

**RED RIVER GROUNDWATER
CONSERVATION DISTRICT**

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2012

RUTHERFORD, TAYLOR & COMPANY, P.C.
Certified Public Accountants
2802 Washington Street
Greenville, Texas 75401
(903) 455-6252

RED RIVER GROUNDWATER CONSERVATION DISTRICT
 ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2012

TABLE OF CONTENTS

	<u>Page Number</u>
<u>Independent Auditor's Reports:</u>	
Report on Basic Financial Statements Accompanied by Required Supplementary Information, Supplementary Information, and Other Information	3
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5
Management's Discussion and Analysis (Required Supplementary Information).....	7
<u>Basic Financial Statements:</u>	
Government-wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds	14
Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	15
Notes to the Basic Financial Statements	16
<u>Required Supplementary Information:</u>	
Budgetary Comparison Schedule	21

INDEPENDENT AUDITOR'S REPORT

Members of the Board:

We have audited the accompanying financial statements of the governmental activities and each major fund of the Red River Groundwater Conservation District (District), as of and for the year ended December 31, 2012, 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 an opinion 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 account 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 opinion.

Opinion

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 the Red River Groundwater Conservation District as of December 31, 2012, and the respective changes in financial position and cash flows thereof 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 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

July 22, 2013
Greenville, Texas

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Red River Groundwater Conservation District (District), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 22, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Report on Internal Control – Continued

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

July 22, 2013
Greenville, Texas

RED RIVER GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2012

The Red River Groundwater Conservation District (District) is pleased to present its financial statements. This required supplementary information presents our discussion and analysis of the District's financial performance during the year ended December 31, 2012. Please read this section in conjunction with the basic financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net position was \$ 118,930 at December 31, 2012.
- During the year, the District's expenses were \$ 89,773 less than the \$ 298,045 generated from groundwater production fees and other revenues.
- The General Fund presents a year end fund balance of \$ 118,930 at December 31, 2012.

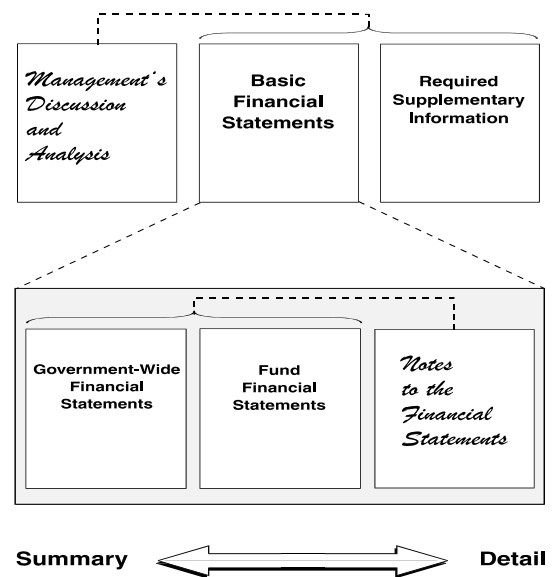
OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to this Management's Discussion and Analysis, this report consists of government-wide financial statements, fund financial statements, and the notes to the financial statements. The first two statements are condensed and present a government-wide view of the District's finances. The government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the District.

Basic Financial Statements

- The Statements of Net Position focuses on resources available for future operations. In simple terms, the statement presents a snapshot of the assets of the District, the liabilities it owes, and the net difference. The net difference is further separated into amounts restricted for specific purposes, if any, and unrestricted amounts. The information presented in this statement is reported on the accrual basis of accounting.
- The Statement of Activities focuses on gross and net costs of the District's programs and the extent to which such programs rely on general revenues. The statement summarizes and simplifies the users analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on individual funds, including assets liabilities and fuel equity. Separate revenues and expenditures analysis are presented to each major fund.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

Figure A-1, Required Components of the District's Annual Financial Report



RED RIVER GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2012

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position may serve over time as a useful indicator of a government's financial position. For the District, the total combined net position was \$ 89,773 at year end. A comparative condensed summary of the District's statements of net position is presented here.

Red River Groundwater Conservation District's Net Position			Table A-1
	2012	2011	Total Percentage Change 2011 - 2012
Assets:			
Cash and Cash Equivalents	\$ 112,749	\$ (1,212)	-9402.72%
Receivables and Other Assets	50,538	58,533	-13.66%
Total Assets	\$ 163,287	\$ 57,321	184.86%
Liabilities:			
Current Liabilities	\$ 44,357	\$ 28,164	57.50%
Total Liabilities	\$ 44,357	\$ 28,164	57.50%
Net Position:			
Unrestricted	118,930	29,157	307.90%
Total Net Position	\$ 118,930	\$ 29,157	307.90%

At year end, 69.0% of the District's total assets were held in cash and cash equivalents, with fees receivable and prepaid expenses representing 31.0%.

The District's liabilities consist of accounts payable for items or services received during the year, but not paid out in cash until after year end.

Unrestricted net position represents amounts available for future spending.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2012

CHANGES IN NET POSITION

The District's total revenues were \$ 298,045 generated from Groundwater Production Fees assessed upon residents of the District.

The total cost of all services was \$ 208,272, for third party administration of the program.

A condensed summary of the District's statements of activities and changes in net position for the years ended December 31, 2012 and 2011 is presented here:

Changes in Red River Groundwater Conservation District's Net Position			Table A-2
	2012	2011	Total Percentage Change 2011 - 2012
Operating Revenues:			
Groundwater Production Fees	\$ 298,045	\$ 148,117	101.22%
Total Revenues	\$ 298,045	\$ 148,117	101.22%
Operating Expenses:			
Administrative Services	\$ 208,272	\$ 118,960	75.08%
Total Expenses	\$ 208,272	\$ 118,960	75.08%
Increase (Decrease) in Net Position	\$ 89,773	\$ 29,157	207.90%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The governmental funds of the District reported revenues of \$ 298,045 during the year, with total expenditures of \$ 208,272.

BUDGETARY HIGHLIGHTS

The District's Board of Directors adopted a final operating budget for the 2012 fiscal year, based on anticipated receipts and expenditures (unaudited), prior to year end. The budget encompasses all the activities of the District, which would normally include both revenues and expenditures.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2012

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2012, the District has not invested in any capital assets.

Debt

As of December 31, 2012, the District has not entered into any debt agreements. The District has no outstanding long-term debt at year end.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District adopted the next year's budget to provide for the developing nature of the services provided by the District, which will increase over the current year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Jerry Chapman, General Manager for the District.

BASIC FINANCIAL STATEMENTS

RED RIVER GROUNDWATER CONSERVATION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Governmental Activities
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 112,749
Fees Receivable, Net	49,448
Prepaid Expenses	1,090
Total Current Assets	\$ 163,287
Total Assets	\$ 163,287
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 44,357
Total Current Liabilities	\$ 44,357
Total Liabilities	\$ 44,357
NET POSITION	
Unrestricted	118,930
Total Net Position	\$ 118,930

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

RED RIVER GROUNDWATER CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Administration	\$ 208,272	\$ -	\$ -	\$ (208,272)
Total Governmental Activities	\$ 208,272	\$ -	\$ -	\$ (208,272)
Total Primary Government	<u>\$ 208,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (208,272)</u>
General Revenues:				
Groundwater Production Fees				\$ 298,045
Total General Revenues				<u>\$ 298,045</u>
Change in Net Position				\$ 89,773
Net Position - Beginning (January 1)				<u>29,157</u>
Net Position - Ending (December 31)				<u>\$ 118,930</u>

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

RED RIVER GROUNDWATER CONSERVATION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2012

		General Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$	112,749
Accounts Receivable		50,978
Allowance for Uncollectible Accounts		(1,530)
Prepaid Expenses		1,090
Total Current Assets	\$	163,287
 Total Assets	\$	163,287
 LIABILITIES		
Current Liabilities:		
Accounts Payable	\$	44,357
Total Current Liabilities	\$	44,357
 Total Liabilities	\$	44,357
 Fund Balance		
Unassigned	\$	118,930
Total Fund Balance	\$	118,930
 Total Liabilities & Fund Balance	\$	163,287

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

RED RIVER GROUNDWATER CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2012

		General Fund
OPERATING REVENUES		
Groundwater Usage Fees	\$	298,045
		298,045
Total Operating Revenues	\$	298,045
OPERATING EXPENSES		
Administration	\$	196,570
Legal Fees		11,702
		11,702
Total Operating Expenses	\$	208,272
Operating Revenue (Expenses)	\$	89,773
Net Change in Fund Balance	\$	89,773
Fund Balance - Beginning (January 1)		29,157
Fund Balance - Ending (December 31)	\$	118,930

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

RED RIVER GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

A. Summary of Significant Accounting Policies

The basic financial statements of the Red River Groundwater Conservation District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Red River Groundwater Conservation District (District), is a political subdivision of the State of Texas, created under the authority of Article XVI, Section 59, Texas Constitution, and operating pursuant to the provisions of the Texas Water Code, Chapter 36, and Senate Bill 2497, Acts of the 81st Texas Legislature, Regular Session, 2010. The District encompasses the Red River counties of Grayson and Fannin. The Board of Directors (Board), a six member group constituting an ongoing entity, is the level of government which has governance responsibilities over all activities within the jurisdiction of the District. The Board is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Reporting Standards, since Board members are appointed, have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

As required by accounting principles generally accepted in the United States of America, the basic financial statements of the reporting entity include those of the District (primary government) and its component units. There are no component units included in these basic financial statements.

2. Basis of Presentation – Basis of Accounting

Government-wide Statements – The statement of net position (SNA) and the statement of activities (SOA) include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities (SOA) presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, and other charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxing entities allocations and investments, are presented as general revenues.

Fund Financial Statements – The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Any remaining governmental funds are aggregated and reported as non-major funds.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

A. Summary of Significant Accounting Policies (Continued)

District accounts are organized on the basis of funds, each of which is considered a separate accounting entity. Governmental resources allocated to individual funds are recorded for the purpose of carrying on specific activities in accordance with laws, regulations or other appropriate requirements. The fund types and funds utilized by the District are described below:

Governmental fund types include the following –

The *General Fund* is used to account for financial resources used for general operations. This is a budgeted fund and any fund balances are considered resources available for current operations. All revenues and expenditures not required to be accounted for in other funds are accounted for in this fund.

3. Measurement Focus - Basis of Accounting

Government-wide Statements – These financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include taxing entity allocations. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fund Financial Statements – The modified accrual basis of accounting is used for the governmental fund types. This basis of accounting recognizes revenue 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 un-matured interest on general long term debt, which is recognized when due. Expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

4. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

5. Financial Statement Amounts

Cash and Cash Equivalents

Cash and Cash Equivalents are comprised of deposits in financial institutions, including time deposits. For the purpose of the statement of cash flows, where applicable, a cash equivalent is considered any highly liquid investment with a maturity of three months or less. Restricted assets and temporary investments are not included.

Fund Balance

Governmental funds utilize a fund balance presentation for equity. Fund balance is categorized as nonspendable, restricted, committed, assigned or unassigned.

Nonspendable fund balance – represents amounts that cannot be spent because they are either not spendable form (such as inventory or prepaids) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted fund balance – represents amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2012

A. Summary of Significant Accounting Policies (Continued)

Committed fund balance – represents amounts that can only be used for specific purposes imposed by a formal action of the District's highest level of decision-making authority, the Board. Committed resources cannot be used for any other purpose unless the Board removes or changes the specific use by taking the same formal action that imposed the constraint originally.

Assigned fund balance – represents amounts the District intends to use for specific purposes as expressed by the Board or an official delegated the authority. The Board has delegated the authority to assign fund balances to the Superintendent.

Unassigned fund balance – represents the residual classification for the general fund or deficit balances in other funds.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

The following schedule provides information about the specific fund balance classification by fund:

	General	Other Governmental	Total
Unassigned	\$ 118,930	\$ -	\$ 118,930
Totals	\$ 118,930	\$ -	\$ 118,930

B. Deposits, Securities and Investments

The District's funds are deposited and invested in the American Bank of Texas, Sherman, Texas. At December 31, 2012, all District cash deposits appeared to have been covered by FDIC insurance or by pledged securities held by other banks in the name of the depository bank. The District's deposits appear to have been properly secured throughout the fiscal year.

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District does not appear to be exposed to custodial credit risk.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

C. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2012, the District purchased commercial insurance to cover these liabilities. There were no significant reductions in coverage in the last fiscal year, and there were no settlements exceeding insurance coverage in the past year.

D. Litigation

The District does not appear to be involved in any pending litigation as of December 31, 2012.

E. Subsequent Events

Subsequent events have been evaluated through July 22, 2013, which is the date the financial statements were available to be issued. There do not appear to be any events occurring after year end that would or could have an impact on the financial statements at December 31, 2012 as presented.

REQUIRED SUPPLEMENTARY INFORMATION

RED RIVER GROUNDWATER CONSERVATION DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Groundwater Usage Fees	\$ 251,000	\$ 254,820	\$ 298,045	\$ 43,225
Total Operating Revenues	\$ 251,000	\$ 254,820	\$ 298,045	\$ 43,225
OPERATING EXPENSES				
Administration	\$ 241,000	\$ 244,820	\$ 196,570	\$ 48,250
Legal Fees	10,000	10,000	11,702	(1,702)
Total Operating Expenses	\$ 251,000	\$ 254,820	\$ 208,272	\$ 46,548
Net Change in Fund Balance	\$ -	\$ -	\$ 89,773	\$ 89,773
Fund Balance - Beginning (January 1)	29,157	29,157	29,157	-
Fund Balance - Ending (December 31)	\$ 29,157	\$ 29,157	\$ 118,930	\$ 89,773