
ANNUAL FINANCIAL REPORT

CAMERON COUNTY DRAINAGE
DISTRICT NO. 5

SEPTEMBER 30, 2022

CAMERON COUNTY DRAINAGE DISTRICT NO. 5

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2022

ALAN MOORE
GENERAL MANAGER

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED

SEPTEMBER 30, 2022

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BUFFO & BERKMAN
CERTIFIED PUBLIC ACCOUNTANTS
324 E. HIDALGO BOX 710 956-689-2479
RAYMONDVILLE, TEXAS 78580

February 10, 2023

Independent Auditor's Report

Board of Directors
Cameron County Drainage District No. 5
Harlingen, Texas 78550

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund for Cameron County Drainage District No. 5, as of and for the year ended September 30, 2022, 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 the major fund of Cameron County Drainage District No. 5, as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information


Accounting principles generally accepted in the United States of America require that the required supplementary information such as management's discussion and analysis, budgetary comparison information and pension information on pages 7 through 12, page 35 and pages 37 through 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cameron County Drainage District No. 5's basic financial statements. The other schedules are presented for purpose of additional analysis and are not a required part of the basic financial statements.

These other schedules are the responsibility of management and are derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion the other schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.


BUFFO & BERKMAN
Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION

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CAMERON COUNTY DRAINAGE DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2022

(UNAUDITED)

Our discussion and analysis of Cameron County Drainage District No. 5's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the District's basic financial statements and accompanying notes to those financial statements which begin on page 15.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These provide information about the activities of the District as a whole and represent a long-term view of the District's property, obligations, and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

For governmental activities, fund financial statements tell how services were financed in the short-term, as well as what resources remain for future spending. They reflect the flow of current financial resources and the non-appropriated budget.

The notes to the financial statements (starting on page 19) provide narrative explanations or additional data needed for full disclosure in the government-wide statements of the fund financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$39,345,747 (*net position*). Of this amount \$11,149,480 (*unrestricted net position*) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$1,675,137.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$10,936,341, an increase of \$1,458,797 in comparison with the prior year. \$5,126,351 is *available for spending* at the District's discretion (unassigned fund balance).

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 15. Its primary objective is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities while the Statement of Activities includes all the income and expenses generated by the District's operations during the year. These apply the accrual basis of accounting, which is the same method used by most private sector companies.

All of the current year's income and expenses are taken into account regardless of when cash is received or paid. All the District's assets are reported whether they serve the current or future years. Liabilities are considered whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources) provide one measure of the District's financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To assess fully the overall health of the District; however, you should consider nonfinancial factors as well, such as the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, the District has one kind of activity:

Government Activities - The District's basic services are reported here. Ad valorem taxes finance these basic services.

Reporting the District's Governmental Funds

Governmental Fund - The District reports its basic services in governmental funds. These funds use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash), and it reports balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Net position of the District's governmental activities increased from \$37,870,610 to \$39,545,747. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - was \$11,149,480 at September 30, 2022.

This increase in governmental net position was the net result of four factors. First, the District's revenues and other sources exceeded the expenditures by \$1,458,797. Second, the District's net position was increased by miscellaneous reclassification of revenues and expenditures of \$20,748. Third, the District increased its net position by \$246,439 as a result of the purchase of capital assets and payment of principal on bonds. Fourth, the District decreased its net position by \$50,847 as a result of depreciation expense.

TABLE I
NET POSITION

	Governmental Activities	
	2022	2021
Current and other assets	\$ 18,120,638	\$ 16,612,441
Capital assets	<u>34,196,267</u>	<u>34,200,675</u>
Total assets	<u>\$ 52,316,905</u>	<u>\$ 50,813,116</u>
Deferred outflow of resources		
Pension contributions	\$ 20,247	\$ 10,080
Investment <gains> or losses- pension	9,039	18,076
Economic/Demographic		
<gains> or losses-pension	945	593
Assumption changes or		
inputs-pension	<u>30,527</u>	<u>34,955</u>
Total outflows of resources	<u>\$ 60,758</u>	<u>\$ 63,704</u>
Liabilities		
Current and other liabilities	\$ 12,730,550	\$ 12,996,030
Total liabilities	<u>\$ 12,730,550</u>	<u>\$ 12,966,030</u>
Deferred inflows of resources		
Investment <gains> or losses- pension	\$ 97,419	\$ 36,483
Economic/Demographic		
<gains> or losses- pension	2,669	3,115
Assumption change inputs-pension	<u>1,278</u>	<u>582</u>
Total inflows of resources	<u>\$ 101,366</u>	<u>\$ 40,180</u>
Net position:		
Invested in capital assets, net		
of related debt	\$ 28,396,267	\$ 28,200,675
Unrestricted	<u>11,149,480</u>	<u>9,669,935</u>
Total net position	<u>\$ 39,545,747</u>	<u>\$ 37,870,610</u>

TABLE II
CHANGE IN NET POSITION

	Governmental Activities	
	2022	2021
Income:		
Taxes	\$ 2,916,693	\$ 2,813,215
Interest	85,305	2,217
Intergovernmental		723,478
Other	6,393	3,475
Pension	<u>7,677</u>	
Total income	<u>\$ 3,016,068</u>	<u>\$ 3,542,385</u>
Expenses:		
Health and public safety	\$ 1,290,084	\$ 2,603,245
Pension		7,709
Depreciation	<u>50,847</u>	<u>1,579</u>

Total expenses	\$ 1,340,931	\$ 2,612,533
CHANGE IN NET POSITION	\$ 1,675,137	\$ 929,852
NET POSITION, OCTOBER 1	37,870,610	36,940,758
NET POSITION, SEPTEMBER 30	<u>\$ 39,545,747</u>	<u>\$ 37,870,610</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2022, the District had approximately \$34,196,267 invested in capital assets, including right-of-way, drainage ditches and equipment.

This year's major additions included:

Right-of-way	\$ 13,818
Drainage ditches	\$ 32,621

Debt

At September 30, 2022, the District had approximately \$5,800,000 in bonds payable compared to \$6,000,000 last year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the fiscal year 2023 budget. The District expects expenditures to exceed revenues for fiscal year 2023 due to construction projects.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have a question about this report or need additional financial information, contact the District Administration Office, at 301 East Pierce, Harlingen, Texas, 78550.

BASIC FINANCIAL STATEMENTS

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CAMERON COUNTY DRAINAGE DISTRICT NO. 5
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2022

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement Of Net Position</u>
ASSETS			
Cash & cash equivalents	\$ 17,866,891	\$	\$ 17,866,891
Ad valorem taxes receivable	235,112		235,112
Allowance for uncollectible taxes	(65,971)		(65,971)
Net Pension Asset		84,606	84,606
Capital assets			
Right-of-way		6,143,096	6,143,096
Drainage ditches		25,637,088	25,637,088
Structures and improvements		2,414,151	2,414,151
Equipment (net of depreciation)		1,932	1,932
Total assets	<u>\$ 18,036,032</u>	<u>\$ 34,280,873</u>	<u>\$ 52,316,905</u>
Deferred outflows of resources			
Pension contributions	\$	\$ 20,247	\$ 20,247
Investment <gains> or losses - pension		9,039	9,039
Economic/Demographic <gains> or losses-pension		945	945
Assumptions changes or inputs - pension		30,527	30,527
Total outflows of resources	<u>\$</u>	<u>\$ 60,758</u>	<u>\$ 60,758</u>
LIABILITIES			
Accounts payable	\$ 27,550	\$	\$ 27,550
Due to TWDB	6,903,000		6,903,000
Bonds payable			
Due within one year		200,000	200,000
Due after one year		5,600,000	5,600,000
Total liabilities	<u>\$ 6,930,550</u>	<u>\$ 5,800,000</u>	<u>\$ 12,730,550</u>
Deferred inflows of resources:			
Unavailable advalorem taxes	\$ 169,141	\$ (169,141)	\$
Investment <gains> or losses - pension		97,419	97,419
Economic/Demographic <gains> or losses – pension		2,669	2,669
Assumption changes or inputs - pension		1,278	1,278
Total deferred inflow of resources	<u>\$ 169,141</u>	<u>\$(67,775)</u>	<u>\$ 101,366</u>

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2022

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement Of Net Position</u>
Fund balance/Net position			
Committed fund balances	\$ 5,809,990	\$(5,809,990)	
Unassigned fund balances	<u>5,126,351</u>	<u>(5,126,351)</u>	
Total fund balances	<u>\$ 10,936,341</u>	<u>\$(10,936,341)</u>	
Total liabilities, deferred inflows & fund balances	<u>\$ 18,036,032</u>		
Net position			
Invested in capital assets, net of related debt		\$ 28,396,267	\$ 28,396,267
Unrestricted		<u>11,149,480</u>	<u>11,149,480</u>
Total net position		<u>\$ 39,545,747</u>	<u>\$ 39,545,747</u>

The accompanying notes are an integral part of these financial statements.

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Total Fund Balance - Governmental Funds \$ 10,936,341

Capital assets and bonds payable used in governmental activities are not financial resources and; therefore, are not reported in governmental funds. At the beginning of the year, the cost of these assets net of depreciation and was bonds payable were \$28,200,675. The net effect of including the beginning balances for capital assets in the governmental activities is to increase net position. 28,200,675

Pension plan net asset and deferred outflows and inflows are not financial resources and therefore not reported in the funds. The net effect of including the pension plan net asset and deferred outflows and inflows are to increase net position. 43,998

Current year capital outlays and bond principal payments are expenditures in the fund financial statements, but they should be shown as increase in capital assets and reduction of debt in the governmental-wide financial statements. The net effect of including 2022 capital outlays and principle payments is to increase net position. 246,439

The 2022 depreciation expense increases accumulated depreciation.
The net effect of the current year's depreciation is to decrease net position. (50,847)

Other reclassifications are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unearned revenue as revenue in the amount of \$59,835, adjusting prior year's delinquent taxes from unearned revenue to beginning net position in the amount of \$109,306. The net effect of these reclassifications is to increase net position. 169,141

Net Position of Governmental Activities \$ 39,545,747

The accompanying notes are an integral part of these statements.

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General Fund	<u>Adjustments</u>	Statement Of Activities
Revenues/Income			
Taxes	\$ 2,927,330	\$(10,637)	\$ 2,916,693
Interest	85,305		85,305
Other	6,393		6,393
Pension	<u> </u>	<u>7,677</u>	<u>7,677</u>
Total revenues/income	<u>\$ 3,019,028</u>	<u>\$(2,960)</u>	<u>\$ 3,016,068</u>
Expenditures/Expenses			
Health & public safety	\$ 1,313,792	\$(23,708)	\$ 1,290,084
Capital outlay	46,439	(46,439)	
Debt service principal	200,000	(200,000)	
Depreciation	<u> </u>	<u>50,847</u>	<u>50,847</u>
Total expenditures/expenses	<u>\$ 1,560,231</u>	<u>\$(219,300)</u>	<u>\$ 1,340,931</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,458,797</u>	<u>\$ 216,340</u>	
Other financing sources	<u> </u>	<u> </u>	
Excess (deficiency) of revenue & other sources over expenditures & other uses	<u>\$ 1,458,797</u>	<u>\$(1,458,797)</u>	
Change in net position		1,675,137	\$ 1,675,137
Fund balance/net position			
Beginning of year	<u>9,477,544</u>	<u>28,393,066</u>	<u>37,870,610</u>
End of year	<u>\$ 10,936,341</u>	<u>\$ 28,609,406</u>	<u>\$ 39,545,747</u>

The accompanying notes are an integral part of these financial statements.

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
RECONCILIATION OF THE GOVERNMENTAL FUNDS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Total Net Changes in Fund Balances - Governmental Funds	\$ 1,458,797
Current year capital outlays and bond principal payments are expenditures in the fund financial statements, but they are shown as increases in capital assets and decreases in bonds payable in the governmental-wide financial statements. The effect of removing the 2022 capital outlays and bond principal payment is to increase net position.	246,439
Depreciation net recognized in governmental funds as it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(50,847)
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 unearned revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's ad valorem taxes and removing pension contributions and recognizing pension income. The net effect of these reclassifications and recognitions is to increase net position.	<u>20,748</u>
Change in Net Position of Governmental Activities	<u>\$ 1,675,137</u>

The accompanying notes are an integral part of these statements.

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cameron County Drainage District No. 5 is local drainage district operating under the applicable laws and regulations of the State of Texas. It is governed by a three member Board of Trustees (the "Board") elected by the voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources indentified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants.

A. CREATION OF DISTRICT

Cameron County Drainage District No. 5 (herein referred to as "District"), created September 4, 1994, operates under the direction of three directors elected to four year terms. The Board elects its president, vice-president and secretary. The District operates by providing essentially one governmental function of "Stormwater Drainage." The following is a summary of the more significant accounting policies of the District:

B. REPORTING ENTITY

The Board of Directors (the "Board"), a three member group, has governance responsibilities over all activities related to the Drainage District. The District is a financial reporting entity as defined by the Government Accounting Standards Board ("GASB) in its Statement No. 14, "The Financial Reporting Entity", since the board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. There are no component units included within the reporting entity. The District receives funding from local and federal sources and must comply with the requirements of these funding sources.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's activities. *Governmental activities* include operations supported primarily by tax assessments.

The fund financial statements provide reports on the financial condition and results of operations for the general fund.

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements use 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 the related cash flows. Tax assessments are recognized as revenues in the year for which they are levied.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The District does not consider taxes as available if they are collectible within 60 days after year end.

The District's accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, equity, revenues, and expenditures. The District reports the following major governmental fund:

General Fund - The General Fund is used to account for financial resources used for general operations. It is the basic fund of the District and covers all activities. Any fund balances are considered resources available for current operations.

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. OTHER ACCOUNTING POLICIES

1. Cash and cash equivalent include cash on hand, in bank checking accounts, savings accounts, bank certificates of deposit maturing 90 days after September 30, and Tex Pool Investments.
2. The District records purchases of supplies as expenditures. If any supplies are on hand at the end of the year, their total cost is recorded as inventory and as a nonspendable fund balance.
3. Capital assets, which include land, structures, improvements and equipment are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Equipment	15
Structures and improvements	50

The District depreciates its one half interest in a shredder.

4. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments within the deferred expenditures (expenses) line item in both government-wide and fund financial statements.
5. The official non-appropriated budget was prepared for adoption for the general fund. The budget is prepared using the modified accrual basis of accounting. The original budget was not amended during the year.
6. Encumbrance accounting which uses purchase orders, contracts and other commitments for the expenditure of resources is not utilized in the Governmental Fund of the Cameron County Drainage District No. 5. Expenditures are recognized when the goods purchased are received or when services have been performed.

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. DEPOSITS AND INVESTMENTS

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount of deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial credit risk for deposits.

District Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. Cameron County Drainage District No. 5 is in substantial compliance with the requirements of the Act and with local policies.

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. DEPOSITS AND INVESTMENTS (Continued)

District Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act (Continued)

As of September 30, 2021, Cameron County Drainage District No. 5 had the following investments.
Investment Maturities (in years)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
TexPool	2,779,960	5,077,605			

Additional policies and contractual provisions governing deposits and investments for Cameron County Drainage District No. 5 are specified below:

Credit Risk To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments to Certificates of Deposit and TexPool. TexPools are like funds meaning that they are structured similarly to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant value of \$1.00, although this cannot be fully guaranteed. TexPools are rated AAA and maintains a weighted average maturity of 37 days. Although the TexPools portfolio had a weighted average maturity of 37 days, the District considers the holdings in these funds to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

Custodial Credit Risk For Investments To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the district and hand them over to the District or its designated agent. This includes securities in securities lending transactions. All of the securities are in the District's name and held by the District or its agent.

Concentration of Credit Risk As of September 30, 2022, TexPool represents 100% of the portfolio.

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND BALANCE POLICIES

The District has classified its fund balances in the following classifications:

Nonspendable	
Inventory	
Restricted	
Committed	\$ 5,809,990
Unassigned	\$ 5,126,351

The Board of Directors is the District's decision making authority for both committing and restricting fund balances.

The Board of Directors must by formal board action establish, modify or rescind a fund balance commitment.

When the District incurs an expense for which it may use either restricted or unassigned assets, it uses the restricted assets first unless unassigned assets will have to be returned because they were not used.

H. PENSION BENEFIT PLAN

Pensions. For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to /deductions from TCERS's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

II. DETAILED NOTES ON ALL FUNDS

A. AD VALOREM TAXES

Ad valorem taxes are levied by October 1. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which levied. On January 1 of each year, a lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed.

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2022

II. DETAILED NOTES ON ALL FUNDS (Continued)

B. DELINQUENT TAXES RECEIVABLES

Delinquent taxes are accounted for in the General Fund. Allowances for uncollectible tax receivables accounts within the General Fund are based on historical experience in collecting taxes.

C. CAPITAL ASSET ACTIVITY

Capital asset activity for the District, for the year ended September 30, 2022, was as follows

	Balance 10-01-21	Addition	Deletion	Reclassifications	Balance 09-30-22
Right-of-way	\$ 6,129,278	\$ 13,818		\$	\$ 6,143,096
Drainage ditches	25,604,467	32,621			25,637,088
Structures and Improvements	2,463,419				2,463,419
Equipment	23,678				23,678
Total at historical cost	<u>\$ 34,220,842</u>	<u>\$ 46,439</u>	<u>\$</u>	<u>\$</u>	<u>\$ 34,267,281</u>
Less accumulated depreciation for Structures and improvements	\$	\$(49,268)	\$	\$	\$(49,268)
Equipment	<u>(20,167)</u>	<u>(1,579)</u>	<u></u>	<u></u>	<u>(21,746)</u>
	<u>\$(20,167)</u>	<u>\$(50,847)</u>	<u>\$</u>	<u>\$</u>	<u>\$(70,014)</u>
Governmental activities capital assets net	<u>\$ 34,200,675</u>	<u>\$(4,408)</u>	<u>\$</u>	<u>\$</u>	<u>\$ 34,196,267</u>

III. RIGHT OF WAY

The District has adopted a policy of contracting with the Harlingen Irrigation District Cameron County No. 1 to supply personnel, officing and equipment for the operation and maintenance of the drainage ditches. The La Feria Irrigation District Cameron County No. 3 also maintains the ditches within the Wilson Tract. Informal agreements, or understanding, between the District's Board and the two Irrigation Districts' Boards, provide that upon completion of an inventory of the various drainage ditches within the District, and documentation of ownership, the District will purchase the ditches and their respective rights-of-way from the Irrigation Districts.

The only fixed assets the District has acquired is drainage ditch right-of-way and some existing drains. Existing right-of-way, belonging to the Irrigation District, and usually in the form of dedicated or prescriptive easements, is being acquired by the District by "donation". Additional right of way is purchased at fair market value plus cost of easements. Donated right-of-way is recorded at appraised fair market value at the time of the transaction.

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2022

IV. EMPLOYEE BENEFITS

The District has adopted a policy for annual leave that all employees must utilize their annual leave by September 30 of each year or the leave is lost. Accordingly, there are no accumulated benefits owed employees at year end.

V. PLAN DESCRIPTION

A. Plan Description

Cameron County Drainage District No. 5 provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of statewide agent multiple-employer public employee retirement system consisting of 656 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR can be obtained at www.tcdrs.com.

B. Benefits Provided

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas State statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 10 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum before they are eligible to retire, are not entitled to any amounts contributed by their employer.

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

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2022

V. PLAN DESCRIPTION (Continued)

Employees covered by benefit terms.

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees entitled to but not yet receiving benefits	0
Active employees	<u>2</u>
Current retirees and beneficiaries	0

C. Contributions

The contribution rates for employees in TCDRS are either 4%, 5%, 6% or 7% of employee gross earnings, and the District is required to contribute at actuarially determined rates as adopted by the governing body of the District. Under the state law governing TCDRS, the contribution rate for each District is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the District were required to contribute 7.00% of their annual gross earnings during the fiscal year. The contribution rates for the District were 8.38% and 11.01%, in calendar years 2021 and 2022, respectively. The District's contributions to TCDRS for the year ended September 30, 2022, were \$23,708, and were equal to the required contributions.

D. Net Pension Liability

The District's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Actual Cost Method Entry Age (level percentage of pay)

Amortization Method

Recognition of economic/
demographic gains or
losses Straight-Line amortization over expected working life

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2022

V. PLAN DESCRIPTION (Continued)

Recognition of assumptions

Changes or inputs Straight-Line amortization over expected working life

Asset Valuation Method

Smoothing period 5-Years
Recognition Method Non-asymptotic
Corridor None

Inflation 2.50% per year

Salary increases Varies by entry age and service, 4.7% average over career including inflation

Investment Rate of Return 7.60% (gross of administrative expenses)

Retirement age Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.

The long-term expected rate of return on TCDRS Assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correction. The Capital Market Assumptions and information shown below are provide by TCDRS Investment Consultant Cliff Waters LLC. The numbers shown are based on January 2022 information for a 10 year time horizon.

Asset Class	Target Allocation	Geometric Real Rate of Return
US Equities	11.50%	3.80%
Global Equities	2.50%	4.10%
International Equities-		
Developed Markets	5.00%	3.80%
Emerging Markets	6.00%	4.30%
Investment-Global-Bonds	3.00%	-0.85%
Strategic Credit	9.00%	1.77%
Direct Lending	16.00%	6.25%
Distressed Debt	4.00%	4.50%
REIT Equities	2.00%	3.10%
MLPS	2.00%	3.85%
Private Real Estate Partnerships	6.00%	5.10%
Hedge Funds	6.00%	1.56%
Private Equity	25.00%	6.80%
Cash Equivalents	2.00%	-1.05%

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2022

V. PLAN DESCRIPTION (Continued)

Changes in the Net Pension Liability/(Assets)	Total Pension Liability	Plan Fiduciary Net Pension	Increase(Decreased) Net Pension Liability
	(a)	(b)	(a-b)
Balance at 12/31/2020	\$ 654,318	\$ 643,407	\$ 10,911
Changes for the year:			
Service cost	22,866		22,866
Interest on total pension liability	51,466		51,466
Effect of plan changes	0		0
Effect of economic/demographic			
Gains or losses	516		516
Effect of assumptions changes or inputs	(890)		(890)
Refund of contributions	0		0
Benefit payments	0		0
Contributions-employer		13,541	(13,541)
Contributions-employee		11,311	(11,311)
Net investment income		144,181	(144,181)
Administrative expense		(440)	440
Other changes		881	(881)
Balance at 12/31/2021	\$ 728,276	\$ 812,883	\$(84,606)

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the district calculated using the discount rate of 7.60%, as well as what the District net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60%) or 1-percentage-point higher (8.60%) than the current rate:

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (9.10%)
District's net pension Liability/(Assets)	\$ 5,645	\$(84,606)	\$(162,559)

Pension Plan Fiduciary Net Position

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

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2022

V. PLAN DESCRIPTION (Continued)

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

For the ended September 30, 2021 the District recognized pension income of \$7,677.

At September 30, 2021, the district reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 2,669	\$ 945
Changes of assumptions	1,278	30,527
difference between projected and actual earning	88,380	
Contributions subsequent to the Measurement date		20,247

\$20,247 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended Dec. 31:

2022	\$(15,691)
2023	\$(24,730)
2024	\$(17,236)
2025	\$(14,915)
2026	\$ 3,948
Thereafter	\$ 7,769

VI. DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources at September 30, 2022, consisted of the following:

	<u>General Fund</u>
Net Ad Valorem taxes	<u>\$ 169,141</u>

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2022

VII. CHANGES IN LONG-TERM DEBT

During the year ended September 30, 2021 the District issued \$6,000,000 unlimited Tax Bonds Series 2021 for damage improvements. The Bonds bear no interest and are payable over a thirty year period. Payments begin July 1, 2022. Advalorem taxes are pledged as security for the issue.

The Bonds are payable to the Texas Water Development Board.

Debt service requirement for the term of the issue follow:

Fiscal Year	Principal	Interest	Total Requirements
2023	\$ 200,000	\$ -0-	\$ 200,000
2024	200,000	-0-	200,000
2025	200,000	-0-	200,000
2026	200,000	-0-	200,000
2027	200,000	-0-	200,000
2028-2032	1,000,000	-0-	1,000,000
2033-2037	1,000,000	-0-	1,000,000
2038-2042	1,000,000	-0-	1,000,000
2043-2047	1,000,000	-0-	1,000,000
2048-2051	800,000	-0-	800,000
	<u>\$5,800,000</u>	<u>\$ -0-</u>	<u>\$5,800,000</u>

VIII. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District is a member of the Texas Water Conservation Association Risk Management Fund, a joint self-insurance pool of Texas Political Subdivisions, which provides workers' compensation coverage and liability and property coverage for the District based upon a sharing of risks among members of the pool.

The District continues to carry commercial insurance for the risks of loss from employee dishonesty and for the bonding of its directors. There have been no claims resulting from these risks in any of the past three fiscal years. There has been no significant reduction in insurance coverage from coverage in the prior year.

VIII. SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 10, 2023, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

REQUIRED SUPPLEMENTARY INFORMATION

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CAMERON COUNTY DRAINAGE DISTRICT NO. 5
BUDGETARY COMPARISON SCHEDULE-
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Tax Revenue:			
Current taxes	\$ 2,849,816	\$ 2,911,661	\$ 61,845
Delinquent taxes	65,000	80,515	15,515
Supplemental taxes		9,893	9,893
Penalty & interest	38,000	55,871	17,871
Discounts	(60,000)	(63,938)	(3,938)
Errors & adjustments	(10,000)	(37,203)	(27,203)
Collection expense	(28,498)	(29,469)	(971)
Total tax revenue	\$ 2,854,318	\$ 2,927,330	\$ 73,012
Interest	1,500	85,305	83,805
Intergovernmental	4,407,667		(4,407,667)
Other	4,250	6,393	2,143
Total revenue	<u>\$ 7,267,735</u>	<u>\$ 3,019,028</u>	<u>\$(4,248,707)</u>
EXPENDITURES			
Health and public safety	\$ 846,458	\$ 1,313,792	\$(467,334)
Capital outlay	6,507,667	46,439	6,461,228
Debt service principal	200,000	200,000	
Total expenditures	<u>\$ 7,554,125</u>	<u>\$ 1,560,231</u>	<u>\$ 5,993,894</u>
Excess (deficiency) of revenues over expenditures	\$(286,390)	<u>\$ 1,458,797</u>	<u>\$ 1,745,187</u>
Other financing sources/uses			
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$(286,390)	\$ 1,458,797	\$ 1,745,187
Fund balances			
Beginning of year	9,477,514	9,477,544	
End of year	<u>\$ 9,191,154</u>	<u>\$ 10,936,341</u>	<u>\$ 1,745,187</u>

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CAMERON COUNTY DRAINAGE DISTRICT NO. 5
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
PENSION INFORMATION

SCHEDULE OF PENSION EXPENSE

January 1, 2021 to
December 31, 2022

1. Total Service Cost	\$ 22,866
2. Interest on the Total Pension Liability	51,466
3. Effect of plan changes	0
4. Employee contributions	(11,311)
5. Expected investment return net of investment expenses	(49,843)
6. Administrative Expense	440
7. Recognition of deferred inflows/ outflows of resources	
Recognition of economic/demographic gains or losses	(282)
Recognition of assumption changes or inputs	4,234
Recognition of investment gains or losses	(24,366)
8. Other	(881)
9. Pension expense/(income)	<u>\$ (7,677)</u>

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
PENSION INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

A. Total pension liability	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
1. Service cost	\$ 22,866	\$ 19,923	\$ 19,990	\$ 19,393
2. Interest (on the Total Pension Liability)	51,466	46,281	41,359	36,794
3. Effect of plan changes	0	0	0	0
4. Effect of economic/demographic gains or losses	516	(1,100)	(523)	(422)
5. Effect of assumptions changes or inputs	(890)	37,769	0	0
6. Benefit payments/refunds of contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7. Net change in total pension liability	\$ 73,958	\$ 102,873	\$ 60,827	\$ 55,765
8. Total pension liability – beginning	<u>654,318</u>	<u>551,445</u>	<u>490,618</u>	<u>434,854</u>
9. Total pension liability – ending	<u><u>\$ 728,276</u></u>	<u><u>\$ 654,318</u></u>	<u><u>\$ 551,445</u></u>	<u><u>\$ 490,618</u></u>
B. Plan fiduciary net position				
1. Contributions – employer	\$ 13,541	\$ 13,240	\$ 12,203	\$ 10,425
2. Contributions – employee	11,311	10,903	10,708	12,153
3. Net investment income	144,181	58,001	75,813	(8,074)
4. Benefit payments/refunds of contributions	0	0	0	0
5. Administrative expense	(440)	(471)	(427)	(371)
6. Other	<u>881</u>	<u>770</u>	<u>683</u>	<u>718</u>
7. Net change in plan fiduciary net position	\$ 169,474	\$ 82,443	\$ 99,169	\$ 14,851
8. Plan fiduciary net position – beginning	<u>643,407</u>	<u>560,964</u>	<u>461,795</u>	<u>446,944</u>
9. Plan fiduciary net position – ending	<u><u>\$ 812,882</u></u>	<u><u>\$ 643,407</u></u>	<u><u>\$ 560,964</u></u>	<u><u>\$ 461,795</u></u>
10.				
C. Net pension liability/(Asset) (A.9 – B.9)	<u><u><u>\$ (84,606)</u></u></u>	<u><u><u>\$ 10,911</u></u></u>	<u><u><u>\$ (9,519)</u></u></u>	<u><u><u>\$ 28,823</u></u></u>
D. Plan fiduciary net position as a percentage of the total pension liability (B.9 / A.9)				
	111.62%	98.33%	101.73%	94.13%
E. Covered-employee payroll	\$ 161,591	\$ 155,761	\$ 153,113	\$ 148,938
F. Net pension liability as a percentage of covered employee payroll (C / E)				
	-52.36%	7.01%	-6.22%	19.35%

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
PENSION INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
(continued)

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 19,414	\$ 19,325	\$ 18,213	\$ 17,354
32,727	28,039	24,648	21,420
0	0	(2,670)	0
(1,000)	578	(1,596)	603
(914)		2,768	0
0	0	0	0
\$ 50,227	\$ 47,942	\$ 41,363	\$ 39,377
384,627	336,685	295,321	255,944
<u>434,854</u>	<u>\$ 384,627</u>	<u>\$ 336,685</u>	<u>\$ 295,321</u>
\$ 11,234	\$ 12,070	\$ 12,242	\$ 12,012
10,108	9,813	9,392	8,945
54,512	24,067	(4,769)	18,297
0	0	0	0
(297)	(262)	(228)	(222)
<u>283</u>	<u>1,635</u>	<u>(27)</u>	<u>(16)</u>
\$ 75,840	\$ 47,323	\$ 16,610	\$ 39,016
371,105	323,782	307,172	268,156
<u>\$ 446,945</u>	<u>\$ 371,105</u>	<u>\$ 323,782</u>	<u>\$ 307,172</u>
<u><u>\$ (12,091)</u></u>	<u><u>\$ 13,522</u></u>	<u><u>\$ 12,903</u></u>	<u><u>\$ (11,851)</u></u>
102.78%	96.48%	96.17%	104.01%
\$ 144,396	\$ 140,189	\$ 134,177	\$ 127,787
-8.37%	9.65%	9.62%	- 9.27%

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 13,541	\$ 13,240	\$ 12,203	\$ 12,153
Actual employer contributions	\$ 13,541	\$ 13,240	\$ 12,203	\$ 12,153
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered employee payroll	\$ 161,591	\$ 155,761	\$ 153,113	\$ 148,938
Contributions as a percentage of covered employee payroll	8.4%	8.5%	8.0 %	8.2%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll closed
Remaining Amortization period	18.9 years (based on contribution rate calculated in 12/31/2021 valuation)
Asset Valuation Method	5 years smoothed market
Inflation	2.50%
Salary Increases	Varies by entry age and service. 4.7 % average over career including inflation.
Investment Rate of Return	7.50% net of investment and administrative expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the PUB-2010 General Retirees Table for Males and 120% of the PUB-2010 General Retirees Table for Females, both projected with 100% of the MP-2021 Ultimate Scale after 2010.

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
(continued)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 11,234	\$ 12,070	\$ 11,982	\$ 12,012
Actual employer contributions	\$ 11,234	\$ 12,070	\$ 12,242	\$ 12,012
Contribution deficiency (excess)	\$ 0	\$ 0	\$(260)	\$ 0
Covered employee payroll	\$ 144,396	\$ 140,189	\$ 134,177	\$ 127,787
Contributions as a percentage of covered employee payroll	7.8%	8.6%	9.1%	9.4%

NOTES TO SCHEDULE OF CONTRIBUTIONS
(continued)

Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected.
	2017: New mortality assumptions were reflected.
	2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule.
	2016: No changes in plan provisions were reflected in the Schedule
	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.
	2018: No changes in plan provisions were reflected in the Schedule.
	2019: No changes in plan provisions were reflected in the Schedule.
	2020: No changes in plan provisions were reflected in the Schedule.
	2021: No changes in plan provisions were reflected in the Schedule.

*Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to Schedule.

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OTHER SCHEDULES

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CAMERON COUNTY DRAINAGE DISTRICT NO. 5
SCHEDULE OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Cash	
Cash on deposit at	
PNC Bank	
Checking Account	\$ 28,276
BOK Financial	
Checking Accounts	<u>12,761,009</u>
Total Cash	<u>\$ 12,789,285</u>
 Cash Equivalents	
Tex Pool	<u>\$ 5,077,605</u>
Total Cash Equivalents	<u>\$ 5,077,605</u>
Total Cash and Cash Equivalents	<u>\$ 17,866,890</u>

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
SCHEDULE OF TAXES RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Changes in tax receivables:

Taxes receivables at beginning of year	\$ 249,633	
Adjustments	<u>(29,899)</u>	\$ 219,734
2021 Year – Levy	2,998,236	
Adjustments	<u>(27,885)</u>	2,970,351
2022 Collections		
Current year	2,893,784	
Prior years	<u>61,189</u>	<u>2,954,973</u>
Taxes receivable end of year		<u>\$ 235,112</u>

Taxes receivable by year:

2021	\$ 76,567
2020	36,682
2019	22,745
2018	16,016
2017	13,238
2016	10,580
2015	8,882
2014	7,386
2013	7,157
2012 and prior	<u>35,859</u>
	<u>\$ 235,112</u>

CAMERON COUNTY DRAINAGE DISTRICT NO. 5
SCHEDULE OF OPERATING EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Health and Public Safety

Administrative contract	\$ 25,000
Appraisal district fees	37,660
Audit	6,000
Board meetings	17,350
Environmental compliance	100
General engineering	374,057
Health insurance	36,056
Insurance and bonds	4,257
Legal	6,648
Maintenance ditches	420,231
Mileage	3,600
Miscellaneous	10,342
Office	16,871
Payroll tax	17,997
Retirement	23,708
Salary – employee	108,828
Salary – general manager	116,370
Interlocal agreement	45,000
Election	<u>43,717</u>

Total Health and Public Safety	<u>\$1,313,792</u>
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