u>\$ 220,763</u>	<u>\$ 2,541,586</u>
Expenditure:			
Payroll	\$ 1,099,586		\$ 1,099,586
Payroll expenses	300,223		300,223
Legal and Audit fee	25,971		25,971
Water assessment fees	54,811		54,811
Gasoline and oil	107,242		107,242
Utilities	229,581		229,581
Insurance	84,509		84,509
Office expenses	43,450		43,450
Other fees	4,754		4,754
Repairs and maintenance	586,705		586,705
Capital outlay	145,401	425,541	570,942
Bad debts	4,053		4,053
Total expenditures	<u>\$ 2,686,286</u>	<u>\$ 425,541</u>	<u>\$ 3,111,827</u>
Excess of expenditures over (under) revenues	\$( 365,463)	\$( 204,778)	\$( 570,241)
Other financing sources (uses)			
Proceeds from sale of assets	\$ 66,324		\$ 66,324
Interfund transfer	142,778	( 142,778)	0
Total other financing sources (uses)	<u>\$ 209,102</u>	<u>\$( 142,778)</u>	<u>\$ 66,324</u>
Net changes in fund balances- total government	\$( 156,361)	\$( 347,556)	\$( 503,917)
Fund balance, beginning of year	607,644	4,933,384	5,541,028
Fund balance, end of year	<u>\$ 451,283</u>	<u>\$ 4,585,828</u>	<u>\$ 5,037,111</u>

See accompanying notes to the financial statement

**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2021**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Changes in Fund Balances – total governmental funds	\$( 503,917)
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Governmental funds report capital outlays as expenditures. In the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	570,942
Depreciation	( 727,165)

Governmental funds report pension contributions subsequent to the measurement date as expenditures. In the statement of activities the cost of these pension contributions are a deferred outflow and a pension expense is reported for the year

Pension contributions	83,212
Pension expense	( 58,102)

Recognition of the basis of assets sold decreases net position	<u>( 59,474)</u>
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Change in net position of governmental activities	<u><u>\$( 694,504)</u></u>
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See accompanying notes to the financial statements.

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## **NOTES TO THE FINANCIAL STATEMENTS**

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**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Cameron County Irrigation District No. 2 have been prepared in conformity with generally accepted accounting principles (GASB) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following represents the significant accounting policies and practices used by the District.

**1. The Reporting Entity**

Cameron County Irrigation District No. 2 was created by order of the Cameron County Commissioners Court as a water control and improvement district on June 26, 1916 under the provisions of Chapter 51, Texas Water Code. The date of sale regarding the District's first bond issue was April 19, 1917. During 1981, the District was converted into an irrigation district under the provisions of Chapter 58, Texas Water Code, and under the Article XVI, Section 59 of the Texas Constitution. The District is under the authority of the Texas Commission on Environmental Quality and is operated under and governed by Chapter 59 of the Texas Water Code. The District's primary operation is to provide irrigation water to an area of approximately 150,000 acres in Cameron County. The District obtains water from the Rio Grande River under the rights granted by the State of Texas permitting use of up to 1,759,780 acre-feet annually. On May 04, 1991, a consolidation agreement was authorized by popular election, whereby Cameron County Irrigation District No. 13 was consolidated into Cameron County Irrigation District No. 2 effective June 30, 1991. On May 4, 2019, a consolidation agreement was authorized by popular election, whereby Cameron County Irrigation District No. 16 was consolidated into Cameron County Irrigation District No. 2 effective June 30, 2019.

As required by generally accepted accounting principles, these financial statements present the District and its component units, entities for which the District is considered to be financially accountable. There are no component units included.

The government-wide financial statements consist of the statements of net position and the statement of activities. The governmental fund financial statements consist of the balance sheet and the statement of revenues, expenditures and changes in fund balances. These statements report information on all the activities of the reporting entity with the exception of fiduciary activity. Generally, the effect of inter-fund activity has been eliminated from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges.

**2. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*, consistent with the presentation of the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, without regard to the timing of the related cash flows.



**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to claims and judgments are recorded only when payment is due.

**3. Budgetary Policy**

The District's budget is generated using the modified accrual basis of accounting. The budget was not amended during the year.

**4. Uses of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**5. Cash and Cash Equivalents**

The District defines cash equivalents as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition. For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit and other highly liquid interest bearing deposit accounts with maturities of three months or less.

**6. Investments**

The District is authorized to invest in 1) U.S. Treasury obligations and government agency securities of the United States of America, its agencies and instrumentalities, provided the payment of the principle and interest are fully guaranteed by the insured, 2) certificates of deposit and other evidence of deposits from credit unions, banks, savings banks, trust companies or savings and loan associations that are fully guaranteed; 3) direct obligations of the State of Texas; 4) local government investment pools of potential subdivisions in the State of Texas which invest in instruments and follow practices allowed by the Public Funds Investment Act, and 5) obligations of states, agencies, counties, cities, and other potential subdivisions of any state rated not less than A or its equivalent in investment quality. The investments are carried at fair value. Short-term investments are reported at cost including accrued interest, which approximates fair value. The District is required by Government code Chapter 2256, the Public Funds Investment Act, to adopt, implement, and publicize an investment policy, that policy must address the following areas: (1) safety of principle and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments.



**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**7. Receivables**

Flat rate assessments are levied on October 01 and are payable January 01. Unpaid amounts become delinquent on December 01. District flat rate assessments are recognized to the extent that they result in current receivables. Delinquent flat rate assessments have been reported in the financial statements at original assessed amount. An allowance for uncollectible assessments has been established based upon historical results and a review of amounts due at year end.

Trade receivables represent amounts due from regular customers for normal sales of water.

Note receivable – portion due within one year

The sum of amounts currently receivable other than from customers. For classified balance sheets, represents the current amount receivable, that is amounts expected to be collected within one year or the normal operating cycle, if longer. The portion of notes receivable expected to be receivable outside of one year are reflected as Notes receivable, less current portion.

Amounts due from federal agency represent amounts due from grantor agency to reimburse for the federal share of expenditures paid by District upfront. District makes fund request on a quarterly basis. Although amounts due represent old outstanding receivables the District feels that they will eventually receive the amounts.

**8. Restricted Net Position**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position first.

**9. Capital Assets**

Capital assets, which include property, plant, equipment, and prospective reporting of infrastructure assets (e.g., channel, bulkheads) are reported in the applicable government type activity on the statement of net position. The District has elected to report infrastructure retroactively. Major infrastructure assets that were acquired or purchased in years ending after June 30, 1980 are to be capitalized. All purchased capital assets valued at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	30 years
Improvements	40 years
Machinery and equipment	7-15 years
Vehicles	5 years
Furniture and fixture	5-10 years

**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**10. Prepaid Expenses**

Prepaid asset are assets that arises on a balance sheet as a result of the District making payments for goods and services to be received in the near future. While prepaid expenses are initially recorded as assets, their value is expensed over time as the benefit is received onto the income statement, because unlike conventional expenses, the District will receive something of value in the near future.

**11. Compensated Absences**

Vested or accumulated sick leave is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In accordance with the provisions of Governmental Accounting Standards Board No. 16, Accounting for Compensated Absences, no liability is recorded for non vesting accumulating rights to receive vacation pay benefits. These financial statements reflect no accrual of compensated absences as the amount is immaterial.

**12. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has only pension amounts that qualifies for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has only pension amounts and the governmental fund report unavailable revenues for flat rate assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**13. Fund Equity**

- ***Nonspendable*** fund balance includes amounts that are not in a spendable form (prepaid expenses, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- ***Restricted*** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.



**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

- **Committed** fund balance includes amount that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**14. Interfund Transactions**

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

**15. Subsequent Events**

Management has evaluated subsequent events through March 30, 2023, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

**16. Refundable deposits**

Prepayment of water sales are recorded as refundable deposits until the time that the water is delivered to the customers. Many times especially after a heavy rainfall, the customers will cancel their water deliveries and their deposits are refunded.

**NOTE B - RECONCILIATION OF GOVERNMENT – WIDE AND FUND FINANCIAL STATEMENTS**

**a. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

The governmental fund balance sheet includes reconciliation between fund balance for total governmental funds and net position reported in the government-wide statement of net position. One element of that reconciliation explains that "Governmental funds do not report assets that have been capitalized.

**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 20201**

**Note B-RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS** Continued.

However, in the statement of net position capital assets are reported net of accumulated depreciation". The detail of the \$27,459,596 difference are as follows:

Land, Reservoirs & Right of Ways	\$ 918,911
Buildings and Improvements	31,851,522
Equipment and machinery	2,909,391
Furniture and fixtures	43,362
Construction in progress	2,404,991
Less : accumulated depreciation	<u>(10,668,581)</u>
	\$ 27,459,596

**b. Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balance and the Government-wide Statement of Activities**

The government fund statement of revenue, expenditures and changes in fund balances includes reconciliation between *net changes in fund balances- total governmental fund and changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reports as depreciations expense. "The details of this \$443,020 difference are as follows:

Capital outlay	\$ 570,942
Depreciation	<u>( 727,165)</u>
Net adjustment to increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> .	\$( <u>156,223</u> )

**NOTE C-STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**1. Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. As the District's budget is not an "appropriated budget," it does not use encumbrances in its accounting or reporting function. Budgetary integration is employed as a management control device during the year. The budget was not amended during the year.

The Board of Directors approve the budget. The District Manager is authorized to transfer budget amounts between categories, but any revisions that alter appropriations must be approved by the Board, expenditures may not legally exceed budgeted appropriations at the fund level.

**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE D- DEPOSITS AND INVESTMENTS:**

At year end, the carrying amount of cash and investment accounts was \$3,589,453 and the balances were fully covered by federal depository insurance and pledged securities.

Cash as of December 31, 2021 are as follows:

Cash	\$ 1,108,276
Certificate of deposits	<u>2,481,177</u>
	\$ 3,589,453

***Interest Rate Risk***

The investment policy states that although certain operating and reserve funds shall be invested with a maturity not exceeding nine months to two years.

***Credit Risk***

The District's investment policy limits authorized investments to short term securities and certificate of deposits to allow the District to remain fluid.

***Concentration of Credit Risk***

The investment policy is silent in the concentration of holding in the various types of securities and investments.

***Custodial Credit Risk***

The District's funds are secured by the depository's pledged securities. The District's cash is collateralized by FDIC and pledged securities with values of \$3,520,429.

	Amounts per <u>Books</u>	Amounts per <u>bank stmts</u>
Cash in bank- General fund	\$ 264,431	\$ 275,379
Cash in bank- Special revenue fund	842,795	842,795
Certificated of Deposits	<u>2,481,177</u>	<u>2,481,176</u>
	\$ 3,588,403	\$ 3,599,350

**NOTE E- UNAVAILABLE REVENUE**

Unavailable revenue in the amount of \$454,149 at December 31, 2021, respectively, pertains to collections on the subsequent year's flat rate assessments, collected during 2021.



**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE F – RISK MANAGEMENT**

Cameron County Irrigation District No. 2 is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, natural disasters, health and dental benefits to employees, and employee accidents and injuries for which the District carries commercial insurance. The District is not aware of any pending or alleged claims that could exceed the policy limits of the present insurance coverage.

**NOTE G – EMPLOYEE RETIREMENT SYSTEM**

**Plan Description**

Cameron County Irrigation District No. 2, provided retirement, disability, and death benefits for all its full-time employees through a nontraditional defined pension plan in the statewide Texas County and District Retirement System (TCDRS). The board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 741 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the board of Directors for Cameron County Irrigation District No. 2 within the options available in the Texas state statutes governing TCDRS. Members can retire at ages 60 and above with 10 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equal 80 or more. 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 governing body of the employer within the actuarial constraints imposed by the TCDRS Act as that the resulting benefits that can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity purchase rates prescribed by the TCDRS Act.

**Funding Policy**

The employer has chosen a fixed plan under the provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the regular 7.0% contribution rate of the employer is a fixed percent equal to the 7% contribution rate payable by the employee members as adopted by the governing board of the employer. This regular contribution rate of the employer is not actuarially determined and is one of the rates that can be adopted in accordance with the TCDRS Act. However, the plan of benefits adopted by the employer at the time of the plan inception or when benefit increases were adopted was limited by the TCDRS Act. To what the actuary determined could be adequately financed by the commitment of the employer to contribute the same amount as the employees. The employee contribution rate and the employer contribution rate may be changed by governing body of the employer within the option available in the TCDRS Act.

If a plan has had adverse experience, the TCDRS Act has provision which allow the employer to contribute a fixed supplemental contribution rate determined by the System's actuary above the regular rate for 25 years or to reduce benefits earned in the future.

**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE G-EMPLOYEE RETIREMENT SYSTEM-Continued**

**Annual Pension Cost**

For the employer's accounting year ending December 31, 2021 the annual pension cost for the TCDRS plan for its employees was \$58,102 and the actual contributions were \$83,212. While the actual contributions were not actuarially determined but were a fixed percent of the covered payroll of the participating employees, the annual required contributions were in compliance with the GASB Statement No. 68 parameters based on the actuarial valuation as of December 31, 2020, the basis for assessing the adequacy of the financial arrangement beginning with the contribution rate for the calendar year. The December 31, 2020 actuarial valuation is the most recent valuation.

Net Pension Liability / (Asset)	Net Pension Liability / (Asset)	
	<u>December 31, 2019</u>	<u>December 31, 2020</u>
Total pension liability	5,332,341	5,863,179
Fiduciary net position	5,513,672	5,984,844
Net pension liability / (asset)	( 181,331)	( 121,665)
Fiduciary net position as % of total pension liability	103.40%	102.08%
Pensionable covered payroll	1,349,166	1,292,734
Not pension liability as a % of covered payroll	( 13.44%)	( 9.41%)

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

Discount rate		
Discount rate	8.10%	7.60%
Long-term expected rate of return, net of investment expe	8.10%	7.60%
Municipal bond rate	Does not apply	Does not apply

**Other Key Actuarial Assumptions**

Updated mortality assumptions were adopted in 2015. All other actuarial assumptions that determined the total pension liability as of December 31, 2015 were based on the results of an actuarial experience study for the period January 1, 2013-December 31, 2015, except where required to be different by GASB 68.

	<u>Beginning Date</u>	<u>Ending Date</u>
Measurement Date	December 31, 2019	December 31, 2020
Valuation Date	December 31, 2019	December 31, 2020
Expected Return on Investments	7.50% net of administrative and investment expenses, including inflation	
Actuarial Cost Method	Entry Age	
Asset Valuation Method		
Smoothing period	5 years	
Recognition method	Smoothed Market	
Inflation	2.50%	
Salary increases	Varies by age and service. 4.6% average over career, including inflation.	



**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE G-EMPLOYEE RETIREMENT SYSTEM-Continued**

Changes in Net Pension Liability/ (Asset)

Changes in net Pension Liability / (Asset)	Total pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a)- (b)
Balances as of December 31, 2019	\$ 5,332,341	\$ 5,513,672	\$( 181,331)
Changes for the year:			
Service cost	122,500		122,500
Interest on total pension Liability	431,014		431,014
Effect of plan changes	0		0
Effect of economic/demographic gains or losses (	58,672)		( 58,672)
Effect of assumptions changes or inputs	308,673		308,673
Refund of contributions	( 61,447)	( 61,447)	0
Benefit payments	( 211,229)	( 211,229)	0
Administrative expenses	0	( 4,379)	4,379
Member contributions	0	90,491	( 90,491)
Net investment income	0	569,412	( 569,412)
Employer contributions	0	90,491	( 90,491)
Other	0	( 2,167)	2,167
Balances as of December 31, 2020	\$ 5,863,179	\$ 5,984,844	\$( 121,665)

**Sensitivity Analysis**

This following presents the net pension liability of the employer, calculated using the discount rate of 8.10%, as well as what the Cameron County Irrigation District #2 net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	6,598,343	5,863,179	5,238,773
Fiduciary net position	5,984,844	5,984,844	5,984,844
Net pension liability / (assets)	613,499	( 121,665)	( 746,071)

**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE G- EMPLOYEE RETIREMENT SYSTEM- Continued**

Pension Expense / (Income)	January 1, 2020 to December 31, 2020
Pension Expense/ (Income)	
Service cost	\$ 122,500
Interest on total pension liability	431,014
Effect of plan changes	0
Administrative expenses	4,379
Member contributions	( 90,491)
Expected investment return net of investment expenses	( 442,706)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	( 21,132)
Recognition of assumption changes or inputs	112,014
Recognition of investment gains or losses	( 59,642)
Other	2,167
Pension expense (Income)	\$ 58,102

As of December 31, 2020, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 50,633	\$ 19,887
Changes in assumptions	0	214,903
Net difference between projected and actual earnings	201,737	0
Contributions made subsequent to measurement date	N/A	83,212

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follow:

Year ended December 31	
2021	\$ 26,483
2022	86,539
2023	( 105,260)
2024	( 25,342)
2025	0
Thereafter	0

**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE H- FLAT RATE ASSESSMENTS RECEIVABLE**

Flat rate taxes recivable at December 31, are as follows:

	<u>2021</u>
Flat rate	\$ 592,399
Less allowance for uncollectible	<u>( 84,554)</u>
Net total receivable	\$ 507,845

Taxes are levied on October 01 and are payable January 01. Unpaid amounts become delinquent on December 01.

**NOTE I NOTES RECEIVABLE**

The District's Notes Receivable at December 31, 2020, is comprise of the following

	<u>Balances at Beginning of the year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances at end of the year</u>
Note receivable City of San Benito 4.0% Note, \$39,995.49 due each Sept 20 Through 2025. Secured by the related Property	\$ 203,511		\$ 31,855	\$ 171,656

The annaual note receivable requirements to maturity are as follows:

Year ended December 31,	<u>Notes receivable San Benito</u>
2022	33,129
2023	34,454
2024	35,833
2025	37,266
2026	30,974
Thereafter	<u>0</u>
Total Note receivables due	171,656
Less current portion	<u>33,129</u>
	138,527

**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 20201**

**NOTE J CAPITAL ASSETS**

The following schedule shows the changes in the various asset types during the year:

	Beginning Balance	Additions	Deletions	Ending Balance
Land, Reservoirs & Right- of-Way	\$ 978,385	\$	\$ 59,474	\$ 918,911
Buildings	772,697			772,697
Improvements	30,936,645			31,078,825
Auto and trucks	471,734	142,180	39,113	432,621
Machinery and Equipment	2,587,947	2,339	113,516	2,476,770
Furniture and Fixtures	42,480	882		43,362
Construction in progress	1,979,450	425,541		2,404,991
	<u>\$ 37,769,338</u>	<u>\$ 570,942</u>	<u>\$ 212,103</u>	<u>\$ 38,128,177</u>
Less Accumulated depreciation	10,094,045	727,165	152,629	10,668,581
	<u>\$ 27,675,293</u>	<u>\$ ( 156,223)</u>	<u>\$ 59,474</u>	<u>\$ 27,459,596</u>

**NOTE K – SALE OF ASSETS**

The District sold some land and equipment. The total proceeds from the sale of assets totaled \$ 66,324.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2021**

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Water sales	\$ 1,661,000	\$ 1,273,795	\$( 387,205)
Flat rate assessment	872,000	825,378	( 46,622)
Service revenue	376,700	169,736	( 206,964)
Interest income	1,000	51,914	50,914
Total revenues	<u>\$ 2,910,700</u>	<u>\$ 2,320,823</u>	<u>\$( 589,877)</u>
Expenditures:			
Payroll	\$ 1,196,100	\$ 1,099,586	\$ 96,514
Payroll expenses	362,200	300,223	61,977
Legal and audit fee	17,000	25,971	( 8,971)
Water assessment fees	53,000	54,811	( 1,811)
Gasoline and oil	114,000	107,242	6,758
Utilities	327,000	229,581	97,419
Insurance	47,000	84,509	( 37,509)
Office expenses	61,800	43,450	18,350
Other fees	8,500	4,754	3,746
Repairs and maintenance	598,100	586,705	11,395
Capital outlay	166,000	145,401	20,599
Bad debits		4,053	( 4,053)
Total expenditures	<u>\$ 2,950,700</u>	<u>\$ 2,686,286</u>	<u>\$ 264,414</u>
Excess of revenues over (under) expenditures	<u>\$( 40,000)</u>	<u>\$( 365,463)</u>	<u>\$( 325,463)</u>
Other financing sources/(uses)			
Interfund transfers		\$ 142,778	\$ 142,778
Proceeds from sale of property	<u>\$ 40,000</u>	<u>66,324</u>	<u>26,324</u>
Total other financing sources (uses)	<u>\$ 40,000</u>	<u>\$ 209,102</u>	<u>\$ 169,102</u>
Excess of revenues and other Sources over (under) expenditures	\$	\$( 156,361)	\$( 156,361)
Beginning fund balance	607,644	607,644	.
Ending fund balance	<u>\$ 607,644</u>	<u>\$ 451,283</u>	<u>\$( 156,361)</u>

**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**FINANCIAL STATEMENT INFORMATION RELATED TO THE**  
**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**

REQUIRED SUPPLEMENTAL INFORMATION

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a % covered Payroll
2011	\$63,066	\$63,066	\$ 0	\$1,165,725	5.4%
2012	80,774	80,774	0	1,399,902	5.8%
2013	70,479	70,479	0	1,215,153	5.8%
2014	73,059	73,059	0	1,227,876	6.0%
2015	77,692	77,692	0	1,255,126	6.2%
2016	72,427	72,427	0	1,189,277	6.1%
2017	65,936	65,936	0	1,253,531	5.3%
2018	61,271	61,271	0	1,279,145	4.8%
2019	56,935	94,442	( 37,507)	1,349,166	7.0%
2020	55,200	90,491	( 35,292)	1,292,734	7.0%

(1) Payroll is calculated based on contributions as reported to TCDRS.

(2) TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis.



**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**FINANCIAL STATEMENT INFORMATION RELATED TO THE**  
**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**

**REQUIRED SUPPLEMENTAL INFORMATION**

**Schedule of Deferred Inflows and Outflows of Resources**

	Original Amount	Date Established	Original Recognition Period	Amount Recognized for 12/31/2020	Balance of Deferred Inflows 12/31/2020	Balance of Deferred Outflows 12/31/2020
	\$ 126,706	12/31/2020	5	\$( 25,341)	\$ 101,365	\$ 0
	(399,603)	12/31/2019	5	( 79,921)	239,761	0
	492,629	12/31/2018	5	98,526	0	197,051
	(288,314)	12/31/2017	5	( 57,663)	57,662	0
Investment (gains) or losses	23,785	12/31/2016	5	4,757	0	0
	( 58,672)	12/31/2020	3	( 19,557)	39,115	0
	30,250	12/31/2019	4	7,563	0	15,124
Economic demographic (gains) or losses	11,906	12/31/2018	5	2,381	0	4,763
	( 57,594)	12/31/2017	5	( 11,519)	11,518	0
	308,673	12/31/2020	3	102,891		205,782
	0	12/31/2019	4	0	0	0
Assumption changes	0	12/31/2018	5	0	0	0
Or inputs	45,613	12/31/2017	5	9,123	0	9,121
Employer contributions made subsequent to measurement date		12/31/2021	1	83,212		83,212

**CAMERON COUNTY IRRIGATION DISTRICT NO. 2  
FINANCIAL STATEMENT INFORMATION RELATED TO THE  
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**

**REQUIRED SUPPLEMENTAL INFORMATION**

**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability / (Asset)				
Service cost	\$ 122,500	\$ 119,814	\$ 114,648	\$ 109,193
Interest on total pension liability	431,014	406,182	383,895	365,170
Effect of plan changes	0	0	0	0
Effect of assumption changes or inputs	308,673	0	0	45,613
Effect of economic/demographic (gains) or losses	( 58,672)	30,250	11,906	( 57,594)
Benefit payments/ refunds of contributions	( 272,676)	( 232,840)	( 247,784)	( 225,981)
Net changes in total pension liability / (asset)	\$ 530,839	\$ 323,406	\$ 262,664	\$ 236,401
Total pension liability/(asset), beginning	<u>5,332,341</u>	<u>5,008,935</u>	<u>4,746,271</u>	<u>4,509,870</u>
Total pension liability/(asset), ending (a)	<u>\$ 5,863,179</u>	<u>\$ 5,332,341</u>	<u>\$ 5,008,935</u>	<u>\$ 4,746,271</u>
Fiduciary Net Position				
Employer contributions	\$ 90,491	\$ 94,442	\$ 61,271	\$ 65,936
Member contributions	90,491	94,442	89,540	87,747
Investment income net of investment expenses	569,412	784,671	( 93,764)	642,406
Benefit payments/refunds of contributions	( 272,676)	( 232,840)	( 247,784)	( 225,981)
Administrative expenses	( 4,379)	( 4,202)	( 3,838)	( 3,308)
Other	( 2,167)	( 737)	( 2,389)	( 1,000)
Net change in fiduciary net position	\$ 471,172	\$ 735,775	\$( 196,963)	\$ 565,800
Fiduciary net position, beginning	<u>5,513,672</u>	<u>4,777,897</u>	<u>4,974,860</u>	<u>4,409,061</u>
Fiduciary net position, ending (b)	<u>\$ 5,984,844</u>	<u>\$ 5,513,672</u>	<u>\$ 4,777,897</u>	<u>\$ 4,974,860</u>
Net pension liability/(asset), ending = (a) – (b)	<u>\$( 121,665)</u>	<u>\$( 181,331)</u>	<u>\$ 231,038</u>	<u>\$( 228,589)</u>
Fiduciary net position as a % of total pension liability	102.08%	103.40%	95.39%	104.82%
Pensionable covered payroll	\$ 1,292,734	\$ 1,349,166	\$ 1,279,145	\$ 1,253,531
Net pension liability as a % of covered payroll	-9.41%	-13.44%	18.06%	-18.24%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

**CAMERON COUNTY IRRIGATION DISTRICT NO. 2  
FINANCIAL STATEMENT INFORMATION RELATED TO THE  
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**

**REQUIRED SUPPLEMENTAL INFORMATION**

**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios**

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 122,680	\$ 120,682	\$ 116,160
352,672	335,719	314,578
0	( 23,555)	0
0	42,092	0
( 96,221)	( 15,840)	9,164
<u>( 319,952)</u>	<u>( 166,427)</u>	<u>( 213,073)</u>
\$ 59,179	\$ 292,671	\$ 226,829
<u>4,450,691</u>	<u>4,158,020</u>	<u>3,931,191</u>
<u>\$ 4,509,870</u>	<u>\$ 4,450,691</u>	<u>\$ 4,158,020</u>
\$ 72,427	\$ 77,692	\$ 73,059
83,249	87,859	85,951
314,863	47,110	275,153
( 319,952)	( 166,427)	( 213,073)
( 3,426)	( 3,046)	( 3,155)
<u>( 2,259)</u>	<u>8,353</u>	<u>4,700</u>
\$ 144,902	\$ 51,541	\$ 222,635
<u>4,264,159</u>	<u>4,212,618</u>	<u>3,989,984</u>
<u>\$ 4,409,061</u>	<u>\$ 4,264,159</u>	<u>\$ 4,212,619</u>
<u>\$ 100,809</u>	<u>\$ 186,532</u>	<u>\$ ( 54,599)</u>
97.76%	95.81%	101.31%
\$1,189,277	\$ 1,255,126	\$ 1,227,876
8.48%	14.86%	- 4.45%

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## **OTHER SCHEDULES**

**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**SCHEDULE OF CASH AND TEMPORARY INVESTMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u>
Cash	
Petty cash	\$ 1,050
Checking Accounts	<u>1,107,226</u>
Total cash	<u>\$1,108,276</u>
Temporary investments	
Certificates of deposit	<u>\$2,481,177</u>
Total temporary investment	<u>\$ 2,481,177</u>
Total cash and temporary investment	<u>\$ 3,589,453</u>

**CAMERON COUNTY IRRIGATION DISTRICT NO. 2**  
**SCHEDULE OF FLAT RATE TAXES RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 20201**

Flat rate tax receivable at beginning of year	\$ 579,103
2021 tax levy	<u>847,364</u>
Total to be accounted for	\$ 1,426,467
Less collections and adjustments	
Current year adjustments	17,770
Current year collections	<u>( 851,838)</u>
Flat rate receivable at end of year	\$ 592,399
Flat rate receivable by years	
2021	\$ 71,715
2020	60,003
2019	46,717
2018	40,741
2017	38,316
2016	34,313
2015	28,397
2014	26,407
2013	25,014
2012	22,999
2011	20,750
2010	18,978
2009	16,636
2008	13,791
2007	12,740
2006	11,905
2005	10,920
1985-2004	<u>92,057</u>
Totals	\$ 592,399

