

GREEN DeWITT DRAINAGE DISTRICT

Doug Sethness, President
Larry Coppedge, Vice President
John Varela, Secretary
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Green DeWitt Drainage District met in **SPECIAL** Session on the 8th of February 2024, at 4:00 PM in the Conference Room of the District's office at 107 N. Gonzales Street, in Cuero, Texas with the following members present:

Doug Sethness, Director
Larry Coppedge, Director
John Varela, Director

Staff: David Guajardo, General Manager
Pat Trevino, Office Manager

Auditor: Yvette Castro, CPA (Roloff, Hnatek & Co., L.L.P.)

ANNOUNCE QUORUM & CALL TO ORDER:

Mr. Sethness called the meeting to order at 4:00 pm.

PUBLIC COMMENT:
NONE

AUDIT REPORT:

Yvette Castro CPA with Roloff, Hnatek & Co from Victoria, Texas introduced herself and provided an independent 34-page auditors' Financial Statement report for September 30, 2023. Ms. Castro issued an unmodified report which is the highest level of assurance that can be given as auditors. In the compliance portion of the audit, no material noncompliance issues were noted that required disclosure. She performed preliminary procedures on fraud and did not find any issues that required disclosure. Ms. Castro gave an overall good report.

She summarized the report calling attention to page 12 and the addition of a new column titled General Land Office Grant. This column will show the assets and expenditures for the GLO grant. This was separated because it is considered special revenue and not part of the operating fund of the district. For as long as the District has the Grant any activity related to it will be in that column.

The operating fund of the District is \$398,797 which includes an increase of about \$42,000 from the prior year.

The auditors called attention to our adopted budget and the budget amendments that were done throughout the year because the District overspent on some categories. This year the negative variances were immaterial but when variances become material to the audit then they have to disclose it to TCEQ which would indicate to them that the District was not in compliance.

Castro recommends that in August or September, the last meeting before the end of our fiscal year to look at our actual expenditures and the budget at that time and make any final budget amendments in that meeting right before the end of the year. This will avoid any negative variances.

Her other recommendations focused on the GLO grant. Ms. Castro recommends that when we adopt the budget to not include any of the revenue or expenses related to the GLO grant. Our budget should only include it for the District. If the District spends over \$750,000 in this GLO grant it will require a single audit which requires additional test work and reports. This type of audit will cost an additional \$2,000 to \$3,000. Any work done during a fiscal year will be considered billable even if an invoice is turned in after the fiscal year.

MOTION:

John Varela made a motion to approve the audit report ending September 30, 2023. Larry Coppedge seconded the motion and the motion carried.

PERSONNEL MATTERS:

NONE

FINANCIAL MATTERS:

NONE

MOTION:

John Varela made a motion to adjourn. Larry Coppedge seconded the motion and the motion carried.

ADJOURN:

The meeting was adjourned at 4:23 PM.

SCHEDULE MEETING:

The next meeting is scheduled for February 26, 2024.

Director

David Guajardo, General Manager