



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants

UCRA

upper colorado river authority

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Financial Statements

For the Year Ended August 31, 2023

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UPPER COLORADO RIVER AUTHORITY

Financial Statements

For the Year Ended August 31, 2023

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Board of Directors
Upper Colorado River Authority
San Angelo, Texas

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of the governmental activities and major fund of Upper Colorado River Authority (the Authority) as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Upper Colorado River Authority as of August 31, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibility for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for the 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one for resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the Table of Contents, 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 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.



Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the Upper Colorado River Authority's basic financial statements. The other supplementary information and the required Texas supplementary information listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and the required Texas supplementary information 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 subject to the auditing procedures applied in the audit of the basic financial statements and certain additional 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 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.

San Angelo, Texas
November 15, 2023

Armstrong, Backus & Co., L.L.P.



UPPER COLORADO RIVER AUTHORITY

Management's Discussion and Analysis

As management of the Upper Colorado River Authority (the Authority), we offer readers this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended August 31, 2023. The Management's Discussion & Analysis (MD&A) should be read in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: 1) Statement of Net Position and Governmental Fund Balance Sheet, 2) Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Net Position, and 3) Notes to the Basic Financial Statements. Also included are Required Supplementary Schedules and Texas Supplementary Information. The government-wide and fund financial statements are combined in these financial statements for single-program government presentation. Authorities engaged in a single governmental program may combine their fund financial statements with their government-wide statements by using a columnar format that reconciles individual line items of fund financial data to the government-wide data in a separate column.

Government-Wide Financial Information

The government-wide portion of the financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to private sector business. They present the financial picture of the Authority from an *economic resources measurement focus* using the accrual basis of accounting. These statements include all assets of the Authority as well as all liabilities.

The *Statement of Net Position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position contrasted with budgetary decisions should serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year using the full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Fund Financial Information

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 Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has one fund, a general fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as balances on spendable resources available at the end of the fiscal year.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance/net position provide a reconciliation to facilitate the comparison between the governmental fund and governmental activities.

The Authority maintains one governmental fund, known as the General Fund, which accounts for the Authority’s operating activity and grant revenue and expenditures.

The Authority adopts an annual appropriated budget as a management control and for compliance with TCEQ requirements. The Board approves the budget before each new fiscal year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

During the current year, the Authority was involved in similar projects as the prior year.

Of the Authority’s total assets of \$3,863,785, the largest components are: (1) cash and investments of \$3,425,045 or 90%, (2) accounts and water sales receivable of \$158,861 or 3%, and (3) notes receivable of \$53,644 or 1%. Right of use and capital assets are non-liquid assets and cannot be utilized to satisfy current Authority obligations.

Governmental activities decreased the Authority’s net position by \$180,576 to result in an ending net position balance of \$3,588,396. The primary cause of this decrease in net position was due to a decrease in water sales as well as an increase in OC Fischer revenue and related expenses. Of the \$3,588,396 net position, \$212,903, or 6%, are funds invested in capital assets, net of related debt. The remaining \$3,375,493 is unrestricted.

Table 1 - Net Position

| | 2023 | 2022 |
|----------------------------------|---------------------|---------------------|
| Current and Other Assets | \$ 3,650,882 | \$ 3,737,003 |
| Capital Assets | 212,903 | 230,843 |
| Total Assets | <u>\$ 3,863,785</u> | <u>\$ 3,967,846</u> |
| Current Liabilities | \$ 71,677 | \$ 38,800 |
| Long-term Liabilities | 203,712 | 203,712 |
| Total Liabilities | <u>\$ 275,389</u> | <u>\$ 242,512</u> |
| Net Position: | | |
| Net Investment in Capital Assets | \$ 212,903 | \$ 230,843 |
| Unrestricted | 3,375,493 | 3,494,491 |
| Total Net Position | <u>\$ 3,588,396</u> | <u>\$ 3,725,334</u> |

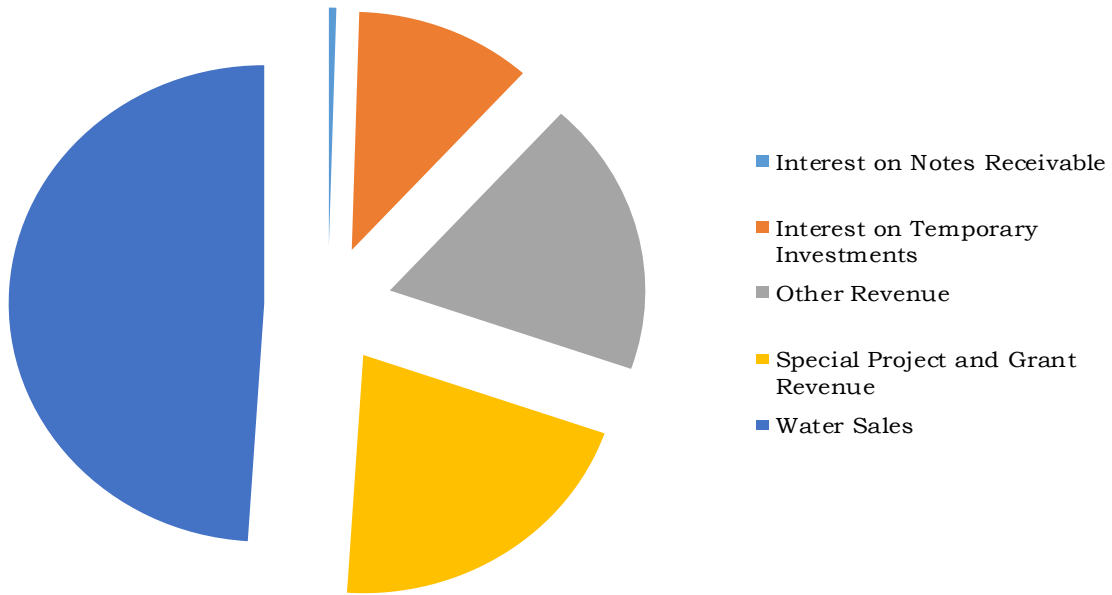
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Table 2 – Changes in Net Position

| | 2023 | 2022 |
|---|---------------------|---------------------|
| REVENUES | | |
| General: | | |
| Interest on Notes Receivable | \$ 3,772 | \$ 2,847 |
| Interest on Temporary Investments | 91,169 | 44,787 |
| Other Revenue | 151,470 | 98,757 |
| Program: | | |
| Special Project and Grant Revenue | 168,055 | 187,752 |
| Water Sales | 441,503 | 460,128 |
| Total Revenues | <u>\$ 855,969</u> | <u>\$ 794,271</u> |
| EXPENSES | | |
| Salaries, Benefits, and Payroll Taxes | \$ 331,940 | \$ 304,560 |
| Employee Allowances | 5,722 | 93 |
| Professional Fees | 27,762 | 20,655 |
| Director Fees | 11,117 | 13,676 |
| Office Supplies | 1,882 | 1,574 |
| Equipment Rental | 3,507 | 3,632 |
| Insurance | 4,821 | 4,788 |
| Repairs and Maintenance | 313 | 120 |
| Utilities | 6,448 | 6,662 |
| Special Project and Grant Expenses | 62,269 | 65,952 |
| Water Sales Expense | 351,663 | 346,817 |
| Office Rent | 17,427 | -0- |
| Dues and Subscriptions | 4,349 | 3,741 |
| O.C. Fisher Operations & Maintenance Fees | 144,922 | 100,894 |
| Interest | -0- | 10,859 |
| Other | 825 | 596 |
| Depreciation and Amortization | 17,940 | 10,342 |
| Total Expenses | <u>\$ 992,907</u> | <u>\$ 894,961</u> |
| Change in Net Position | (\$ 136,938) | (\$ 100,690) |
| Net Position: | | |
| Beginning of the Year | <u>\$ 3,725,334</u> | <u>\$ 3,803,627</u> |
| End of the Year | <u>\$ 3,588,396</u> | <u>\$ 3,725,334</u> |

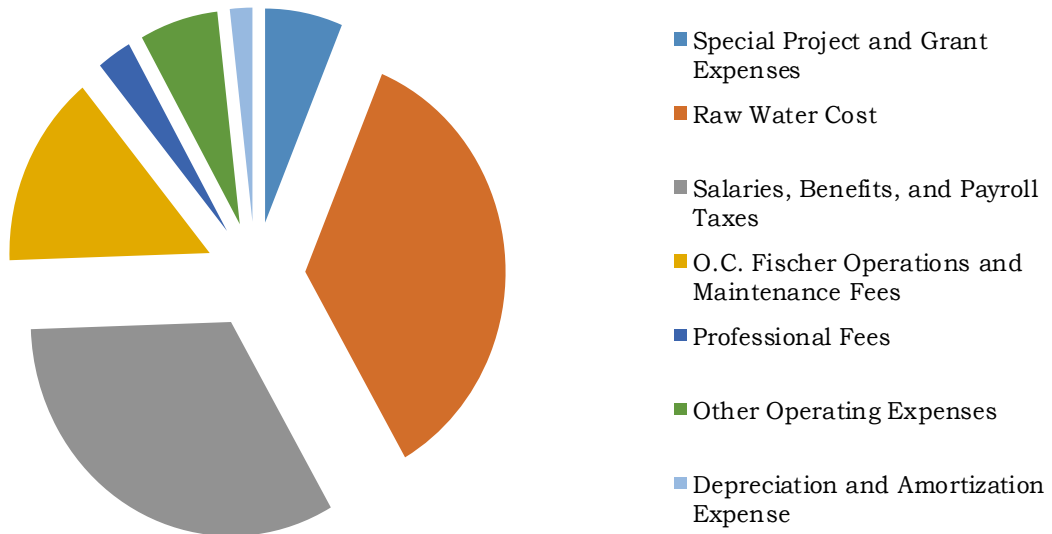
Revenues for the Upper Colorado River Authority are broken out in the following chart. Of the Authority's \$855,969 of total revenue, \$168,055 or 20% represents grant revenue and special project revenue. \$94,941 or 10% represents interest income from notes receivable and temporary investments (certificates of deposit). \$441,503 or 52% relates to water sales for the year, and the remaining \$151,470 or 18% relates to other contract sales.

Revenue by Source - Governmental Activities



Expenses for the Upper Colorado River Authority are broken out in the following chart. Of the Authority's \$992,907 total expenses, \$62,269 or 6% represents federal, state, or local special project and grant expenses, \$351,663 or 35% represents raw water cost, which is passed through to the jurisdiction, and \$561,035 or 57% represents operating expenses, including operating salaries, utilities, rent, directors' fees, and insurance (including salaries and indirect costs reimbursed by federal, state, or local agencies). The remaining \$17,940 or less than 2% represents current year depreciation and amortization on the Authority's \$1,241,493 of capital assets.

Expenses by Function - Governmental Activities



Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the combined government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Schedules* concerning the original and amended budgetary schedules. This report also presents *Texas Supplementary Information* concerning information requested by the Texas Commission on Environmental Quality (TCEQ).

Future Economic Factors and Next Year's Budget

The Authority approved a budget of expenses for the General Fund in August 2023 in the amount of \$1,212,681 for the fiscal year ending August 31, 2024, which is an increase of \$281,127 from the fiscal year ended August 31, 2023.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Upper Colorado River Authority, 512 Orient, San Angelo, Texas 76903.

BASIC FINANCIAL STATEMENTS

UPPER COLORADO RIVER AUTHORITY

Statement of Net Position and Governmental Fund Balance Sheet

As of August 31, 2023

| | General Fund | Total | Adjustments (Note 13) | Statement of Net Position | 2022 Memorandum Only |
|---|-------------------------|---------------------|----------------------------------|--------------------------------------|-------------------------------------|
| ASSETS | | | | | |
| Cash | \$ 50,457 | \$ 50,457 | \$ -0- | \$ 50,457 | \$ 36,872 |
| Certificates of Deposit | 3,374,588 | 3,374,588 | -0- | 3,374,588 | 3,448,269 |
| Accounts Receivable | 42,575 | 42,575 | -0- | 42,575 | 42,575 |
| Notes Receivable - Current | 14,337 | 14,337 | -0- | 14,337 | 13,654 |
| Water Revenue Receivable | 116,286 | 116,286 | -0- | 116,286 | 128,657 |
| Accrued Interest Receivable | 9,465 | 9,465 | -0- | 9,465 | 9,465 |
| Prepayments | 3,867 | 3,867 | -0- | 3,867 | 3,867 |
| Notes Receivable - Long-term | 39,307 | 39,307 | -0- | 39,307 | 53,644 |
| Capital Assets (Net of \$1,028,590 Accumulated Depreciation and Amortization) | -0- | -0- | 212,903 | 212,903 | 230,843 |
| Total Assets | <u>\$ 3,650,882</u> | <u>\$ 3,650,882</u> | <u>\$ 212,903</u> | <u>\$ 3,863,785</u> | <u>\$ 3,967,846</u> |
| LIABILITIES | | | | | |
| Accounts Payable | \$ 55,028 | \$ 55,028 | \$ -0- | \$ 55,028 | \$ 22,151 |
| Payroll Liabilities | -0- | -0- | 9,753 | 9,753 | 9,753 |
| Lease Liabilities - Current | -0- | -0- | 6,896 | 6,896 | 6,896 |
| Lease Liabilities - Long-term | -0- | -0- | 203,712 | 203,712 | 203,712 |
| Total Liabilities | <u>\$ 55,028</u> | <u>\$ 55,028</u> | <u>\$ 220,361</u> | <u>\$ 275,389</u> | <u>\$ 242,512</u> |
| FUND BALANCE/NET POSITION | | | | | |
| Fund Balance: | | | | | |
| Nonspendable: | | | | | |
| Notes Receivable (Long-term) | \$ 39,307 | \$ 39,307 | (\$ 39,307) | | |
| Prepayments | 3,867 | 3,867 | (3,867) | | |
| Unassigned | 3,552,680 | 3,552,680 | (3,552,680) | | |
| Total Fund Balance | <u>\$ 3,595,854</u> | <u>\$ 3,595,854</u> | <u>(\$ 3,595,854)</u> | | |
| Total Liabilities and Fund Balance | <u>\$ 3,650,882</u> | <u>\$ 3,650,882</u> | | | |
| Net Position: | | | | | |
| Net Investment in Capital Assets | | | \$ 212,903 | \$ 212,903 | \$ 230,843 |
| Unrestricted | | | 3,375,493 | 3,375,493 | 3,494,491 |
| Total Net Position | | | <u>\$ 3,588,396</u> | <u>\$ 3,588,396</u> | <u>\$ 3,725,334</u> |

The accompanying notes are an integral part of this statement.

UPPER COLORADO RIVER AUTHORITY

**Statement of Activities and Governmental Fund Revenues, Expenditures, and
Changes in Fund Balance/Net Position**

For the Year Ended August 31, 2023

| | General Fund | Total | Adjustments (Note 13) | Statement of Activities | 2022 Memorandum Only |
|---|-------------------------|---------------------|----------------------------------|------------------------------------|-------------------------------------|
| Revenues: | | | | | |
| General: | | | | | |
| Interest on Notes Receivable | \$ 3,772 | \$ 3,772 | \$ -0- | \$ 3,772 | \$ 2,847 |
| Interest on Temporary Investments | 91,169 | 91,169 | -0- | 91,169 | 44,787 |
| Other Revenue | 151,470 | 151,470 | -0- | 151,470 | 98,757 |
| Program: | | | | | |
| Special Project and Grant Revenue | 168,055 | 168,055 | -0- | 168,055 | 187,752 |
| Water Sales | 441,503 | 441,503 | -0- | 441,503 | 460,128 |
| Total Revenues | <u>\$ 855,969</u> | <u>\$ 855,969</u> | <u>\$ -0-</u> | <u>\$ 855,969</u> | <u>\$ 794,271</u> |
| Expenditures/expenses: | | | | | |
| Salaries, Benefits, and Payroll Taxes | \$ 331,940 | \$ 331,940 | \$ -0- | \$ 331,940 | \$ 304,560 |
| Employee Non-Project Travel | 5,722 | 5,722 | -0- | 5,722 | 93 |
| Professional Fees | 27,762 | 27,762 | -0- | 27,762 | 20,655 |
| Director Fees | 11,117 | 11,117 | -0- | 11,117 | 13,676 |
| Office Supplies | 1,882 | 1,882 | -0- | 1,882 | 1,574 |
| Equipment Rental | 3,507 | 3,507 | -0- | 3,507 | 3,632 |
| Insurance | 4,821 | 4,821 | -0- | 4,821 | 4,788 |
| Repairs and Maintenance | 313 | 313 | -0- | 313 | 120 |
| Utilities | 6,448 | 6,448 | -0- | 6,448 | 6,662 |
| Special Project and Grant Expenses | 62,269 | 62,269 | -0- | 62,269 | 65,952 |
| Water Sales Expense | 351,663 | 351,663 | -0- | 351,663 | 346,817 |
| Office Rent | 17,427 | 17,427 | -0- | 17,427 | -0- |
| Dues and Subscriptions | 4,349 | 4,349 | -0- | 4,349 | 3,741 |
| O.C. Fisher Operations & Maintenance Fees | 144,922 | 144,922 | -0- | 144,922 | 100,894 |
| Interest | -0- | -0- | -0- | -0- | 10,859 |
| Other | 825 | 825 | -0- | 825 | 596 |
| Depreciation and Amortization | -0- | -0- | 17,940 | 17,940 | 10,342 |
| Total Expenditures/Expenses | <u>\$ 974,967</u> | <u>\$ 974,967</u> | <u>\$ 17,940</u> | <u>\$ 992,907</u> | <u>\$ 894,961</u> |
| Excess/(Deficiency) of Revenues Over | | | | | |
| Expenditures | (\$ 118,998) | (\$ 118,998) | (\$ 17,940) | | |
| Change in Net Position | | | | (\$ 136,938) | (\$ 100,690) |
| Fund Balance/Net Position: | | | | | |
| Beginning of the Year | 3,714,852 | 3,714,852 | 10,482 | 3,725,334 | 3,826,024 |
| End of the Year | <u>\$ 3,595,854</u> | <u>\$ 3,595,854</u> | <u>(\$ 7,458)</u> | <u>\$ 3,588,396</u> | <u>\$ 3,725,334</u> |

The accompanying notes are an integral part of this statement.

UPPER COLORADO RIVER AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended August 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Upper Colorado River Authority (Authority) was created, organized, and exists under and pursuant to provisions of Chapter 126 of the Laws of the State of Texas, 44th Legislature, Regular Session, approved May 1, 1935, as amended. The Authority is designated as a conservation and water reclamation district for of Coke, Concho, Crockett, Glasscock, Irion, Menard, Mitchell, Nolan, Regan, Runnels, Schleicher, Sterling, Taylor, and Tom Green Counties. The Authority has a nine-member board of directors appointed by the Governor of the State of Texas to serve six-year terms, with three members' terms expiring every two years. As of August 31, 2023, there are nine active members. Appointment of the board members is subject to confirmation by the State Senate. Each director must be a resident of a county located in the Authority's territory. The governor shall attempt to achieve geographic representation throughout the Authority in appointment of directors. The Upper Colorado River Authority has contracted with the Lower Colorado River Authority to provide certain services for the implementation of the Texas Clean Rivers Act for the upper portion of the Colorado River basin and watershed. The Authority implements three EPA NPS grant programs and is a wholesale water supplier to nearby communities, rural housing developments and other retail water suppliers located near San Angelo.

The Authority's basic financial statements have been prepared in conformity with U.S. generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsections of this note.

Financial Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has used the following criteria. The financial statements of the Authority include the organizations that are controlled by or are dependent on the Authority. Control or dependency is determined on the basis of budget adoption, funding, and appointment of the respective governing board and oversight. Currently, there are no organizations controlled by or dependent on the Authority.

The Authority, for financial statement purposes, includes all of the funds relevant to the operations of the Upper Colorado River Authority. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Upper Colorado River Authority.

Government-Wide and Fund Financial Statements

The government-wide and fund financial statements include the statement of net position and governmental fund balance sheet and the statement of activities and governmental fund revenues, expenditures, and changes in fund balance/net position in a single-district format. This format allows the government-wide and fund-based activity to be presented on one statement in a columnar format with an adjustments column to reconcile the two presentations. The government-wide presentation reports information on all of the activities of the Authority.

UPPER COLORADO RIVER AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended August 31, 2023

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The *government-wide financial statements* are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

The *governmental fund level financial statements* are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Except for grants, measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. The grants policy includes recognition of all revenues where grant eligibility requirements have been met. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue. Expenditures are generally recorded when a fund liability is incurred.

The Authority maintains one individual governmental fund known as the General Fund, which accounts for the Authority's operating activity and grant revenue and expenditures.

Use of Estimates

Management of the Authority has made certain estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses to prepare these basic financial statements in conformity with generally accepted accounting principles. Actual results may differ from those estimates.

Budgetary Data

The Authority adopted its budget in August 2022 for the September 1, 2022 to August 31, 2023 fiscal year. The budget is adopted on the cash basis for the purposes of management control. Adjustments are made to the accrual basis reporting so that there is an accurate comparison to the cash basis budget. For the year ended August 31, 2023, salaries, benefits, and payroll taxes exceeded budgeted expenditures by \$1,576, office supplies exceeded budgeted expenditures by \$82, and repairs and maintenance exceeded budgeted expenditures by \$313. Additionally, special project and grant expenses exceeded budgeted expenditures by \$12,931, water sales expense exceeded budgeted expenditures by \$39,211, dues and subscriptions exceeded budgeted expenditures by \$304, and capital outlay/depreciation exceeded budgeted expenditures by \$7,706.

Cash and Cash Equivalents

For the purposes of financial reporting, cash and cash equivalents include all cash on hand, demand deposits, and short-term investments with original maturities of three months or less when acquired.

UPPER COLORADO RIVER AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended August 31, 2023

Accounts Receivable

Receivables are stated at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost. Where cost could not be determined from the available records, estimated historical costs were used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation of exhaustible fixed assets is charged as an expense against operations, and accumulated depreciation is reported on the balance sheet. Depreciation of the Robert Lee Reservoir and Facilities has been provided over the lives of the water contracts with the City of Robert Lee using the straight-line method of depreciation. Depreciation of the San Angelo Reservoir water rights has been provided over the life of the contract between the Authority and the U.S. Corps of Engineers using the straight-line method of depreciation. Depreciation of furniture and equipment has been provided over the useful lives using the straight-line method of depreciation. The service lives by type of asset are as follows:

| | |
|-------------------------------------|---------------|
| Robert Lee Reservoir and Facilities | 25 - 45 years |
| San Angelo Reservoir Water Rights | 50 years |
| Furniture and Equipment | 3 - 10 years |

Leases

Lease assets are amortized over the life of the associated contract.

NOTE 2: CASH AND CASH EQUIVALENTS

The Authority maintains interest-bearing cash accounts and certificates of deposit at financial institutions that are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of August 31, 2023, the cash accounts and certificates of deposit held by the Authority are fully covered by Federal Deposit Insurance Corporation coverage.

NOTE 3: INVESTMENTS

The Authority is authorized to invest in the following:

1. governmental securities obligations issued by the State of Texas' its agencies, or political subdivisions;
2. direct obligations of the United States of America, backed by the full faith and credit of the U.S. Government; or
3. any other obligations or securities authorized to be collateral securing funds of the Authority under the laws of the State of Texas as approved by the Board of Directors.

The Authority's policy is to invest its funds in National and State Banking Associations or Savings and Loan Associations located within the State of Texas or in U.S. Treasury bills. The Authority's investing activities during the current year consisted of certificates of deposit with

UPPER COLORADO RIVER AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended August 31, 2023

its approved depository banks. These certificates of deposit are insured as explained in Note 2 above. At various times during the year, these investments may exceed secured amounts.

NOTE 4: CAPITAL ASSETS

Current year changes in capital assets are summarized below:

| | Beginning Balance | Additions | Disposals | Ending Balance |
|---------------------------------------|----------------------|-------------|-----------|----------------|
| <u>Assets Being Depreciated:</u> | | | | |
| Robert Lee Reservoir and Facilities | \$ 48,698 | \$ -0- | \$ -0- | \$ 48,698 |
| San Angelo Reservoir Water Rights | 860,437 | -0- | -0- | 860,437 |
| Furniture and Equipment | 115,182 | -0- | -0- | 115,182 |
| Total Depreciable | \$ 1,024,317 | \$ -0- | \$ -0- | \$ 1,024,317 |
| <u>Less: Accumulated Depreciation</u> | | | | |
| Accumulated Depreciation | (\$ 1,000,308) | (\$ 17,940) | \$ -0- | (\$ 1,018,248) |
| Total Accumulated Depreciation | (\$ 1,000,308) | (\$ 17,940) | \$ -0- | (\$ 1,018,248) |
| Net Property, Plant, and Equipment | \$ 24,009 | (\$ 17,940) | \$ -0- | \$ 6,069 |
| <u>Lease Assets:</u> | | | | |
| Building | \$ 217,176 | \$ -0- | \$ -0- | \$ 217,176 |
| Total Amortizable | \$ 217,176 | \$ -0- | \$ -0- | \$ 217,176 |
| <u>Less: Accumulated Amortization</u> | | | | |
| Accumulated Amortization | (\$ 10,342) | \$ -0- | \$ -0- | (\$ 10,342) |
| Total Accumulated Amortization | (\$ 10,342) | \$ -0- | \$ -0- | (\$ 10,342) |
| Net Lease Assets | \$ 206,834 | \$ -0- | \$ -0- | \$ 206,834 |
| <u>Net Capital Assets</u> | \$ 230,843 | (\$ 17,940) | \$ -0- | \$ 212,903 |

NOTE 5: LONG-TERM NOTES RECEIVABLE

The Authority has financed the construction of water system facilities for various cities, water districts, and other water related projects within its boundaries. Prior to 1971, the Authority did not charge interest on any of its loans to these governmental entities. All loans made after 1970 carry an interest rate of 5% or 6%. A summary of these notes receivable are presented as follows:

| | |
|---|-----------|
| San Angelo Old Town Conservancy – 2002 Note, due in annual installments of \$17,427, including principal and interest at 5% through September 2027. | \$ 53,644 |
| Less: Current Portion of Long-term Notes Receivable | (14,337) |
| Total Long-term Notes Receivable | \$ 39,307 |

UPPER COLORADO RIVER AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended August 31, 2023

NOTE 6: RETIREMENT/PENSION PLANS

The Authority has adopted a Simple Benefit Plan that matches up to 3% of its eligible employees' gross pay. For the year ended August 31, 2023, contributions to the plan were \$7,063.

NOTE 7: ACCRUED COMPENSATED ABSENCES

Any Authority employee who has accrued a minimum of twelve months of continuous employment with the Authority and who terminates for any reason is entitled to be paid a portion of the accrued balance of the employee's annual leave as of the date of termination. This payment shall be computed by multiplying the employee's rate of compensation on the date of separation from the Authority by a portion of the total number of hours of the employee's accrued but unused vacation time, based on years of service as follows:

| <u>Years of UCRA Full-Time Employment</u> | <u>Maximum Hours to be Paid at Separation</u> |
|---|---|
| Less than 5 | 40 |
| At least 5 but less than 10 | 60 |
| At least 10 but less than 15 | 80 |
| At least 15 but less than 20 | 120 |
| At least 20 years or more | 160 |

As of August 31, 2023, the total accrued compensated absences were \$9,753. These benefits accrue as they are earned each pay period.

NOTE 8: LONG-TERM WATER CONTRACTS

The Authority has purchased the rights to all water above a certain elevation in the San Angelo Reservoir. Water rights from the San Angelo Reservoir are being furnished to the City of San Angelo under a contract which requires the City to make payments to the Authority equal to the total cost of these rights plus all costs incurred in obtaining them. The Authority collected the final payment from the City on this contract during 1980. The City now has exclusive use of the water rights; however, ownership of these rights remains with the Authority.

NOTE 9: WATER SUPPLY AGREEMENTS

The Authority maintains agreements with multiple entities. The agreements are detailed below:

The Upper Colorado River Authority maintains an agreement with the City of Miles to provide water from O.C. Fisher Reservoir or from the Ivie Reservoir pipeline in response to the City's need for an additional water supply source. The City shall pay for their usage as billed by the City of San Angelo plus a raw water cost of \$.597 per one thousand gallons.

The Authority maintains a water purchase contract with the Concho Rural Water Corporation (CRWC). This contract is referred to as "Red Creek." This agreement allows the Authority to acquire and deliver up to 100 acre-foot of water annually from O.C. Fisher Reservoir. The Authority agrees to sell treated water to CRWC at a rate of \$2.91 per one thousand gallons.

The Authority maintains an additional agreement with CRWC (unspecified) to provide CRWC water for resale. This agreement allows the Authority to acquire and deliver up to 100 acre-foot

UPPER COLORADO RIVER AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended August 31, 2023

of water annually from O.C. Fisher Reservoir. The Authority agrees to sell treated water to CRWC a rate of \$2.90 per one thousand gallons.

The Authority is to provide water to the Twin Buttes Water System, Inc. (TBWS) from O.C. Fisher Reservoir in response to TBWS's need for an additional water supply source. TBWS agrees to pay the Authority for a minimum 5 acre-foot of raw water per year at a rate of \$350 per acre-foot of water. As of May 1, 2019, the agreement was amended to increase the acre-foot to 20. At the option of TBWS, the Authority agrees to sell treated water to TBWS at an additional \$2.25 per one thousand gallons over and above the cost of raw water. The Authority's raw water price may be increased by an amount not to exceed 5% every 5th anniversary of the effective date.

The Authority is to provide water to Petra Firma for resale. This agreement allows the Authority to acquire water from resources within their jurisdiction. The Authority agrees to deliver up to 145 acre-feet of raw water per year to Petra Firma at a rate of \$367 per acre foot of water. At the option of Petra Firma, the Authority agrees to sell treated water to Petra Firma at an additional \$2.25 per one thousand gallons over and above the cost of raw water.

The Authority maintains a water purchase contract with the City of Paint Rock. This agreement allows the Authority to acquire and deliver up to 50 acre-foot of water annually from O.C. Fischer Reservoir. The Authority agrees to sell treated water to the City of Paint Rock each year, in advance, the sum of \$2,000, being \$40 per acre foot of water until June 13, 2028.

NOTE 10: MAJOR VENDORS

As of August 31, 2023, approximately 76% of the total purchases for the year was from two separate vendors. The amount owed to these vendors by the Authority as of August 31, 2023 was \$54,573.

NOTE 11: CONCENTRATIONS AND UNCERTAINTIES

As of August 31, 2023, approximately 81% of the Authority's revenue for the year was from Petra Firma, City of San Angelo O.C. Fischer, Concho Rural Water Corporation, and the Clean Rivers Program. The Authority applies for projects and grants on an annual basis. The Authority would realize a severe negative impact should the level of support and revenue be significantly reduced or discontinued.

NOTE 12: LEASES

The Upper Colorado River Authority entered into a long-term lease agreement with the San Angelo Old Town Conservancy for the office building located at 512 Orient with 25 annual payments of \$17,427, and the first payment due on September 1, 2002. The lease agreement runs concurrently with the note receivable from the San Angelo Old Town Conservancy). If either party is dissolved, the balance of the lease payments and the note receivable are due.

The total of the Authority's lease assets is recorded at cost of \$217,176, less accumulated amortization of \$10,342.

The future lease payments under this lease agreement are as follows:

UPPER COLORADO RIVER AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended August 31, 2023

| | Principal | Interest | Total |
|-------------|-------------------|-------------------|-------------------|
| 2024 | \$ 6,753 | \$ 10,674 | \$ 17,427 |
| 2025 | 7,098 | 10,328 | 17,426 |
| 2026 | 7,462 | 9,965 | 17,427 |
| 2027 | 7,843 | 9,583 | 17,426 |
| 2028 | 8,245 | 9,182 | 17,427 |
| 2029 – 2033 | 47,999 | 39,135 | 87,134 |
| 2034 – 2038 | 61,600 | 25,534 | 87,134 |
| 2039 – 2043 | 61,628 | 8,079 | 69,707 |
| | <u>\$ 208,628</u> | <u>\$ 122,480</u> | <u>\$ 331,108</u> |

NOTE 13: ADJUSTMENTS TO RECONCILE GOVERNMENT-WIDE FINANCIAL INFORMATION TO FUND FINANCIAL INFORMATION

The adjustments column of the financial statements reconciles the fund financial statements to the government-wide financial statements. Adjustments in this column represent increases or decreases in the Authority's accrued compensated absences. Accrued compensated absences are recognized as an expense when incurred on the government-wide financial statements, but not on the fund financial statements. Other adjustments represent purchases and depreciation of capital assets. Capital asset purchases are capitalized on the government-wide portion of the financial statements and expensed on the fund financial portion of the financial statements. Because capital asset purchases are expensed on the fund financial statements, depreciation expense is also not recognized annually.

NOTE 14: FUND BALANCE POLICIES

In the fund financial statements, the governmental fund reports fund balance into classifications that comprise a hierarchy based on the extent to which the Authority is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. The classifications of fund balance are Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable fund balances include amounts that cannot be spent because it is not in a spendable form, such as prepaid items and long-term receivables or because resources legally or contractually must remain intact.

Restricted fund balances are the portion of fund balance that have externally enforceable limitations on their usage through legislation or limitations imposed by creditors, grantors, laws, and regulations of other governments, or enabling legislation.

Committed fund balances are self-imposed limitations by the highest level of decision-making authority, namely, the Board of Directors prior to the end of the reporting period. Board of Director approval is required to commit resources or to rescind the commitment.

Assigned fund balances are limitations imposed by management based on the intended use of the funds. Assigned fund balances for the Authority are authorized by management. Modifications or rescissions of the constraints can also be removed by the same action that limited the funds.

UPPER COLORADO RIVER AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended August 31, 2023

Unassigned fund balances represent the residual net resources in excess of the other classifications. The General Fund is the only fund that can report a positive unassigned fund balance and any governmental fund can report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for specified expenditures, restricted resources are considered spent before unrestricted resources. Within unrestricted resources, committed would be considered spent first (if available), followed by assigned (if available), and then unassigned amounts.

NOTE 15: DATE OF MANAGEMENT'S REVIEW

The Authority has evaluated subsequent events through November 15, 2023, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

UPPER COLORADO RIVER AUTHORITY

Budgetary Comparison Schedule

For the Year Ended August 31, 2023

| | <u>Budget</u> | | <u>Actual</u> | <u>Variance</u> |
|--|---------------------|---------------------|---------------------|--|
| | <u>Original</u> | <u>Amended</u> | | <u>Favorable</u> <u>(Unfavorable)</u> |
| Revenues: | | | | |
| General: | | | | |
| Interest on Notes Receivable | \$ 3,090 | \$ 3,090 | \$ 3,772 | \$ 682 |
| Interest on Temporary Investments | 49,953 | 97,000 | 91,169 | (5,831) |
| Other Revenue | 98,677 | 144,105 | 151,470 | 7,365 |
| Program: | | | | |
| Special Project and Grant Revenue | 172,187 | 164,126 | 168,055 | 3,929 |
| Water Sales | 384,538 | 444,484 | 441,503 | (2,981) |
| Total Revenues | <u>\$ 708,445</u> | <u>\$ 852,805</u> | <u>\$ 855,969</u> | <u>\$ 3,164</u> |
| Expenditures/Expenses: | | | | |
| Salaries, Benefits, and Payroll Taxes | \$ 328,275 | \$ 330,364 | \$ 331,940 | (\$ 1,576) |
| Employee Non-Project Travel | 3,000 | 5,724 | 5,722 | 2 |
| Professional Fees | 20,000 | 27,763 | 27,762 | 1 |
| Director Fees | 17,000 | 11,221 | 11,117 | 104 |
| Office Supplies | 1,700 | 1,800 | 1,882 | (82) |
| Equipment Rental | 3,800 | 3,700 | 3,507 | 193 |
| Insurance | 4,800 | 4,855 | 4,821 | 34 |
| Repairs and Maintenance | -0- | -0- | 313 | (313) |
| Utilities | 7,000 | 6,500 | 6,448 | 52 |
| Special Project and Grant Expenses | 59,000 | 49,338 | 62,269 | (12,931) |
| Water Sales Expense | 270,332 | 312,452 | 351,663 | (39,211) |
| Office Rent | 17,427 | 17,427 | 17,427 | -0- |
| Dues and Subscriptions | 3,460 | 4,045 | 4,349 | (304) |
| O.C. Fisher Operations & Maintenance Fees | 100,823 | 144,922 | 144,922 | -0- |
| Other | 1,384 | 1,209 | 825 | 384 |
| Capital Outlay/Depreciation | 2,530 | 10,234 | 17,940 | (7,706) |
| Total Expenditures/Expenses | <u>\$ 840,531</u> | <u>\$ 931,554</u> | <u>\$ 992,907</u> | <u>(\$ 61,353)</u> |
| Excess/(Deficiency) of Revenues Over Expenditures | (\$ 132,086) | (\$ 78,749) | (\$ 136,938) | (\$ 58,189) |
| Fund Balance/Net Position: | | | | |
| Beginning of the Year | 3,725,334 | 3,725,334 | 3,725,334 | -0- |
| End of the Year | <u>\$ 3,593,248</u> | <u>\$ 3,646,585</u> | <u>\$ 3,588,396</u> | <u>(\$ 58,189)</u> |

See Independent Auditors' Report.

UPPER COLORADO RIVER AUTHORITY

**Texas Supplementary Information Required by Texas Commission on
Environmental Quality**

For the Year Ended August 31, 2023

| | <u>Yes</u> | <u>N/A</u> |
|--|------------|------------|
| 1. Schedule of Services and Rates | | X |
| 2. Schedule of General Fund Expenditures | X | |
| 3. Schedule of Temporary Investments | X | |
| 4. Schedule of Taxes Levied and Receivable | | X |
| 5. Long-Term Debt Service Requirements by Years | | X |
| 6. Schedule of Changes in Long-Term Debt | | X |
| 7. Comparative Schedule of Revenues and Expenditures - General Fund - Five Years | X | |
| 8. Board Members, Key Personnel, and Consultants | X | |

See Independent Auditors' Report.

UPPER COLORADO RIVER AUTHORITY

Schedule of General Fund Expenditures

For the Year Ended August 31, 2023

| | |
|---|--------------------------|
| Personnel (including benefits)* | \$ 331,940 |
| Professional Fees: | |
| Auditing | 14,500 |
| Investment Fees | 13,262 |
| Purchase Services For Resale: | |
| Raw Water Costs | 351,663 |
| Utilities | 6,448 |
| Administrative: | |
| Directors' Fees | 11,117 |
| Office Supplies | 1,882 |
| Insurance | 4,821 |
| Office Rent | 17,427 |
| Special Projects and Grant Expenditures | 62,269 |
| Other | <u>159,638</u> |
| Total Expenditures Excluding Depreciation and Amortization | <u><u>\$ 974,967</u></u> |

| | | |
|---|----------|-----------|
| *Number of Persons Employed by the District: | <u>3</u> | Full-Time |
| (Does not include independent contractors or consultants) | <u>0</u> | Part-Time |

See Independent Auditors' Report.

UPPER COLORADO RIVER AUTHORITY

Schedule of Temporary Investments

For the Year Ended August 31, 2023

| | Identification Number | Interest Rate (%) | Maturity Date | Balance at End of Year | Accrued Interest Receivable |
|---|--------------------------|-------------------------|------------------|------------------------------|-----------------------------------|
| First Financial Trust and Asset Management: | | | | | |
| Financial Square Govt Fund | 19-000346 | N/A | N/A | \$ 233,779 | \$ -0- |
| Total Money Market | | | | \$ 233,779 | \$ -0- |
| Certificate of Deposit | 19-000346 | 2.40 | 12/04/2023 | \$ 250,000 | \$ -0- |
| Certificate of Deposit | 19-000346 | 0.49 | 02/26/2024 | 250,000 | -0- |
| Certificate of Deposit | 19-000346 | 2.60 | 06/03/2024 | 250,000 | -0- |
| Certificate of Deposit | 19-000346 | 5.55 | 06/27/2024 | 248,000 | -0- |
| Certificate of Deposit | 19-000346 | 5.50 | 06/28/2024 | 248,000 | -0- |
| Certificate of Deposit | 19-000346 | 5.50 | 06/28/2024 | 248,000 | -0- |
| Certificate of Deposit | 19-000346 | 5.55 | 06/28/2024 | 100,000 | -0- |
| Certificate of Deposit | 19-000346 | 5.65 | 06/28/2024 | 248,000 | -0- |
| Certificate of Deposit | 19-000346 | 5.66 | 06/28/2024 | 248,000 | -0- |
| Certificate of Deposit | 19-000346 | 0.75 | 11/18/2024 | 250,000 | -0- |
| Total Certificates of Deposit | | | | \$ 2,340,000 | \$ -0- |
| United States Treasury Note | 19-000346 | 2.88 | 10/31/2023 | \$ 54,777 | \$ -0- |
| United States Treasury Note | 19-000346 | 2.63 | 12/31/2023 | 54,491 | -0- |
| United States Treasury Note | 19-000346 | 2.38 | 02/29/2024 | 54,177 | -0- |
| United States Treasury Note | 19-000346 | 2.25 | 04/30/2024 | 53,864 | -0- |
| United States Treasury Note | 19-000346 | 3.00 | 06/30/2024 | 53,928 | -0- |
| United States Treasury Note | 19-000346 | 3.25 | 08/31/2024 | 53,864 | -0- |
| United States Treasury Note | 19-000346 | 2.25 | 10/31/2024 | 53,131 | -0- |
| United States Treasury Note | 19-000346 | 2.25 | 12/31/2024 | 52,931 | -0- |
| United States Treasury Note | 19-000346 | 2.75 | 02/28/2025 | 53,146 | -0- |
| United States Treasury Note | 19-000346 | 2.88 | 04/30/2025 | 53,125 | -0- |
| United States Treasury Note | 19-000346 | 2.75 | 06/30/2025 | 52,912 | -0- |
| United States Treasury Note | 19-000346 | 2.75 | 08/31/2025 | 52,796 | -0- |
| United States Treasury Note | 19-000346 | 3.00 | 10/31/2025 | 52,980 | -0- |
| United States Treasury Note | 19-000346 | 2.63 | 12/31/2025 | 52,471 | -0- |
| United States Treasury Note | 19-000346 | 2.50 | 02/28/2026 | 52,217 | -0- |
| Total United States Treasury Notes | | | | \$ 800,809 | \$ -0- |
| Total Investments | | | | \$ 3,374,588 | \$ -0- |

See Independent Auditors' Report.

UPPER COLORADO RIVER AUTHORITY

Comparative Schedule of Revenues and Expenditures - General Fund - Five Years

For the Year Ended August 31, 2023

| | Amounts | | | | | Percent of Fund Total Revenue | | | | |
|---|---------------------|--------------------|-------------------|--------------------|---------------------|-------------------------------|-----------------|----------------|----------------|-----------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2023 | 2022 | 2021 | 2020 | 2019 |
| OPERATING REVENUES: | | | | | | | | | | |
| General: | | | | | | | | | | |
| Interest on Notes Receivable | \$ 3,772 | \$ 2,847 | \$ 4,423 | \$ 5,042 | \$ 5,057 | 0.44 | 0.36 | 0.57 | 0.69 | 0.89 |
| Interest on Temporary Investments | 91,169 | 44,787 | 70,501 | 100,285 | 81,244 | 10.65 | 5.64 | 9.04 | 13.65 | 14.36 |
| Other Revenue | 151,470 | 98,757 | 132,715 | 69,062 | 58,627 | 17.70 | 12.43 | 17.02 | 9.40 | 10.37 |
| Program: | | | | | | | | | | |
| Special Project and Grant Revenue | 168,055 | 187,752 | 186,657 | 246,290 | 225,969 | 19.63 | 23.64 | 23.93 | 33.52 | 39.95 |
| Water Sales | 441,503 | 460,128 | 385,600 | 314,044 | 194,694 | 51.58 | 57.93 | 49.44 | 42.74 | 34.42 |
| Total Operating Revenues | <u>\$ 855,969</u> | <u>\$ 794,271</u> | <u>\$ 779,896</u> | <u>\$ 734,723</u> | <u>\$ 565,591</u> | <u>100.00</u> | <u>100.00</u> | <u>100.00</u> | <u>100.00</u> | <u>100.00</u> |
| EXPENDITURES: | | | | | | | | | | |
| Salaries, Benefits, and Payroll Taxes | \$ 331,940 | \$ 304,560 | \$ 242,643 | \$ 250,041 | \$ 319,772 | 38.78 | 38.34 | 31.11 | 34.03 | 56.54 |
| Employee Non-Project Travel | 5,722 | 93 | 1,015 | 7,895 | 4,800 | 0.67 | 0.01 | 0.13 | 1.07 | 0.85 |
| Professional Fees | 27,762 | 20,655 | 16,858 | 18,978 | 22,919 | 3.24 | 2.60 | 2.16 | 2.58 | 4.05 |
| Director Fees | 11,117 | 13,676 | 14,523 | 15,479 | 22,115 | 1.30 | 1.72 | 1.86 | 0.00 | 0.00 |
| Office Supplies | 1,882 | 1,574 | 1,457 | 1,367 | 1,727 | 0.22 | 0.20 | 0.19 | 0.19 | 0.31 |
| Equipment Rental | 3,507 | 3,632 | 3,796 | 3,594 | 3,878 | 0.41 | 0.46 | 0.49 | 0.49 | 0.69 |
| Insurance | 4,821 | 4,788 | 4,602 | 5,137 | 6,074 | 0.56 | 0.60 | 0.59 | 0.70 | 1.07 |
| Repairs and Maintenance | 313 | 120 | 555 | -0- | -0- | 0.04 | 0.02 | 0.07 | 0.00 | 0.00 |
| Utilities | 6,448 | 6,662 | 7,532 | 7,140 | 12,301 | 0.75 | 0.84 | 0.97 | 0.97 | 2.17 |
| Janitorial | -0- | -0- | -0- | 900 | 2,850 | 0.00 | 0.00 | 0.00 | 0.12 | 0.50 |
| Special Project and Grant Expenses | 62,269 | 65,952 | 45,761 | 130,765 | 80,721 | 7.27 | 8.30 | 5.87 | 17.80 | 14.27 |
| Water Sales Expense | 351,663 | 346,817 | 274,037 | 256,807 | 138,774 | 41.08 | 43.66 | 35.14 | 34.95 | 24.54 |
| Office Rent | 17,427 | 6,568 | 17,427 | 17,427 | 17,427 | 2.04 | 0.83 | 2.23 | 2.37 | 3.08 |
| Dues and Subscriptions | 4,349 | 3,741 | 2,485 | 1,554 | 782 | 0.51 | 0.47 | 0.32 | 0.21 | 0.14 |
| O.C. Fisher Operations & Maintenance Fees | 144,922 | 100,894 | 132,418 | 68,743 | 58,811 | 16.93 | 12.70 | 16.98 | 9.36 | 10.40 |
| Interest | -0- | 10,859 | -0- | -0- | -0- | 0.00 | 1.37 | 0.00 | 0.00 | 0.00 |
| Other | 825 | 596 | 749 | 1,091 | 1,207 | 0.10 | 0.08 | 0.10 | 0.15 | 0.21 |
| Capital Outlay | -0- | 780 | 17,200 | 1,891 | 190 | 0.00 | 0.10 | 2.21 | 0.00 | 0.00 |
| Total Expenditures | <u>\$ 974,967</u> | <u>\$ 891,967</u> | <u>\$ 783,058</u> | <u>\$ 788,809</u> | <u>\$ 694,348</u> | <u>113.90</u> | <u>112.30</u> | <u>100.41</u> | <u>107.36</u> | <u>122.77</u> |
| Excess/(Deficiency) of Revenues | | | | | | | | | | |
| Over Expenditures | <u>(\$ 118,998)</u> | <u>(\$ 97,696)</u> | <u>(\$ 3,162)</u> | <u>(\$ 54,086)</u> | <u>(\$ 128,757)</u> | <u>(13.90)</u> | <u>(12.30)</u> | <u>(0.41)</u> | <u>(7.36)</u> | <u>(22.77)</u> |

See Independent Auditors' Report.

UPPER COLORADO RIVER AUTHORITY

Board Members, Key Personnel, and Consultants

For the Year Ended August 31, 2023

Complete District Mailing Address:

Upper Colorado River Authority
512 Orient
San Angelo, Texas 76903

Direct Business Telephone Number:

(325) 655-0565

| Name | Term of Office (Elected or Appointed) or Date Hired | Fiscal Year Ended August 31, 2023 | | Title at Year End |
|-------------------------------------|--|--------------------------------------|---------------------------|--------------------------------------|
| | | Fees | Expense Reimbursements | |
| <u>Board Members</u> | | | | |
| Nancy Blackwell | (Appointed) October 2019 - February 2025 | \$ 1,200 | \$ 326 | Chairperson |
| Erica Hall | (Appointed) August 2018 - February 2027 | \$ 750 | \$ 461 | Vice Chairperson |
| Kathy Mews | (Appointed) August 2018 - February 2023 | \$ 1,050 | \$ 468 | Treasurer |
| Che Stone | (Appointed) March 2011 - February 2023 | \$ 450 | \$ -0- | Secretary |
| Mason Vaughan | (Appointed) October 2019 - February 2025 | \$ 900 | \$ 344 | Director |
| Tanner Mahan | (Appointed) August 2018 - February 2023 | \$ 1,050 | \$ 299 | Director |
| Fred Hernandez | (Appointed) October 2019 - February 2025 | \$ 450 | \$ -0- | Director |
| Reese Braswell | (Appointed) October 2019 - February 2027 | \$ 1,050 | \$ 353 | Director |
| Leslie Lasater | (Appointed) March 2021 - February 2027 | \$ 750 | \$ -0- | Director |
| <u>Key Administrative Personnel</u> | | | | |
| Ellen Groth | November 1994 | \$ 92,039 | \$ -0- | Administrative and Financial Manager |
| Scott McWilliams | September 2001 | \$ 94,404 | \$ 6,841 | General Manager |
| Lexi Woods | June 2021 | \$ 55,485 | \$ 1,191 | Environmental Specialist |
| <u>Independent Auditors</u> | | | | |
| Armstrong, Backus & Co., LLP | September 2019 | \$ 14,500 | \$ -0- | Auditor |

See Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

UPPER COLORADO RIVER AUTHORITY

Schedule of Insurance Coverage

For the Year Ended August 31, 2023

| <u>Type of Coverage</u> | <u>Amount of Coverage</u> | <u>Agent</u> | <u>Type of Corporation Stock/Mutual</u> | <u>Policy Clause Co-Insurance</u> |
|---------------------------------|---------------------------|---------------------------------|---|---------------------------------------|
| Fidelity Bonds - Chairman | \$ 50,000 | Glenn-Bivins Insurance | Stock | Yes |
| Fidelity Bonds - Vice Chairman | \$ 50,000 | Glenn-Bivins Insurance | Stock | Yes |
| Fidelity Bonds - Treasurer | \$ 50,000 | Glenn-Bivins Insurance | Stock | Yes |
| Fidelity Bonds - Secretary | \$ 50,000 | Glenn-Bivins Insurance | Stock | Yes |
| Fidelity Bonds - General Manger | \$ 50,000 | Glenn-Bivins Insurance | Stock | Yes |
| General liability: | | | | |
| Automobile | \$ 1,000,000 | Texas Water Conservation Assoc. | Stock | Yes |
| Errors and Omissions | \$ 1,000,000 | Texas Water Conservation Assoc. | Stock | Yes |
| General Liability | \$ 1,000,000 | Texas Water Conservation Assoc. | Stock | Yes |
| Property | \$ 1,500,000 | Texas Water Conservation Assoc. | Stock | Yes |

See Independent Auditors' Report.