

#### Item 4 – Annual Financial Audit of the District

The District is required to submit to an annual financial audit as described in Section 36.153 Texas Water Code:

*Sec. 36.153. ANNUAL AUDIT. (a) Annually and subject to Subsection (c), the board shall have an audit made of the financial condition of the district. The district audit shall be performed according to the generally accepted government auditing standards adopted by the American Institute of Certified Public Accountants.*

*(b) Financial statements shall be prepared in accordance with generally accepted accounting principles as adopted by the American Institute of Certified Public Accountants. The annual audit and other district records must be open to inspection during regular business hours at the principal office of the district.*

The firm of Milberger Nesbitt & Ask was contracted to perform the annual financial audit of the District. Russell Armagost, auditor of the firm, presents his findings for board consideration. The complete FY 2023 audit is contained in a **File Browser** folder for review.