



Financial Statements  
September 30, 2021

# Lytle Lake Water Control and Improvement District

# Lytle Lake Water Control and Improvement District

Table of Contents  
September 30, 2021

---

Independent Auditor’s Report .....	1
Management’s Discussion and Analysis .....	4
Basic Financial Statements	
Statement of Net Position and Governmental Funds Balance Sheet .....	9
Note A – Adjustments to the Governmental Funds Balance Sheet .....	10
Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances .....	11
Note B – Adjustments to the Statement of Governmental Funds Revenues, Expenditures, and Changes in Fund Balances .....	12
Budgetary Comparison Schedule – General Fund .....	13
Notes to Financial Statements .....	14
Other Supplementary Information	
General Fund Departmental Balance Sheet .....	26
General Fund Departmental Statement of Revenues, Expenditures, and Changes in Fund Balance .....	27
Budgetary Comparison Schedule – Capital Projects Fund .....	28
Texas Supplementary Information	
TSI-1 Services and Rates .....	29
TSI-2 General Fund Expenditures .....	30
TSI-3 Temporary Investments .....	31
TSI-4 Taxes Levied and Receivable .....	32
TSI-7 Comparison Schedule of Revenues and Expenditures – General Fund .....	33
TSI-8 Board Members, Key Personnel, and Consultants .....	34



## Independent Auditor's Report

To the Board of Directors  
Lytle Lake Water Control and Improvement District  
Abilene, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lytle Lake Water Control & Improvement District (the District), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 the governmental activities and each major fund of Lytle Lake Water Control & Improvement District, as of September 30, 2021, and the respective changes in financial position and the budgetary comparison for the general fund 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 management's discussion and analysis on pages 4 through 8 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information and the Texas Supplementary Information are presented for purposes of additional analysis and are not a required part of the financial statements.

The other supplementary information and the 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 subjected 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 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.

## **Report on Summarized Comparative Information**

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the years ended September 30, 2020, 2019, and 2018, which are not presented with the accompanying financial statements. In our reports dated November 19, 2020, November 20, 2019, and December 12, 2018, respectively, we expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund, and expressed an opinion that the accompanying supplementary information as of and for the years ended September 30, 2020, 2019 and 2018, was fairly stated in all material respects in relation to the basic financial statements for the years ended September 30, 2020, 2019 and 2018, taken as a whole.

The financial statements of the District as of and for the year ended September 30, 2017, were audited by Davis Kinard & Co, PC, who joined Eide Bailly LLP on December 4, 2017, and whose report dated November 17, 2017 expressed an unmodified opinion on the respective financial statements of the governmental activities and each major fund, and expressed an opinion that the accompanying supplementary information as of and for the year ended September 30, 2017 was fairly stated in all material respects in relation to the basic financial statements for the year ended September 30, 2017, taken as a whole.

*Eide Bailly LLP*

Abilene, Texas  
November 18, 2021

As management of Lytle Lake Water Control and Improvement District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2021.

## FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$6,740,997. Of this amount, \$544,821 may be used to meet the District's ongoing obligations.
- The District's total net position increased by \$106,358 summarized as follows:

Income		
Property tax revenues	\$	153,961
Oil and gas royalties		212,825
Grazing rights lease		10,500
Investment earnings		488
Loss on sale of assets		(1,100)
Other income		1,150
		<u>377,824</u>
Total income		377,824
Total expenses excluding depreciation		<u>139,850</u>
Income over expenses excluding depreciation		237,974
Depreciation		<u>131,616</u>
Total revenues over expenses	\$	<u>106,358</u>

- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$544,512, an increase of \$223,869 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$240,253.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

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 a private sector business.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Net position is equivalent to the equity section of a private-sector balance sheet.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation).

The government-wide financial statements of the District are principally funded by monies provided from local funding sources (governmental activities). The District does not have any business-type activities.

The government-wide financial statements can be found on pages 9 through 12 of this report.

### **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, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District utilizes only governmental funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the general fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the general fund with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities.

The District adopts an annual budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 9 through 13 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-25 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information that is required by the Texas Commission on Environmental Quality. Other supplementary information can be found on pages 26 through 34 of this report.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

A large portion of the District's net position (91.9%) reflects its investment in capital assets (e.g., land, buildings, vehicles, furniture, and equipment). The District uses these capital assets to provide services to the citizens we serve; consequently, these assets are not available for future spending.

Additionally, a portion of the District's net position (8.1%) represents unrestricted financial resources available for future operations.

#### Lytle Lake Water Control and Improvement District Summary of Statement of Net Position

	Governmental Activities	
	2021	2020
Current and other assets	\$ 551,495	\$ 325,165
Capital assets, net	6,196,176	6,313,004
Total assets	6,747,671	6,638,169
Current liabilities	6,674	3,530
Total liabilities	6,674	3,530
Net position		
Invested in capital assets	6,196,176	6,313,004
Unrestricted	544,821	321,635
Total net position	\$ 6,740,997	\$ 6,634,639

#### GOVERNMENTAL ACTIVITIES

Revenues for Lytle Lake Water Control and Improvement District's governmental activities were \$378,924 while total expenses were \$271,466, which included \$131,616 of depreciation expense. The change in net position was an increase of \$106,358. Revenue sources are detailed in the Financial Highlights note above.

District expenses are summarized as follows:

	2021	2020
Expenses		
Current		
Management expense	\$ 34,188	\$ 41,587
General and administrative expenses	24,001	17,240
Maintenance and repairs	31,448	28,394
Professional fees	50,213	38,598
Depreciation	131,616	128,897
Total expenses	\$ 271,466	\$ 254,716

Major expenses for 2021 include \$56,137 of salary and benefit expenses, \$16,281 of legal expense; and \$15,228 in contract accounting services.

#### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As previously noted, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's governmental funds are discussed below:

**Governmental funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the District. At the end of the fiscal year, the District's general fund (as presented in the balance sheet on page 9) reported a fund balance of \$240,253; whereas the District's governmental funds reported a combined fund balance of \$544,512.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Beginning October 1, 2014, the District's Board of Directors decided that income from oil and gas operations and grazing rights leases would no longer go into the general fund but should be segregated into the reserve fund for use on major improvement projects of the District. The goal is to ensure that the District's routine operating expenses do not exceed its ability to levy taxes and that revenues generated on District's property are used to maintain and improve the District's property. The discussion in this section will focus entirely on the General Fund.

General fund revenues were \$3,361 more than budgeted.

General fund expenditures were less than budgeted expenditures by \$13,455 (8.8%). Professional fees were \$1,588 over budget, driven by additional current year legal expenses. General and administrative expenses were \$1,386 over budget, driven by additional current year mailing, supply, and other office expenses. Maintenance and repairs expenses were \$11,516 less than budgeted.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Lytle Lake Water Control and Improvement District's investment in capital assets for its governmental activities as of September 30, 2021, amounts to \$6,196,176 (net of accumulated depreciation). Current year depreciation was \$131,616. This investment in capital assets includes land, buildings and improvements, equipment, and vehicles. Additional information on the District's capital assets can be found in Note 7 (p. 24) in the notes to the financial statements.

**Lytle Lake Water Control and Improvement District  
 Capital Assets Schedule (net of depreciation)**

	Governmental Activities	
	2021	2020
Land	\$ 1,802,552	\$ 1,802,552
Total non-depreciable assets	1,802,552	1,802,552
Buildings and improvements	5,844,488	5,826,200
Vehicles and equipment	75,670	80,195
Total depreciable assets	5,920,158	5,906,395
Less accumulated depreciation	(1,526,534)	(1,395,943)
Total capital assets, net	\$ 6,196,176	\$ 6,313,004

Capital asset purchases for the year include \$4,603 fencing on the S. 11<sup>th</sup> Street property, and \$13,685 for additional boat parking at Tittle Park.

**Long-Term Debt**

At the end of the current fiscal year, the District had no long-term debt obligations.

**ECONOMIC FACTORS**

The tax base for the Lytle Lake Water Control and Improvement District is steadily increasing each year. Non-tax revenues (mostly oil and gas royalties from District owned lands) increased substantially during the year ended September 30, 2021. The District expects these revenues to remain high for the next budget year.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Lytle Lake Water Control and Improvement District's finances and accountability. If you have any questions concerning this report, or if you need any additional information, please contact the Lytle Lake Water Control and Improvement District, Bob Benham, P O Box 3457, Abilene, Texas, 79604.

Lytle Lake Water Control and Improvement District  
Statement of Net Position and Governmental Funds Balance Sheet  
September 30, 2021

	General	Capital Projects	Total	Adjustments (Note A)	Statement of Net Position
<b>Assets</b>					
Cash	\$ 226,630	\$ 290,089	\$ 516,719	\$ -	\$ 516,719
Investments	408	-	408	-	408
Accounts receivable	309	34,059	34,368	-	34,368
Due from other funds	19,889	-	19,889	(19,889)	-
Capital assets (net of accumulated depreciation)					
Land	-	-	-	1,802,552	1,802,552
Buildings	-	-	-	150,413	150,413
Improvements	-	-	-	4,194,331	4,194,331
Vehicles and equipment	-	-	-	48,880	48,880
<b>Total assets</b>	<b><u>\$ 247,236</u></b>	<b><u>\$ 324,148</u></b>	<b><u>\$ 571,384</u></b>	<b><u>6,176,287</u></b>	<b><u>6,747,671</u></b>
<b>Liabilities and deferred inflows of resources</b>					
Accounts payable and accrued expenses	\$ 4,622	\$ -	\$ 4,622	-	4,622
Accrued wages	2,052	-	2,052	-	2,052
Due to other funds	-	19,889	19,889	(19,889)	-
Deferred inflow of resources - property taxes	309	-	309	(309)	-
<b>Total liabilities and deferred inflows of resources</b>	<b><u>6,983</u></b>	<b><u>19,889</u></b>	<b><u>26,872</u></b>	<b><u>(20,198)</u></b>	<b><u>6,674</u></b>
<b>Fund balances/Net position</b>					
<b>Fund balances</b>					
Unassigned	240,253	-	240,253	(240,253)	-
Assigned for capital projects	-	304,259	304,259	(304,259)	-
<b>Total fund balances</b>	<b><u>240,253</u></b>	<b><u>304,259</u></b>	<b><u>544,512</u></b>	<b><u>(544,512)</u></b>	<b><u>-</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 247,236</u></b>	<b><u>\$ 324,148</u></b>	<b><u>\$ 571,384</u></b>		
<b>Net Position</b>					
Investment in capital assets				6,196,176	6,196,176
Unrestricted				544,821	544,821
<b>Total net position</b>				<b><u>\$ 6,740,997</u></b>	<b><u>\$ 6,740,997</u></b>

Lytle Lake Water Control and Improvement District  
Note A – Adjustments to the Governmental Funds Balance Sheet  
September 30, 2021

---

Total fund balances - Governmental Funds	\$ 544,512
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the end of the year, the cost of these assets was \$7,722,710 and the accumulated depreciation was \$1,526,534. The net effect of including capital assets (net of depreciation) in the governmental activities is an increase to net position.	6,196,176
Certain assets are not available to pay for current period expenditures and therefore are deferred in the funds. These are:	
Deferred resource inflow for property taxes	309
Interfund receivables and payable of \$19,889 are removed at the government wide level. The net effect of removing interfund receivables and payable is no change to net position.	<u>-</u>
Total net position - Statement of Net Position	<u>\$ 6,740,997</u>

**Lytle Lake Water Control and Improvement District**  
**Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended September 30, 2021**

	General	Capital Projects	Total	Adjustments (Note B)	Statement of Activities
<b>Revenues</b>					
Property tax revenue	\$ 154,644	\$ -	\$ 154,644	\$ (683)	\$ 153,961
Investment earnings	417	71	488	-	488
Other income	1,150	223,325	224,475	-	224,475
<b>Total revenues</b>	<b>156,211</b>	<b>223,396</b>	<b>379,607</b>	<b>(683)</b>	<b>378,924</b>
<b>Expenditures</b>					
<b>Current</b>					
Management expense	34,188	-	34,188	-	34,188
General and administrative expenses	24,001	-	24,001	-	24,001
Maintenance and repairs	31,448	-	31,448	-	31,448
Professional fees	50,213	-	50,213	-	50,213
Capital outlay	-	18,288	18,288	(18,288)	-
Depreciation	-	-	-	131,616	131,616
<b>Total expenditures</b>	<b>139,850</b>	<b>18,288</b>	<b>158,138</b>	<b>113,328</b>	<b>271,466</b>
<b>Excess (deficiency) of revenue over (under) expenditures</b>	<b>16,361</b>	<b>205,108</b>	<b>221,469</b>	<b>(114,011)</b>	
<b>Other financing sources</b>					
Proceeds from sale	-	2,400	2,400	(2,400)	-
Loss on sale	-	-	-	(1,100)	(1,100)
<b>Total other financing (uses) sources</b>	<b>-</b>	<b>2,400</b>	<b>2,400</b>	<b>(3,500)</b>	<b>(1,100)</b>
<b>Change in fund balance</b>	<b>16,361</b>	<b>207,508</b>	<b>223,869</b>	<b>(223,869)</b>	
<b>Change in net position</b>				<b>106,358</b>	<b>106,358</b>
<b>Fund balances/Net position</b>					
Beginning of year	223,892	96,751	320,643	6,313,996	6,634,639
End of year	<u>\$ 240,253</u>	<u>\$ 304,259</u>	<u>\$ 544,512</u>	<u>\$ 6,196,485</u>	<u>\$ 6,740,997</u>

Lytle Lake Water Control and Improvement District

Note B – Adjustments to the Statement of Governmental Funds Revenues, Expenditures, and Changes in  
Fund Balances  
Year Ended September 30, 2021

---

Net change in fund balance - Total Governmental Funds \$ 223,869

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

Current year capital outlays are expenditures in the fund financial statements but are shown as increases in capital assets in the government-wide financial statements. The net effect of removing the 2021 capital outlays of \$18,288 and, removing the remaining net book value of capital assets disposed of \$3,500, is to increase net position. 14,788

Depreciation is not recognized as an expenditure in the fund financial statements since it does not require the use of current financial resources. The effect of recording current year depreciation is to decrease net position. (131,616)

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. These include recognizing the change in deferred tax revenue of \$683 as a reduction of net position. (683)

Net change in net position - Statement of Activities \$ 106,358

Lytle Lake Water Control and Improvement District  
 Budgetary Comparison Schedule – General Fund  
 Year Ended September 30, 2021

	General Fund			Variance from Final Budget
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Tax revenue	\$ 152,250	\$ 152,250	\$ 154,644	\$ 2,394
Investment income	100	100	417	317
Other income	500	500	1,150	650
Total revenues	<u>152,850</u>	<u>152,850</u>	<u>156,211</u>	<u>3,361</u>
<b>Expenditures</b>				
Current				
Management expense	39,101	39,101	34,188	4,913
General and administrative expenses	22,615	22,615	24,001	(1,386)
Maintenance and repairs	42,964	42,964	31,448	11,516
Professional fees	48,625	48,625	50,213	(1,588)
Total expenditures	<u>153,305</u>	<u>153,305</u>	<u>139,850</u>	<u>13,455</u>
Excess of revenues over expenditures	<u>(455)</u>	<u>(455)</u>	<u>16,361</u>	<u>16,816</u>
Change in fund balance	(455)	(455)	16,361	16,816
Fund balances, beginning of year	<u>223,892</u>	<u>223,892</u>	<u>223,892</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 223,437</u></u>	<u><u>\$ 223,437</u></u>	<u><u>\$ 240,253</u></u>	<u><u>\$ 16,816</u></u>

**Note 1 - Reporting Entity**

Lytle Lake Water Control and Improvement District is a political subdivision of the State of Texas created on August 15, 2000 by the Taylor County Commissioners' Court and operates as a water control and improvement district under Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 51, Texas Water Code. The District is a taxing entity which is authorized to assess ad valorem taxes on all taxable property within the District. The boundaries of the District are limited to the property bordering Lytle Lake and surrounding areas.

The District owns and operates Lytle Lake, located in Taylor County, Texas.

The financial statements of the District consist only of the funds of the District. The District has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

The Directors of the District, comprising a five-member Board, are elected by the taxpayers in the District.

**Note 2 - Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the activities of the primary government. The effect of interfund activity has been removed from these statements.

**Note 3 - 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 timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the 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 to be available when they are 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 they are 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.

Property taxes and penalties and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

The District reports the following governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund is the District's Major Improvement Projects Fund. This fund is used to account for resources that are restricted, committed or assigned for major improvements and capital projects of the District.

#### **Note 4 - Assets, Liabilities and Net Position or Equity**

##### **Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in certificates of deposit, fully collateralized repurchase agreements, public funds investment pools, obligations of the United States or its agencies, direct obligations of the State of Texas or its agencies, prime domestic bankers acceptances, commercial paper, SEC registered no-load money market mutual funds, other obligations which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, and obligations of states, agencies, counties, cities and other political subdivisions having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent.

##### **Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds".

##### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

##### **Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the statement of net position. The District defines capital assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20
Improvements	50
Vehicles and equipment	10

**Fund Balance**

The District classifies governmental fund balance in accordance with Government Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions:

Nonspendable fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance is established and modified by a resolution from the District’s Board, the District’s highest level of decision-making authority, and can be used only for the specific purposes determined by the Board’s resolution.

Assigned fund balance is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed. The assigned balance for capital projects as of September 30, 2021 is \$304,259.

Unassigned fund balance is the residual classification for the District’s general fund and includes all spendable amounts not contained in other classifications.

The District uses restricted amounts first when both restricted and unrestricted fund balance is available. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**New Accounting Pronouncements**

In May 2020, the GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases.

The provisions of this Statement were implemented as of September 30, 2021.

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reporting
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2020, the GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The effects of this change on the District's financial statements have not yet been determined.

## Note 5 - Stewardship, Compliance and Accountability

### Budgetary information

The District adopts an annual budget for the general and capital projects funds on a basis consistent with generally accepted accounting principles. For the year ended September 30, 2021, the District was over budget in the following areas:

	Budget	Actual	Variance
Professional fees	\$ 48,625	\$ 50,213	\$ (1,588)
General and administrative expenses	22,615	24,001	(1,386)

**Note 6 - Detailed Notes on All Funds**

The District's temporary investments at September 30, 2021, are shown below:

<u>Temporary Investments</u>	<u>Amortized Cost</u>	<u>Weighted Average Maturity</u>
TexSTAR *	\$ 408	43 days
	<u>\$ 408</u>	

\* To arrive at weighted average maturity, the calculation uses the SEC rule 2a7 definition for stated maturity for any floating rate instruments held in the portfolio to determine the weighted average maturity for the pool.

Texas Short-Term Asset Reserve (TexSTAR) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, of the Texas Government Code, and the Public Funds Investment Act, chapter 2256, of the Texas Government Code. J.P. Morgan Investment Management Inc. serves as investment advisor and co-administrator with First Southwest Asset Management, Inc. TexSTAR invests in treasury and agency securities and repurchase agreements fully collateralized by government securities. The pool maintains a weighted average maturity of 60 days or less. The pool seeks to maintain a constant dollar objective. TexSTAR uses amortized cost rather than market value to report net assets to compute share prices.

**Custodial credit risk**

For an investment, custodial credit risk is the risk that, in the event the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2021, the District's deposits in commercial banks were fully secured by FDIC coverage and by securities pledged to the District and held by an agent of the District in the District's name.

**Interest rate risk**

In accordance with its investment policy, the District manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to three years. The maximum allowable stated maturity of any individual investment owned by the District shall not exceed five years from the time of purchase. The Board may specifically authorize a longer maturity for a given instrument, within legal limits.

**Credit risk**

State law limits investments in public funds investment pools to those rated no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2021, the District's investment in TexSTAR was rated AAAM by Standard & Poor's.

**Concentration of credit risk**

The District's investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

Lytle Lake Water Control and Improvement District

Notes to Financial Statements

September 30, 2021

**Note 7 - Capital Assets**

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 1,802,552	\$ -	\$ -	\$ 1,802,552
Total capital assets, not being depreciated	<u>1,802,552</u>	<u>-</u>	<u>-</u>	<u>1,802,552</u>
Capital assets, being depreciated				
Buildings	270,796	18,288	-	289,084
Improvements	5,555,404	-	-	5,555,404
Vehicles and equipment	80,195	-	(4,525)	75,670
	<u>5,906,395</u>	<u>18,288</u>	<u>(4,525)</u>	<u>5,920,158</u>
Less accumulated depreciation for				
Buildings and improvements	(124,550)	(14,121)	-	(138,671)
Improvements	(1,249,965)	(111,108)	-	(1,361,073)
Vehicles and equipment	(21,428)	(6,387)	1,025	(26,790)
	<u>(1,395,943)</u>	<u>(131,616)</u>	<u>1,025</u>	<u>(1,526,534)</u>
Total accumulated depreciation	<u>(1,395,943)</u>	<u>(131,616)</u>	<u>1,025</u>	<u>(1,526,534)</u>
Total capital assets being depreciated, net	<u>4,510,452</u>	<u>(113,328)</u>	<u>(3,500)</u>	<u>4,393,624</u>
Governmental activities capital assets, net	<u>\$ 6,313,004</u>	<u>\$ (113,328)</u>	<u>\$ (3,500)</u>	<u>\$ 6,196,176</u>

The District recognized depreciation expense of \$131,616 in the statement of activities.

**Note 8 - Interfund Balances and Transfers**

Balances to and from other funds at September 30, 2021, consisted of the following:

Due to Fund	Due from Fund	Amount	Purpose
General fund	Capital Projects	\$ 19,889	Reimbursement of on behalf payments

During the year ended September 30, 2021, there were no interfund transfers.

**Note 9 - Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions. The District has purchased commercial insurance to insure against these losses. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage in any of the past three fiscal years.

**Note 10 - Contingencies**

The District is not party to any legal actions that are believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

The world-wide coronavirus pandemic has resulted in certain risks and uncertainties to the public in general and the District. The District is closely monitoring their operations, liquidity, and resources, and is actively working to minimize the current and future impact of this unprecedented situation.

**Note 11 - Property Taxes**

The District's property tax is levied on October 1 of each year based on the assessed value of all taxable real property located in the District on January 1 of such year. The adjusted assessed value for the District's tax roll as of January 1, 2020, upon which the 2020-2021 levy was based, was \$36,928,832. Taxes are due by January 31 following the October 1 levy date.

A statutory tax lien attaches to property on January 1 of each year to secure the payment of all taxes, penalties and interest ultimately levied or imposed on property in the District during such year. The lien attaches whether or not the taxes were imposed in the year in which the lien attached. The lien exists in favor of each taxing unit having the power to tax the property.

Appraisal of property in the District is the responsibility of the Central Appraisal District of Taylor County (CAD). The CAD is required under the Property Tax Code to assess all property within the Appraisal District on the basis of 100% of its appraisal value, subject to exemptions provided under state law, and is prohibited from applying any assessment ratios.

The tax rate to finance the operations of the District was \$.415 per \$100 for the year ended September 30, 2021. Current taxes collected during the year ended September 30, 2021, amounted to 99.8% of the current tax levy. As of September 30, 2021, property tax receivable totaled \$309.



Other Supplementary Information  
September 30, 2021

# Lytle Lake Water Control and Improvement District

Lytle Lake Water Control and Improvement District

General Fund Departmental Balance Sheet

September 30, 2021

	<u>General</u>	<u>Contingency</u>	<u>Total</u>
<b>Assets</b>			
Cash	\$ 41,733	\$ 184,897	\$ 226,630
Investments	-	408	408
Accounts receivable	309	-	309
Due from other funds	19,889	-	19,889
	<u>61,931</u>	<u>185,305</u>	<u>247,236</u>
Total assets	<u>\$ 61,931</u>	<u>\$ 185,305</u>	<u>\$ 247,236</u>
<b>Liabilities and deferred inflows of resources</b>			
Accounts payable and accrued expenses	\$ 4,622	\$ -	\$ 4,622
Accrued wages	2,052	-	2,052
Deferred inflows of resources - property tax	309	-	309
	<u>6,983</u>	<u>-</u>	<u>6,983</u>
Total liabilities and deferred inflows of resources	<u>6,983</u>	<u>-</u>	<u>6,983</u>
<b>Fund balance</b>			
Unassigned	<u>54,948</u>	<u>185,305</u>	<u>240,253</u>
Total fund balance	<u>54,948</u>	<u>185,305</u>	<u>240,253</u>
Total liabilities and fund balance	<u>\$ 61,931</u>	<u>\$ 185,305</u>	<u>\$ 247,236</u>

Lytle Lake Water Control and Improvement District  
 General Fund Departmental Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Year Ended September 30, 2021

	<u>General</u>	<u>Contingency</u>	<u>Total</u>
<b>Revenues</b>			
Tax revenue	\$ 154,644	\$ -	\$ 154,644
Investment income	32	385	417
Other income	1,150	-	1,150
	<u>155,826</u>	<u>385</u>	<u>156,211</u>
<b>Expenditures</b>			
Current			
Management expense	34,188	-	34,188
General & administrative expenses	24,001	-	24,001
Maintenance and repairs	31,448	-	31,448
Professional fees	50,213	-	50,213
	<u>139,850</u>	<u>-</u>	<u>139,850</u>
Excess revenues over expenditures	<u>15,976</u>	<u>385</u>	<u>16,361</u>
<b>Other financing (uses) sources</b>			
Transfers (out) in	<u>(32,252)</u>	<u>32,252</u>	<u>-</u>
	<u>(32,252)</u>	<u>32,252</u>	<u>-</u>
Change in fund balance	(16,276)	32,637	16,361
Fund balances, beginning of year	<u>71,224</u>	<u>152,668</u>	<u>223,892</u>
Fund balances, end of year	<u>\$ 54,948</u>	<u>\$ 185,305</u>	<u>\$ 240,253</u>

Lytle Lake Water Control and Improvement District  
 Budgetary Comparison Schedule – Capital Projects Fund  
 Year Ended September 30, 2021

	Capital Projects Fund			Variance from Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Investment income	\$ -	\$ -	\$ 71	\$ 71
Other income	55,500	55,500	223,325	167,825
Total revenues	55,500	55,500	223,396	167,896
Expenditures				
Capital outlay	75,000	75,000	18,288	56,712
Total expenditures	75,000	75,000	18,288	56,712
(Deficiency) excess of revenues (under) over expenditures	(19,500)	(19,500)	205,108	224,608
Other financing sources				
Proceeds from sale	-	-	2,400	2,400
Total other financing sources	-	-	2,400	2,400
Change in fund balance	(19,500)	(19,500)	207,508	227,008
Fund balances, beginning of year	96,751	96,751	96,751	-
Fund balances, end of year	\$ 77,251	\$ 77,251	\$ 304,259	\$ 227,008



Texas Supplementary Information  
September 30, 2021

# Lytle Lake Water Control and Improvement District

1. Services Provided by the District during the Fiscal Year:

Parks/ Recreation

2. Retail Service Providers

N/A- District does not provide retail services.

3. Total Water Consumption during the Fiscal Year

N/A- District does not provide water.

4. Standby Fees (authorized only under TWC Section 49.231)

N/A- District does not levy standby fees.

5. Location of District

County in which the District is located: Taylor

Is the District located entirely within one county?

<input checked="" type="checkbox"/>	Yes
<input type="checkbox"/>	No

Is the District located within a city?

<input checked="" type="checkbox"/>	Entirely
<input type="checkbox"/>	Partly
<input type="checkbox"/>	Not at all

City(ies) in which the District is located: Abilene

Is the District located within a city's extra territorial jurisdiction (ETJ)?

<input type="checkbox"/>	Entirely
<input type="checkbox"/>	Partly
<input checked="" type="checkbox"/>	Not at all

ETJs in which the District is located: N/A

Are Board members appointed by an office outside the District?

<input type="checkbox"/>	Yes
<input checked="" type="checkbox"/>	No

If Yes, by whom? N/A

Lytle Lake Water Control and Improvement District

TSI-2 General Fund Expenditures

Year Ended September 30, 2021

---

Personnel expenditures (including benefits)	\$ 56,137
Professional Fees	
Auditing	7,875
Legal	16,281
Engineering	5,535
Surveying	1,474
Purchased services for resale	
Bulk water and wastewater service purchases	-
Contracted services	
Contract accounting	15,228
General manager- Cordry	1,426
Appraisal district	-
Tax collector	2,436
Other contracted services	1,384
Utilities	7,332
Repairs and maintenance	9,190
Administrative expenditures	
Director fees	-
Office supplies	4,031
Insurance	2,651
Other administrative expenditures	8,870
Capital outlay	
Capitalized assets	-
Expenditures not capitalized	-
Tap connection expenditures	-
Solid waste disposal	-
Fire fighting	-
Parks and recreation	-
Other expenditures	-
	<hr/>
Total expenditures	<u><u>\$ 139,850</u></u>

Lytle Lake Water Control and Improvement District

TSI-3 Temporary Investments

September 30, 2021

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
General Fund					
Contingency Fund					
TexSTAR Investments	2210181880	0.010%	43 days	\$ 408	\$ -
Total - All Funds				<u>\$ 408</u>	<u>\$ -</u>

Lytle Lake Water Control and Improvement District

TSI-4 Taxes Levied and Receivable

Year Ended September 30, 2021

	<u>Maintenance Taxes</u>
Taxes Receivable, Beginning of Year	\$ 992
2020 Original Tax Levy (plus adjustments)	<u>153,388</u>
Total to be accounted for	<u>154,380</u>
Tax Collections	
Current Year	153,079
Prior Year	<u>992</u>
Total collections	<u>154,071</u>
Taxes Receivable, End of Year	<u><u>\$ 309</u></u>

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Property Valuations				
Land	\$ 14,415,105	\$ 14,492,402	\$ 14,492,402	\$ 14,505,074
Improvements	<u>24,265,219</u>	<u>24,261,684</u>	<u>23,011,349</u>	<u>20,404,964</u>
Total property valuations	<u><u>\$ 38,680,324</u></u>	<u><u>\$ 38,754,086</u></u>	<u><u>\$ 37,503,751</u></u>	<u><u>\$ 34,910,038</u></u>
Less: Exemptions	<u>(1,751,492)</u>	<u>(1,787,042)</u>	<u>(1,384,826)</u>	<u>(1,547,935)</u>
Assessed Valuation	<u>36,928,832</u>	<u>36,967,044</u>	<u>36,118,925</u>	<u>33,362,103</u>
Tax Rates per \$100 Valuation				
Maintenance Tax Rate	<u>0.4150</u>	<u>0.4150</u>	<u>0.4388</u>	<u>0.4750</u>
Original Tax Levy	<u>\$ 153,255</u>	<u>\$ 153,413</u>	<u>\$ 158,472</u>	<u>\$ 158,470</u>
Percent of Taxes Collected to Taxes Levied	<u>99.9%</u>	<u>99.4%</u>	<u>100%</u>	<u>100%</u>

Lytle Lake Water Control and Improvement District  
TSI-7 Comparison Schedule of Revenues and Expenditures – General Fund  
Last Five Years Ended September 30, 2021

General Fund	Amounts					% of Fund Total Revenues				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
<b>Revenues</b>										
Property taxes	\$ 154,644	\$ 152,527	\$ 157,130	\$ 158,896	\$ 156,136	98.99%	98.94%	97.97%	99.06%	97.36%
Investment income	417	1,209	2,093	260	1,941	0.27%	0.78%	1.31%	0.16%	1.21%
Other revenue	1,150	430	1,150	1,250	2,300	0.74%	0.28%	0.72%	0.78%	1.43%
<b>Total revenues</b>	<b>156,211</b>	<b>154,166</b>	<b>160,373</b>	<b>160,406</b>	<b>160,377</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Expenditures</b>										
Management expense	34,188	41,587	38,000	38,000	36,000	21.89%	26.98%	23.69%	23.69%	22.45%
General & administrative expenses	24,001	17,240	32,202	26,472	24,681	15.36%	11.18%	20.08%	16.50%	15.39%
Maintenance and repairs	31,448	26,112	30,818	27,753	25,228	20.13%	16.94%	19.22%	17.30%	15.73%
Professional fees	50,213	36,975	17,471	45,277	22,575	32.14%	23.98%	10.89%	28.23%	14.08%
Field supplies	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Capital outlay	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total expenditures</b>	<b>139,850</b>	<b>121,914</b>	<b>118,491</b>	<b>137,502</b>	<b>108,484</b>	<b>89.52%</b>	<b>79.08%</b>	<b>73.88%</b>	<b>85.72%</b>	<b>67.65%</b>
<b>Excess revenues over expenditures</b>	<b>\$ 16,361</b>	<b>\$ 32,252</b>	<b>\$ 41,882</b>	<b>\$ 22,904</b>	<b>\$ 51,893</b>	<b>10.48%</b>	<b>20.92%</b>	<b>26.12%</b>	<b>14.28%</b>	<b>32.35%</b>

Lytle Lake Water Control and Improvement District

TSI-8 Board Members, Key Personnel, and Consultants

Year Ended September 30, 2021

Complete District Mailing Address: P. O. 3457, Abilene TX 79604

District Business Telephone Number: (325) 690-0835

Submission Date of the most recent District Registration Form  
(TWC Sections 36.054 and 49.054): 08/15/00

Limit on Fees of Office that a Director may receive during a fiscal year:  
(Set by Board Resolution- TWC Section 49.070) N/A- no fees are paid to directors

Names	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid YE 9/30/21	Expense Reimburse- ments YE 9/30/21	Title at Year End
<b>Board Members</b>				
Jim McCathren	(Elected) 11/20 - 5/24	-	-	President
Justin Crowe	(Elected) 11/20 - 11/24	-	-	Secretary
Courtney Queen	(Appointed) 4/19 - 5/22	-	-	Treasurer
Randall Barnett	(Elected) 11/20 - 5/24	-	-	Director
Patty Knight	(Appointed) 5/21 - 5/22	-	-	Director
<b>Key Administrative Personnel</b>				
Heather Henderson				General Manager
<b>Consultants</b>				
Messer, Fort, McDonald PLLC	2/27/2013	\$ 16,281		Attorney
Eide Bailly LLP	10/1/2001	7,875		Auditor
Central Appraisal District of Taylor County	10/1/2001	2,436		Tax Collector
Enprotec Hibbs & Todd	10/1/2012	20,763		Engineer/Accountant
Cordry Contract Services	11/1/2015	1,426		Administrative Services