

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**SEPTEMBER 30, 2023**

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
For the Year Ended September 30, 2023

**TABLE OF CONTENTS**

<b><u>Exhibit</u></b>		<b><u>Page</u></b>
	Annual Filing Affidavit	1
	Independent Auditor's Report	2-5
	Management's Discussion and Analysis	6-13
 <b><u>BASIC FINANCIAL STATEMENTS</u></b>		
<b>Government-Wide Statements:</b>		
A-1	Statement of Net Position	14
B-1	Statement of Activities	15
 <b>Governmental Funds Financial Statements:</b>		
C-1	Balance Sheet	16
C-2	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
C-3	Statement of Revenues, Expenditures, and Changes in Fund Balances	18
C-4	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	19
 <b>Fiduciary Funds Financial Statements:</b>		
E-1	Statement of Net Position	20
E-2	Statement of Changes in Net Position	21
	Notes to the Financial Statements	22-58
 <b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>		
G-1	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	59
G-2	Schedule of Changes in Net Pension Liability and Related Ratios	60
G-3	Schedule of Contributions	61
	Notes to the Required Supplementary Information	62

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT  
ANNUAL FINANCIAL REPORT  
For the Year Ended September 30, 2023**

**TABLE OF CONTENTS**

<b><u>Exhibit</u></b>	<b><u>Page</u></b>
<b><u>COMBINING SCHEDULES</u></b>	
H-1	63
H-2	64
<b><u>OTHER SCHEDULES</u></b>	
J-1	65
J-2	66
J-3	67
J-4	68
J-5	69
J-6	70
J-7	71
J-8	72
J-9	73
J-10	74
<b><u>REPORTS ON INTERNAL CONTROL AND ON COMPLIANCE AND OTHER MATTERS</u></b>	
	75-76
	77
	78
	79

# ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS }

COUNTY OF: MOORE }

I, Mark Howard  
(Name of Duly Authorized District Representative)

of the North Plains Groundwater Conservation District  
(Name of District)

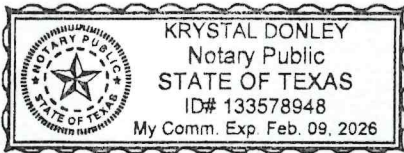
hereby swear, or affirm, that the District named above has reviewed and approved at a meeting of the Board of Directors of the District on the 16th day of January, 2024 its annual audit report for the fiscal year or period ended September 30, 2023, and that copies of the annual audit report have been filed in the District office, located at 603 East First, Dumas, Texas 79029.  
(Address of District)

Date: January 19, 2024.

By: *Mark Howard*  
(Signature of District Representative)

Mark Howard - President  
(Typed Name & Title of above District Representative)

Sworn to and subscribed to before me this 19 day of January, 2024.



(Seal)

*Krystal Donley*  
(Signature of Notary)

My Commission Expires On: February 9 2026 Notary Public in and for the State of Texas.

# COY BARTON, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT  
116 EAST SEVENTH  
P.O. BOX 800 - TELEPHONE 806-935-4188  
DUMAS, TEXAS 79029

MEMBER OF  
THE AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
THE AICPA'S PRIVATE COMPANIES  
PRACTICE SECTION  
TEXAS SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
North Plains Groundwater Conservation District  
P.O. Box 795  
Dumas, Texas

### **Report on the Financial Statements**

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North Plains Groundwater Conservation District as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of North Plains Groundwater Conservation District as of September 30, 2023, 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.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Plains Groundwater Conservation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, Management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about North Plains Groundwater Conservation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 North Plains Groundwater Conservation District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about North Plains Groundwater Conservation District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6 through 13 and 59 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. The District has also included a Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Contributions to the Texas County and District Retirement System in the required supplementary information. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

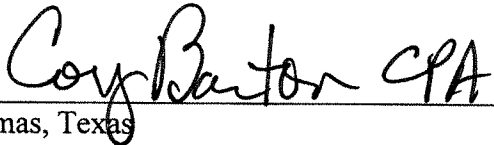
### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises of the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2023, on our consideration of North Plains Groundwater Conservation 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 solely 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 the effectiveness of North Plains Groundwater Conservation District's 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.

  
Dumas, Texas

December 19, 2023



**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Introductory To Management's Discussion and Analysis**  
For the Year Ended September 30, 2023

To the Taxpayers of North Plains Groundwater Conservation District:

The Annual Financial Report of North Plains Groundwater Conservation District for the year ended September 30, 2023, is hereby submitted. The District is responsible for the completeness and fairness of these financial statements.

The financial statements are presented in the following sections: Introductory, Management's Discussion and Analysis, Basic Financial Statements, Notes to the Financial Statements, Required Supplementary Information, Combining Schedules, Other Schedules, and Reports on Internal Control and on Compliance and Other Matters.

This financial report is designed to provide the District taxpayers information concerning the District's financial condition.

Because long range planning is an important part of the District's operations, we know that our conservation programs continued success is safeguarded. North Plains Groundwater Conservation District is financially strong and well positioned for water conservation issues in the future.

Sincerely,



Janet Guthrie  
General Manager

## **NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

In this section of the Annual Financial and Compliance Report, we, the managers of North Plains Groundwater Conservation District, discuss and analyze the District's financial performance for the year ended September 30, 2023. Please read it in conjunction with our transmittal letter on page 6, the Independent Auditor's Report on pages 2-5, and the District's Basic Financial Statements, which begin on page 14.

### **FINANCIAL HIGHLIGHTS**

The District's net position decreased by \$0.08 million, or nearly 1.62%, as a result of this year's operations. Net position is accounted for in the governmental activities.

During the year, the District had expenditures that were \$0.08 million more than the \$2.98 million generated in tax and other revenues for governmental programs.

Total cost of all of the District's programs, after charges for services and operating grants, was \$2.75 million.

The General Fund ended the year with a fund balance of \$2.24 million, which is less than last year's balance of \$2.30 million.

The resources available for appropriation were \$0.37 million less than the expenditures budgeted for in the General Fund.

### **USING THIS ANNUAL REPORT**

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 (on pages 14 and 15). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt 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.

Fund financial statements (starting on page 16) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these 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 supply the basis for tax levies and the appropriations budget. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

The notes to the financial statements (starting on page 22) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

North Plains Groundwater Conservation District  
Management's Discussion and Analysis (continued)

The section labeled Other Schedules contains more detailed information regarding the basic financial statements, other property tax information, and agency funds.

**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 14. Its primary purpose 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 at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided by the amount provided by the taxpayers, state grant funds, and miscellaneous revenues. All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current year 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 and liabilities) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as changes in the District's property tax base.

In the Statement of Net Position and the Statement of Activities, we show the following activities for the District:

- Governmental activities – All of the District's basic services are reported here, including conservation education and protection of underground water supplies.
- Business-type activities – The District has no business-type activities.

**Reporting the District's Most Significant Funds**

*Fund Financial Statements*

The fund financial statements begin on page 16 and provide detailed information about the most significant funds – not the District as a whole. Laws and contracts require the District to establish some funds as special revenue funds. The District has no special revenue funds. The following describes the District's fund accounting approach:

North Plains Groundwater Conservation District  
Management's Discussion and Analysis (continued)

- Governmental funds – Most of the District's basic services are reported in governmental funds. These 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 report 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 reconciliation schedules following each of the fund financial statements.

**The District as Trustee**

***Reporting the District's Fiduciary Responsibilities***

The District is the trustee, or fiduciary, for money held for 2023 production penalties in a custodial account. The District's fiduciary activity is reported in the Statement of Net Position - Fiduciary Funds and Statement of Changes in Fiduciary Net Position on pages 20 and 21. This custodial fund is accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 84, *Fiduciary Activities*.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The District implemented GASBS Nos. 34 and 37 in prior years. We have presented both current and prior year data and discuss significant changes in the accounts. Our analysis, as follows, 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 decreased from \$4.74 million to \$4.67 million. 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 \$2.46 million at September 30, 2023. The decrease in governmental net position was the result of the District's expenditures exceeding the revenues by about \$0.08 million.

North Plains Groundwater Conservation District  
Management's Discussion and Analysis (continued)

**Table I**  
**North Plains Groundwater Conservation District**

<b>NET POSITION</b>			
(in thousands)			
	Governmental Activities 2023	<b>Total 2023</b>	Total 2022
Current and other assets	\$ 2,261	\$ <b>2,261</b>	\$ 2,481
Capital assets	<u>2,593</u>	<u><b>2,593</b></u>	<u>2,601</u>
<b>Total Assets</b>	<u><b>4,854</b></u>	<u><b>4,854</b></u>	<u>5,082</u>
Deferred Outflows of Resources	<u>116</u>	<u><b>116</b></u>	<u>109</u>
Long-term liabilities	143	<b>143</b>	131
Other liabilities	<u>152</u>	<u><b>152</b></u>	<u>120</u>
<b>Total Liabilities</b>	<u><b>295</b></u>	<u><b>295</b></u>	<u>251</u>
Deferred Inflows of Resources	<u>9</u>	<u><b>9</b></u>	<u>197</u>
Net Position:			
Investment in capital assets	2,199	<b>2,199</b>	2,151
Restricted for Debt Service	11	<b>11</b>	11
Unrestricted	<u>2,456</u>	<u><b>2,456</b></u>	<u>2,581</u>
<b>Total Net Position</b>	<u><b>\$ 4,666</b></u>	<u><b>\$ 4,666</b></u>	<u>\$ 4,743</u>

North Plains Groundwater Conservation District  
Management's Discussion and Analysis (continued)

**Table II**  
**North Plains Groundwater Conservation District**

**CHANGES IN NET POSITION**  
(in thousands)

	Governmental Activities 2023	<b>Total 2023</b>	Total 2022
<b>Revenues:</b>			
Program Revenues:			
Charges for services	\$ 205	\$ 205	\$ 220
Operating grants and contributions	105	105	109
General Revenues:			
Taxes	2,157	2,157	2,148
Interest revenue	33	33	8
Miscellaneous	484	484	263
Total Revenues	<u>2,984</u>	<u>2,984</u>	<u>2,748</u>
<b>Expenses:</b>			
Personnel	1,286	1,286	1,182
Professional fees	313	313	182
Contracted services	97	97	109
Technology, communication, and utilities	157	157	275
Vehicle, repairs, and supplies	103	103	104
Administrative expenditures	177	177	174
Conservation outreach	362	362	207
Conservation demonstration project	200	200	161
Aquifer science	70	70	36
Debt service	1	1	2
Depreciation - unallocated	295	295	286
Total Expenses	<u>3,061</u>	<u>3,061</u>	<u>2,718</u>
Increase (decrease) in net position before transfers and special items	(77)	(77)	30
Net Position at Beginning of Year	<u>4,743</u>	<u>4,743</u>	<u>4,713</u>
Net Position at End of Year	<u>\$ 4,666</u>	<u>\$ 4,666</u>	<u>\$ 4,743</u>

North Plains Groundwater Conservation District  
Management's Discussion and Analysis (continued)

The District took actions this year to compensate for some increases in costs:

- Expenditures were monitored monthly by management.
- Costs were analyzed on a regular basis to ensure the District was getting the best price and value.

The cost of all governmental activities this year was \$3.06 million. However, as shown in the Statement of Activities on page 15, the amount that our taxpayers ultimately financed for these activities through District taxes was only \$2.75 million because some of the costs were paid by those who directly benefited from the programs (\$0.21 million) or by other governments that subsidized certain programs with grants (\$0.11 million).

### **THE DISTRICT'S FUNDS**

As the District completed the year, its governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of \$2.25 million, which is less than last year's total of \$2.31 million. Included in this year's total change in fund balance is a decrease of \$0.06 million in the District's General Fund.

The Board of Directors revised the District's budget during the year. These budget amendments fell into one category. This category involved amendments not increasing the budget.

The District's General Fund balance of \$2.24 million reported on page 16 differs from the General Fund's budgetary fund balance of \$2.01 million reported in the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund on page 59. This is principally due to less expenditures than expected.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

At the end of 2023, the District had \$2.26 million invested in a broad range of capital assets, including facilities and equipment for water conservation. This amount represents a net decrease of \$0.01 million or 0.60% less than last year.

North Plains Groundwater Conservation District  
Management's Discussion and Analysis (continued)

This year's major additions included (in thousands):

Right-to-use leased assets	\$	29
SBITA assets		52
Machinery and equipment		200
Total	\$	<u>281</u>

More detailed information about the District's capital assets is presented in Note III.G. to the financial statements.

**Debt**

At year-end, the District had \$0.06 million in long-term loans. More detailed information about the District's long-term liabilities is presented in Note III.K. to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District's elected and appointed officials considered many factors when setting the fiscal year 2024 budget tax rates. Some of those factors were grant aid from the state and water conservation issues.

These indicators were taken into account when adopting the General Fund budget for 2024. Amounts available for appropriation in the General Fund budget are \$3.43 million, an increase of 2.22% from the final 2023 budget. The District will use its revenues to finance programs currently offered. Budgeted expenditures in 2024 are expected to increase nearly 13.70% to approximately \$3.81 million from approximately \$3.35 million in 2023. The District has grant programs for the 2024 budget.

If these estimates are realized, the District's budgetary General Fund balance is expected to decrease by \$0.45 million at the close of 2024.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, 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 questions about this report or need additional financial information, contact the District's office at North Plains Groundwater Conservation District, P.O. Box 795, Dumas, Texas, 79029.



## **BASIC FINANCIAL STATEMENTS**

NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT  
Statement of Net Position  
September 30, 2023

EXHIBIT A-1

	Primary Government
	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 897,538
Investments - Current	1,450,000
Taxes Receivable, Net	61,713
Due from Other Governments	50,971
Prepaid Items	853
Capital Assets:	
Land	301,497
Buildings and Improvements, Net	669,192
Machinery and Equipment, Net	1,208,877
Right-to-Use Lease Assets, Net	30,604
SBITA Assets, Net	50,735
Net Pension Asset	132,488
Total Assets	4,854,468
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflow Related to Pension Plan	116,003
Total Deferred Outflows of Resources	116,003
<b>LIABILITIES</b>	
Accounts Payable	64,974
Wages and Salaries Payable	42,976
Compensated Absences Payable	43,668
Accrued Interest Payable	79
Notes Payable - Current	62,000
Right-to-Use Leases Payable - Current	7,703
SBITAs Payable - Current	16,541
Noncurrent Liabilities:	
Due in More Than One Year:	
Long-Term Debt	57,135
Total Liabilities	295,076
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflow Related to Pension Plan	9,007
Total Deferred Inflows of Resources	9,007
<b>NET POSITION</b>	
Net Investment in Capital Assets and Lease Assets	2,198,905
Restricted for Debt Service	11,325
Unrestricted	2,456,158
Total Net Position	\$ 4,666,388

The notes to the financial statements are an integral part of this statement.

NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT  
Statement of Activities  
For the Year Ended September 30, 2023

EXHIBIT B-1

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
<b>Primary Government:</b>				
<b>GOVERNMENTAL ACTIVITIES:</b>				
Personnel	\$ 1,285,692	\$ 28,862	\$ -	\$ (1,256,830)
Professional Fees	313,364	-	-	(313,364)
Contracted Services	96,722	-	-	(96,722)
Technology, Communications, and Utilities	157,260	-	-	(157,260)
Vehicle, Repairs, and Supplies	103,221	-	-	(103,221)
Administration Expenditures	176,630	176,630	-	-
Conservation Demonstration Project	200,263	-	-	(200,263)
Aquifer Science	69,698	-	-	(69,698)
Conservation Outreach	362,156	-	105,404	(256,752)
Interest on Debt	1,083	-	-	(1,083)
Depreciation - Unallocated	295,214	-	-	(295,214)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 3,061,303</b>	<b>\$ 205,492</b>	<b>\$ 105,404</b>	<b>(2,750,407)</b>
<b>General Revenues:</b>				
Taxes:				
Property Taxes, Levied for General Purposes				2,157,283
Penalty and Interest on Taxes				19,221
Miscellaneous Revenue				463,734
Investment Earnings				33,235
<b>Total General Revenues</b>				<b>2,673,473</b>
Change in Net Position				<b>(76,934)</b>
Net Position - Beginning				<b>4,743,322</b>
Net Position - Ending				<b>\$ 4,666,388</b>

The notes to the financial statements are an integral part of this statement.

NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT

EXHIBIT C-1

Balance Sheet  
Governmental Funds  
September 30, 2023

	General Fund	Other Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 886,213	\$ 11,325	\$ 897,538
Investments - Current	1,450,000	-	1,450,000
Taxes Receivable	68,570	-	68,570
Allowance for Uncollectible Taxes (credit)	(6,857)	-	(6,857)
Due from Other Governments	50,971	-	50,971
Prepaid Items	853	-	853
Total Assets	<u>\$ 2,449,750</u>	<u>\$ 11,325</u>	<u>\$ 2,461,075</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 64,974	\$ -	\$ 64,974
Wages and Salaries Payable	42,976	-	42,976
Compensated Absences Payable	43,668	-	43,668
Total Liabilities	<u>151,618</u>	<u>-</u>	<u>151,618</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	61,713	-	61,713
Total Deferred Inflows of Resources	<u>61,713</u>	<u>-</u>	<u>61,713</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
Prepaid Items	853	-	853
Restricted Fund Balance:			
Retirement of Long-Term Debt	-	11,325	11,325
Assigned Fund Balance:			
Groundwater Conservation Management Fund	2,235,566	-	2,235,566
Total Fund Balances	<u>2,236,419</u>	<u>11,325</u>	<u>2,247,744</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 2,449,750</u>	<u>\$ 11,325</u>	<u>\$ 2,461,075</u>

The notes to the financial statements are an integral part of this statement.

NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT  
 Reconciliation of the Governmental Funds Balance Sheet to the  
 Statement of Net Position  
 September 30, 2023

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	\$	2,247,744
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including loans payable, are not due and payable in the current period and therefore, are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.		2,131,598
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2023 capital outlays and debt principal payments is to increase net position.		356,536
This is the ninth year of the implementation of GASB Statement No. 68 for the TCDRS Pension plan. This fiscal year required that the District report their net pension liability in the government-wide Statement of Net Position. The items reported as a result of this implementation included a Net Pension Asset of \$132,488, a Deferred Resource Outflow of \$116,003, and a Deferred Resource Inflow of \$9,007. The net effect of these was to increase the ending net position.		239,484
The 2023 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(295,214)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of right to-use lease assets and SBITAs as an increase in right to-use lease payable and SBITA payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.		(13,760)
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b>4,666,388</b>

The notes to the financial statements are an integral part of this statement.

NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended September 30, 2023

	General Fund	Other Funds	Total Governmental Funds
<b>REVENUES:</b>			
Taxes:			
Property Taxes	\$ 2,158,295	\$ -	\$ 2,158,295
Penalty and Interest on Taxes	19,221	-	19,221
State Grants	105,404	-	105,404
Fees for the District	205,492	-	205,492
Investment Earnings	33,235	-	33,235
Other Revenue	457,499	-	457,499
Total Revenues	2,979,146	-	2,979,146
<b>EXPENDITURES:</b>			
Current:			
General Government:			
Personnel	1,286,366	-	1,286,366
Professional Fees	313,364	-	313,364
Contracted Services	96,722	-	96,722
Technology, Communications, and Utilities	157,260	-	157,260
Vehicle, Repairs, and Supplies	103,221	-	103,221
Administration Expenditures	176,630	-	176,630
Conservation Demonstration Project	200,263	-	200,263
Aquifer Science	69,698	-	69,698
Conservation Outreach	362,156	-	362,156
Debt Service:			
Principal on Debt	12,949	62,000	74,949
Interest on Debt	1,025	136	1,161
Capital Outlay:			
Capital Outlay	281,587	-	281,587
Total Expenditures	3,061,241	62,136	3,123,377
Excess (Deficiency) of Revenues Over (Under) Expenditures	(82,095)	(62,136)	(144,231)
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from Right-to-Use Leases	29,145	-	29,145
Transfers In	-	62,136	62,136
Proceeds from SBITAs	52,484	-	52,484
Transfers Out	(62,136)	-	(62,136)
Total Other Financing Sources (Uses)	19,493	62,136	81,629
Net Change in Fund Balances	(62,602)	-	(62,602)
Fund Balance - October 1 (Beginning)	2,299,021	11,325	2,310,346
Fund Balance - September 30 (Ending)	\$ 2,236,419	\$ 11,325	\$ 2,247,744

The notes to the financial statements are an integral part of this statement.

NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT  
 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,  
 and Changes in Fund Balances to the Statement of Activities  
 For the Year Ended September 30, 2023

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	(62,602)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2023 capital outlays and debt principal payments is to increase the change in net position.		356,536
The entries required by GASB Statement No. 68 did require that some expenses on Exhibit B-1 be adjusted. The total net credits to expenses were \$674. The net effect is an increase in the change in net position.		674
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.		(295,214)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of right to-use lease assets and proceeds of SBITA assets, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease the change in net position.		(76,328)
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>(76,934)</b>

The notes to the financial statements are an integral part of this statement.

NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT  
Statement of Net Position  
Fiduciary Funds  
September 30, 2023

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EXHIBIT E-1

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	Custodial Fund
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ASSETS	
Cash and Cash Equivalents	\$ 11,900
Total Assets	<u>11,900</u>
NET POSITION	
Restricted for Other Purposes	<u>11,900</u>
Total Net Position	<u><u>\$ 11,900</u></u>

The notes to the financial statements are an integral part of this statement.



NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT  
Statement of Changes in Net Position  
Fiduciary Funds  
For the Year Ended September 30, 2023

EXHIBIT E-2

	Custodial Fund
<hr/>	
ADDITIONS:	
Other Revenue	\$ 9,400
Total Additions	<u>9,400</u>
Net Change in Fiduciary Net Position	9,400
Total Net Position - October 1 (Beginning)	<u>2,500</u>
Total Net Position - September 30 (Ending)	<u><u>\$ 11,900</u></u>

The notes to the financial statements are an integral part of this statement.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

North Plains Groundwater Conservation District was created on January 27, 1955, in accordance with Article 16, Section 59, of the Constitution of Texas, and Vernon's Civil Statutes. The District was formed for the purpose of encouraging the conservation and protection of underground water supplies and the more efficient use of water. The Board of Directors, a seven-member elected group, has governance responsibilities over all activities related to the conservation and protection of underground water supplies within the jurisdiction of North Plains Groundwater Conservation District. The Board of Directors has the authority to make decisions, appoint a manager, significantly influence operations, and has the primary accountability for fiscal matters. The basic financial statements of the District include all activities for which the Board exercises these governance responsibilities. The District prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in **GASB Statement No. 56**, and it complies with the requirements of contracts and grants of agencies from which it receives funds. The District is a financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) in its Statement No. 14, *The Financial Reporting Entity*. There are no component units included within the reporting entity.

**B. Basis of Presentation, Basis of Accounting**

**Basis of Presentation**

Government-wide Statements: The Statement of Net Position and the Statement of Activities include the financial activities of the overall government. Eliminations have been made to minimize the over-reporting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities 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, fines, and 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 all taxes, 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. All remaining governmental funds are aggregated and reported as nonmajor funds.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**B. Basis of Presentation, Basis of Accounting** (continued)

The District reports the following major governmental fund(s):

**The General Fund** – The District accounts for financial resources used for general operations in this fund. It is a budgeted fund, and any unassigned fund balances are considered resources available for current operations.

Additionally, the District reports the following fund type(s):

Governmental Funds:

**Debt Service Funds** – This fund accounts for financial resources that are restricted, committed, or assigned to expenditures for principal and interest on long-term debt of governmental activities.

Fiduciary Funds:

**Custodial Funds - 2023 Late Reporting Fund** – The District accounts for funds received for penalties assessed by the District for late reporting for the 2022 production period. The money is held in trust to be refunded to persons assessed a penalty for late filing of 2022 Production Reports who file their 2023 Annual Groundwater Production Reports by January 15, 2024. This is not a budgeted fund. The custodial funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 84, *Fiduciary Activities*.

**C. Measurement Focus, Basis of Accounting**

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes and grants. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants are recognized in the fiscal year in which all eligibility requirements have been satisfied.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**C. Measurement Focus, Basis of Accounting** (continued)

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, the revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

Grant funds are considered earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims, and judgments, which are recognized as expenditures to the extent they have matured. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

The fiduciary funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

**D. Pensions**

The fiduciary net position of the Texas County and District Retirement System (TCDRS) has been determined on the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, and information about assets, liabilities and additions to/deductions from TCERS' fiduciary net position. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**E. Fund Balance Classification**

Non-spendable: This classification includes amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed.

Assigned: This classification includes amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under the District's adopted policy, the General Manager may assign amounts for specific purposes.

Unassigned: This classification includes the residual fund balance for the General Fund.

The District would typically use Restricted fund balances first, followed by Committed resources, then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

**F. Financial Statement Amounts**

1. Deposits and Investments

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

State statutes authorize the District to invest according to the District's Investment Policy. Investments for the District are reported at fair value.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**F. Financial Statement Amounts (continued)**

2. Property Taxes

Property taxes are levied by October 1st on assessed value listed as of the prior January 1st for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1st of the year following the year in which imposed. On January 31st of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables are based upon historical experience in collecting property taxes. As of September 30, 2023, the amount deemed uncollectible by this estimate was \$6,857. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

3. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair market value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	10-50
Buildings and improvements	20-50
Vehicles	7-10
Machinery and equipment	5-20

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**F. Financial Statement Amounts (continued)**

4. Interfund Activity

Interfund activity results from loans, services provided, reimbursements, or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide Statement of Activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line on the government-wide Statement of Net Position.

5. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The District has long-term obligations as of September 30, 2023, to the Texas Water Development Board-Agricultural Water Conservation Fund.

6. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

7. Infrastructure Assets

The District had no infrastructure assets for the year ended September 30, 2023. The District is a Phase 3 governmental entity and elected to report infrastructure on a prospective basis beginning October 1, 2003.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**F. Financial Statement Amounts (continued)**

8. Encumbrances

Appropriations lapse at September 30th, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no outstanding encumbrances as of September 30, 2023.

9. Health Care Coverage

Beginning October 1, 2009, the District provided health care coverage for employees only and offered dependent insurance coverage at the employees' expense. All contributions for health care were paid to TML Health. The terms of coverage and premium costs are included in the contractual provisions with the insurer. The District also has a health reimbursement account for each employee in which the District contributes up to \$1,000 per year. This health reimbursement account is managed by TML Health. The total health care expense to the District for the year ended September 30, 2023, was \$136,705.

10. 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 fiscal year 2023, the District purchased insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past five fiscal years.

11. Shared Facilities

North Plains Groundwater Conservation District had no shared facilities or other contractual relationships with other entities that would be required to be reported.

12. New Financial Accounting Standards

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, an amendment of GASB Statement No. 62, in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those



**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**F. Financial Statement Amounts (continued)**

12. New Financial Accounting Standards (continued)

changes. As part of those descriptions, for certain changes in accounting principles and certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting – understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. This Statement prescribes the accounting and financial reporting for each type of accounting change and error corrections. This Statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

The GASB issued Statement No. 101, *Compensated Absences*, in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a District should consider relevant factors such as employment policies related to compensated

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**F. Financial Statement Amounts (continued)**

12. New Financial Accounting Standards (continued)

absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Data**

The budget is formally adopted by the Board of Directors at a duly advertised public meeting, in accordance with law prior to the expenditure of funds.

The Board of Directors adopts an "appropriated budget" for the General Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for the General Fund. The District compares the final amended budget to actual revenues and expenditures. The General Fund budget report appears in Exhibit G-1.

Should any change in the approved budget be required, budget amendment requests are presented to the Board of Directors for consideration. Amendments are made before the fact and once approved are reflected in the official minutes. During the year, the budget was properly amended in accordance with the above procedures. The District made the following significant amendment to the budget for the current fiscal year:

Capital Outlay	<u>\$ 191,738</u>
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**B. Finance-Related Legal and Contractual Provisions**

In accordance with GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None Reported	Not Applicable

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. Cash, Cash Equivalents, 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 on 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.

During the year, the District's deposits were covered by depository insurance and collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name. At September 30, 2023, the District's deposits were covered with depository insurance in the amount of \$1,623,225 and collateralized with securities held by the pledging financial institution's trust department or agent in the District's name in the amount of \$4,637,949.

Foreign Currency Risk

The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by limiting all deposits denominated in a foreign currency. The District was not exposed to any foreign currency risk at September 30, 2023.

As of September 30, 2023, the following are the District's cash and cash equivalents with respective maturities and credit rating:

<u>Type of Deposit</u>	<u>Fair Value</u>	<u>Percent</u>	<u>Maturity in Less than 1 Year</u>	<u>Maturity in 1-10 Years</u>	<u>Maturity in Over 10 Years</u>	<u>Credit Rating</u>
FDIC Insured Accounts	\$ 885,286	100%	\$ 885,286	\$ -	\$ -	N/A
Petty Cash	927	-	927	-	-	N/A
<b>Total Cash and Cash Equivalents</b>	<b>\$ 886,213</b>	<b>100%</b>	<b>\$ 886,213</b>	<b>\$ -</b>	<b>\$ -</b>	

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**A. Cash, Cash Equivalents, and Investments (continued)**

Investments

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, and (9) bid solicitation preferences for certificates of deposit.

Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality not less than an "A"; (4) no load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA-" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. North Plains Groundwater Conservation District is in substantial compliance with the requirements of the Act and with local policies.

Additional policies and contractual provisions governing investments for North Plains Groundwater Conservation District are as followed:

Credit Risk

To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments that comply with the Public Funds Investment Act and all federal, state, and local statutes, rules, or regulations. As of September 30, 2023, the District's investments were not a credit risk and complied with the Public Funds Investment Act.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**A. Cash, Cash Equivalents, and Investments (continued)**

Custodial Credit Risk for Investments

To limit the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of 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. The District had no investments that were considered securities at September 30, 2023.

Concentration of Credit Risk

To limit the risk of loss attributed to the magnitude of the District's investment in a single issuer, the District's investment policy emphasizes safety of principal and liquidity. The policy requires prudence with respect to single investments. The District was not exposed to any concentration of credit risk for the year ended September 30, 2023.

Investment Rate Risk

To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires that internally created pool fund groups have a maximum dollar weighted maturity of 180 days and other investments shall not exceed one year from time of purchase unless specifically authorized by the Board for a given investment. The District was not exposed to any investment rate risk at September 30, 2023.

Other Credit Risk Exposure

The District had no other known credit risk exposure at September 30, 2023.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**A. Cash, Cash Equivalents, and Investments (continued)**

Defaults and Recovery of Prior Period Losses

The District had no defaults or prior period losses for the year ended September 30, 2023.

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurement in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

As of September 30, 2023, North Plains Groundwater Conservation District had the following investments subject to the fair value measurement:

	Total	Level 1	Level 2	Level 3
Certificate of Deposits	\$ 1,450,000	\$ 1,450,000	\$ -	\$ -

**B. Disaggregation of Receivables**

Receivables at September 30, 2023, were as follows:

	Property Taxes (net)	Due from Other Governments	Due from Other Funds	Other	Total Receivables
<b>Governmental Activities:</b>					
General Fund	\$ 61,713	\$ 50,971	\$ -	\$ -	\$ 112,684
Nonmajor Governmental Funds	-	-	-	-	-
Total Governmental Activities	\$ 61,713	\$ 50,971	\$ -	\$ -	\$ 112,684

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**C. Property Taxes**

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1st in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1st of the year following the October 1st levy date.

The assessed value of the property tax roll on August 1, 2022, upon which the levy for the 2022-2023 fiscal year was based, was \$7,939,912,449. Taxes are delinquent if not paid by June 30th. Delinquent taxes are subject to both penalty and interest charges plus delinquent collection fees for attorney costs.

Property tax revenues are considered available (1) when they become due or past due and receivable within the current period, and (2) when they are expected to be collected during a 60-day period after the close of the District's fiscal year.

The tax rate assessed for the year ended September 30, 2023, to finance General Fund operations was \$0.027966 per \$100 valuation. Current tax collections for the year ended September 30, 2023, were 98.10% of the year-end current tax levy.

Delinquent taxes are deposited into the General Fund. Allowances for uncollectible taxes within the General Fund are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

As of September 30, 2023, property taxes receivable, net of estimated uncollectible taxes, totaled \$61,713 for the General Fund. The following is a summary of net property taxes receivable:

Delinquent taxes receivable at September 30, 2023	\$ 68,570
Allowance for uncollectible taxes (credit)	<u>(6,857)</u>
Net Property Taxes Receivable at September 30, 2023	<u><u>\$ 61,713</u></u>

The allowance for uncollectible taxes is calculated by the District at 10% of delinquent taxes receivable at year end.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**D. Due from Other Governments**

Due from other governments at September 30, 2023, consisted of the following:

	General Fund
Receivable - Hutchinson County Tax Assessor/Collector - property taxes	\$ 35
Receivable - Sherman County Appraisal District - property taxes	180
Receivable - Lipscomb County Tax Assessor/Collector - property taxes	247
Receivable - Moore County Tax Assessor/Collector - property taxes	2,175
Receivable - Hartley County Appraisal District - property taxes	73
Receivable - Ochiltree County Appraisal District - property taxes	282
Receivable - Hansford Tax Assessor/Collector - property taxes	785
Receivable - Texas Water Development Board	47,194
<b>Total Due From Other Governments</b>	<b>\$ 50,971</b>

All due from other governments are expected to be collected within one year.

**E. Interfund Balances and Transfers**

The District had no interfund balances for the year ended September 30, 2023.

The District had the following interfund transfers at September 30, 2023:

**Transfers to Nonmajor Governmental Funds from:**

General Fund	\$ 62,136
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**F. Deferred Outflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and therefore will *not* be recognized as an outflow of resources (expenditure/expense) until that time. The District has only one type of item, which arises only under a full accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *Deferred Outflows Related to TCDRS*, is reported only in the Government-wide Statement of Net Position. The Government-wide Statement of Net Position reports the District's share of the unrecognized plan deferred outflows of resources which TCDRS uses in calculating the ending net pension liability, as well as the District's contributions to TCDRS in the current fiscal year. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become available.



**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**G. Capital Asset Activity**

Capital asset activity for the District for the year ended September 30, 2023, was as follows:

	Primary Government				Ending Balance
	Beginning Balance	Additions	Retirements	Other Additions/ Deletions	
<b>Governmental Activities:</b>					
Land	\$ 301,497	\$ -	\$ -	\$ -	\$ 301,497
Total Assets Not Being Depreciated	301,497	-	-	-	301,497
Buildings and improvements	1,296,746	-	-	-	1,296,746
Machinery and equipment	3,285,066	199,958	99,365	-	3,385,659
Right to-use leased assets	30,067	29,145	16,953	-	42,259
SBITA assets	-	52,484	-	-	52,484
Construction in progress	-	-	-	-	-
Totals Assets Being Depreciated	4,611,879	281,587	116,318	-	4,777,148
Totals at Historical Cost	4,913,376	281,587	116,318	-	5,078,645
Less Accumulated Depreciation for:					
Buildings and improvements	586,662	40,892	-	-	627,554
Machinery and equipment	2,041,049	235,098	99,365	-	2,176,782
Right to-use leased assets	11,133	17,475	16,953	-	11,655
SBITA assets	-	1,749	-	-	1,749
Total Accumulated Depreciation	2,638,844	295,214	116,318	-	2,817,740
Governmental Activities					
Capital Assets, Net	<u>\$ 2,274,532</u>	<u>\$ (13,627)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,260,905</u>

Depreciation expense was charged to governmental activities as follows:

Buildings and improvements	\$ 40,892
Machinery and equipment	235,098
Right to-use leased assets	17,475
SBITA assets	<u>1,749</u>
Total Depreciation Expense	<u>\$ 295,214</u>

The depreciation expense was recorded as unallocated depreciation for the current year.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**H. Disaggregation of Payables**

Payables at September 30, 2023, were as follows:

	Accounts Payable	Accrued Wages and Salaries	Due to Other Funds	Compensated Absences	Other	Total
<b>Governmental Activities:</b>						
General Fund	\$ 64,974	\$ 42,976	\$ -	\$ 43,668	\$ -	\$ 151,618
Nonmajor Governmental Funds	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<u>\$ 64,974</u>	<u>\$ 42,976</u>	<u>\$ -</u>	<u>\$ 43,668</u>	<u>\$ -</u>	<u>\$ 151,618</u>

**I. Deferred Inflows of Resources**

In addition to liabilities, both the Governmental Funds Balance Sheet and the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category. One item, which arises only under a modified accrual basis of accounting, is *unavailable revenue*. Unavailable revenue is reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenue from property taxes. The next item is *Deferred Inflow Related to TCDRS*, which arises only under a full accrual basis of accounting, and is reported only in the Government-wide Statement of Net Position. The Government-wide Statement of Net Position reports the District's share of unrecognized plan deferred inflows of resources which TCDRS uses in calculating the ending net pension liability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**J. Compensated Absences**

During the year ended September 30, 2023, compensated absences consisted of the following:

Annual Leave	<u>\$ 43,668</u>
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Full-time employees except the General Manager accrue annual leave as follows:

<u>Years of Employment</u>	<u>Annual Leave Accrual per Month</u>
0-5	8 hours
5-10	10 hours
11 or more	12 hours

The General Manager receives 20 hours per month annual leave.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**J. Compensated Absences (continued)**

The District will continue to allow employees to accumulate annual leave to a maximum of 36 days.

Full-time employees accrue one working day of sick leave each month of employment. Employees may accumulate sick leave to a maximum of 60 days. An employee will not be paid sick leave upon termination of employment. Because the employee does not vest sick leave, no sick leave has been accrued at September 30, 2023. The District's contingent liability for sick leave at September 30, 2023, was \$100,082 because the sick leave was contingent on continued employment of the employee.

**K. Loans and Right to-use Leased Asset Liabilities – Long-Term Debt**

GASB Statement No. 88 defines debt as a liability that arises from a contractual obligation to pay cash (or another financial asset) in one or more payments to settle an amount that is fixed at the date when the contractual obligation is established. The long-term debt of the District has no lines of credit.

Long-term debt includes long-term loans and right to-use leased assets liability payable. Current requirements for principal and interest of loan expenditures are accounted for in the Debt Service Fund. The right to-use leased assets liabilities are accounted for in the General Fund.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**K. Loans and Right to-use Leased Asset Liabilities – Long-Term Debt (continued)**

A summary of changes in long-term debt for year ended September 30, 2023, is as follows:

Description	Interest Rate Payable	Original Issue Amount	Interest Current Year	Amount Outstanding October 1, 2022	Issued	Retired	Other Increases (Decreases)	Amount Outstanding September 30, 2023	Amount Due within One Year
<b>Long-term Loans</b>									
Texas Water Development Board - Agricultural Water Conservation Fund	0.11%	\$ 620,000	\$ 136	\$ 124,000	\$ -	\$ 62,000	\$ -	\$ 62,000	\$ 62,000
<b>Right to-use Leased Assets Liabilities</b>									
Right to-use leased assets - copy machines	5.00%	\$ 30,067	\$ 763	18,934	29,145	11,615	(6,235)	30,229	7,703
<b>SBITA Liabilities</b>	6.00%	\$ 52,484	\$ 262	-	52,484	1,334	-	51,150	16,541
Total Obligations of the District				<u>\$ 142,934</u>	<u>\$ 81,629</u>	<u>\$ 74,949</u>	<u>\$ (6,235)</u>	<u>143,379</u>	<u>\$ 86,244</u>
Due within one year								<u>(86,244)</u>	
Due in more than one year								<u>\$ 57,135</u>	

The District entered into a loan agreement with Texas Water Development Board dated October 21, 2014, in the amount of \$620,000. The loan is from the Agricultural Water Conservation Fund to finance the project identified as Project No. 21743. The District qualifies for a loan under 31 TAC Chapter 367 and agreed under TWDB Resolution No. 14-42. This loan is authorized and required by the Agricultural Water Conservation Bond Program, Texas Water Code Sect. 17.871-17.912. The purpose of the loan is to upgrade the District’s irrigation system facilities in order to demonstrate the application of practical water-conservation strategies using the latest on-farm irrigation management technologies and conservation methods. The interest rate is 0.11%. The principal was due beginning February 1, 2015, in the amount of \$62,000. Principal and interest is paid each February 1st until the maturity date of February 1, 2024. The amount of interest paid in fiscal year 2023 was \$136.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**L. Right to-use Leased Asset Liabilities**

The District had entered into a noncancellable lease agreement in prior years for a Ricoh copier with Ricoh USA, Inc. The lease period initially was for 60 months beginning February 28, 2019, and ending February 29, 2024, with monthly payments of \$481 including principal and interest. The lease incentive was paid February 28, 2019, in the amount of \$481. The discount rate was 1.54%. The interest rate is 5%. The present value of the lease at October 1, 2021 was \$13,114. The lease agreement has no variable payments or residual value guarantees. There was no impairment of the leased asset associated with the lease liability. The total amount reported as a liability at the beginning of the year was \$7,878. The current year interest paid was \$269.

The District has entered into a noncancellable lease agreement in prior years for a Konical Minolta copier with SPC Office Products. The lease period is for 36 months beginning June 18, 2021, and ending June 18, 2022, with monthly payments of \$551 including principal and interest. The lease incentive was paid June 18, 2021, in the amount of \$551. The discount rate was 2.59%. The interest rate is 5%. The present value of the lease at October 1, 2021 was \$16,953. The lease agreement has no variable payments or residual value guarantees. There was no impairment of the leased asset associated with the lease liability. The total amount reported as a liability at the beginning of the year was \$11,056. The current year interest paid was \$135. This lease was traded in for the UCI copier during the year.

The District had entered into a noncancellable lease agreement for a UCI copier with UCI Document Solutions. The lease period initially was for 60 months beginning July 24, 2023, and ending June 24, 2028, with monthly payments of \$550 including principal and interest. The lease incentive was paid July 24, 2023, in the amount of \$550. The discount rate was 3.00%. The interest rate is 5%. The present value of the lease was \$29,145. The lease agreement has no variable payments or residual value guarantees. There was no impairment of the leased asset associated with the lease liability. The total amount reported as a liability at the end of the year was \$27,854. The current year interest paid was \$359.

**M. Debt Service Requirements - Long-Term Loans and Right to-use Leased Asset Liabilities**

Debt service requirements for long-term loans are as follows:

<u>Governmental Activities</u>			
<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 62,000	\$ 68	\$ 62,068
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029-2033	-	-	-
Thereafter	-	-	-
Total Governmental Activities	<u>\$ 62,000</u>	<u>\$ 68</u>	<u>\$ 62,068</u>

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**M. Debt Service Requirements - Long-Term Loans and Right to-use Leased Asset Liabilities (continued)**

Right to-use Leased Asset Liabilities			
Year Ending September 30,	Principal	Interest	Total Requirements
2024	\$ 7,703	\$ 1,478	\$ 9,181
2025	5,601	999	6,600
2026	5,888	713	6,601
2027	6,189	411	6,600
2028	4,848	102	4,950
2029-2033	-	-	-
Thereafter	-	-	-
Totals	\$ 30,229	\$ 3,703	\$ 33,932

**N. Subscription Based Information Technology Arrangements – GASB Statement No. 96**

1. General Description:

North Plains Groundwater Conservation District has one arrangement subject to the requirements of GASB Statement No. 96. The agreement can be described in groups – those related to the office administrations. The District makes monthly payments. The SBITA Liability should be the present value of the payments using the District’s incremental borrowing rate. The liability is amortized providing the principal and interest components of the payments over the SBITA term. The SBITA Asset is measured as the SBITA Liability plus any capitalized expenditures/expenses incurred in the initial implementation stage. The SBITA Asset is depreciated (amortized) using a straight-line depreciation method over the term of the SBITA arrangement. The Board of North Plains Groundwater Conservation District will set a materiality threshold for any potential SBITA arrangements in a future board meeting. There were no arrangements below the level with an aggregate annual expenditure of \$-0-.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**N. Subscription Based Information Technology Arrangements – GASB Statement No. 96**  
(continued)

2. The Total Amount of the Subscription Assets and Accumulated Amortization:

	Term in Months	Total Asset Amounts	Total Accumulated Amortization
<b>Governmental Funds:</b>			
Digital imaging software	36 months	\$ 52,484	\$ 1,749

3. Outflows of Resources:

There were no other outflows of resources paid for any SBITA arrangements.

4. The SBITA Liabilities and Associated Principal and Interest Requirements:

	Interest Rate	Beginning Liability	Term in Months	Ending Balance
<b>Governmental Funds:</b>				
Digital imaging software	6%	\$ 52,484	36	\$ 51,150

The future principal and interest SBITA arrangement payments as of fiscal year-end are as follows:

	Principal	Interest	Total
<b>Governmental Funds:</b>			
<u>Year Ended September 30</u>			
2024	\$ 16,541	\$ 2,619	\$ 19,160
2025	17,561	1,599	19,160
2026	17,048	516	17,564
2027	-	-	-
2028	-	-	-
2029-2033	-	-	-
2034-after	-	-	-
Total	\$ 51,150	\$ 4,734	\$ 55,884

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**N. Subscription Based Information Technology Arrangements – GASB Statement No. 96**  
(continued)

5. Commitments and Impairments:

There were no commitments made before the commencement of the SBITA term(s).  
There were also no impairments or modifications to be reported during this fiscal year.

**O. Governmental 457 Retirement Plan**

On May 11, 2004, the District adopted the North Plains Groundwater Conservation District 457 Plan. This Governmental 457 Plan includes all employees except part-time employees who normally work less than 20 hours per week and top-heavy, highly compensated employees within the meaning of Title I of ERISA. The effective date of the Plan was June 15, 2004, with a plan year ending December 31st. A participant attains normal retirement age when the participant attains age 65. Employees are eligible to participate in the Plan at age 18 and 3 months of continuous service. The Plan entry dates are each January 1st, April 1st, July 1st, and October 1st. The employee's salary reduction contributions have no limitations except under federal income tax laws. The trustee of the Plan is Amarillo National Bank. The District contributed up to 7% for any employee that will at least match the District's contribution on a one-to-one basis until December 31, 2012. The Plan allows for employees to take out loans on the value of their respective retirement accounts. The loans are paid back in equal bi-weekly installments. Currently, six employees have loans outstanding with varying amounts.



**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**O. Governmental 457 Retirement Plan (continued)**

Year	of Plan	of Plan	Covered Payroll	Employer Contributions
2004	\$ 267,601	\$ -	\$ 281,011	\$ 21,012
2005	339,166	-	407,775	21,639
2006	384,850	-	415,290	17,121
2007	149,488	-	415,608	21,654
2008	113,076	-	464,751	23,112
2009	196,047	-	529,173	31,694
2010	287,253	-	588,185	36,607
2011	340,160	-	672,455	39,305
2012	450,148	-	240,079	10,886
2013	494,471	-	58,499	-
2014	501,898	-	243,882	-
2015	499,624	-	256,564	-
2016	491,814	-	133,755	-
2017	504,539	-	136,355	-
2018	461,964	-	323,931	-
2019	506,245	-	254,501	-
2020	546,898	-	234,136	-
2021	534,807	-	260,323	-
2022	348,650	-	268,409	-

The fair value of the Plan assets at September 30, 2023, was \$348,650. There was no unfunded obligation to the District from this Plan at September 30, 2023. The Plan assets are not an asset of the District.

**P. Defined Benefit Pension Plans**

*1. Plan Description*

North Plains Groundwater Conservation District (the District) participates in a statewide agent multi-employer public employee retirement system consisting of more than 830 non-traditional defined benefit pension plans. The plan is administered by the Texas County and District Retirement System (TCDRS). TCDRS in the aggregate issues an annual financial report on a calendar year basis. All full-time employees of the District are covered by the system. The annual financial report is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas, 78768-2034.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**P. Defined Benefit Pension Plans (continued)**

*2. Benefits Provided*

TCDRS provides retirement, disability, and survivor benefits for all full-time and part-time non-temporary employees. 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 age 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions upon termination of employment forfeit contributions made by their employer. Beginning January 1, 2000, the service of retirees of any employer electing lump-sum payment option may choose to receive at retirement a lump-sum payment up to the amount of the employee's accumulated contributions, with interest (personal account balance), with a corresponding reduction in his or her monthly retirement benefit.

Benefit amounts are determined by the sum of the employee's personal account balance 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 expected benefits can 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, with interest, and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

*3. Employees Covered by Benefit Terms*

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	8
Active employees	16
	29

*4. Contributions*

TCDRS does not receive any state funding. As an agent, multiple-employer plan, each participating employer in the system funds its plan independently. A combination of three elements funds each employer's plan: employee deposits, employer contributions, and investment income.

- a) The deposit rate for employees is 7% of compensation, as adopted by the employer's governing body.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**P. Defined Benefit Pension Plans** (continued)

*4. Contributions* (continued)

- b) Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees. The District's contribution rate is 7%.
  
- c) Investment income funds a large part of the benefits employees earn.

Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements, and/or buffer against future adverse experience.

In addition, employers annually review their plans and may adjust benefits and costs based on their local needs and budgets. Although accrued benefits may not be reduced, employers may reduce future benefit accruals and immediately reduce costs.

The Board hires independent outside consulting actuaries to conduct an annual valuation to measure the funding status and to determine the required employer contribution rate for each employer plan. In order to calculate the employer contribution rate, the actuary does the following:

- a) Studies each employer's adopted plan of benefits and the profile of its plan participants, and uses assumptions established by the board to estimate future benefit payments;
  
- b) Discounts the estimate of future benefit payments to the present based on the long-term rate of investment return to determine the present value of future benefits; and
  
- c) Compares the present value of future benefits with the plan's assets to determine the difference that needs to be funded based on the funding policy.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**P. Defined Benefit Pension Plans** (continued)

*4. Contributions* (continued)

The valuation of each employer plan is based on the system funding policy and the assets, benefits and participant profile of each participating employer plan. The four key components in the determination of employer contribution rates are: the actuarial cost method, amortization policy, the asset valuation method, and the actuarial assumptions.

*5. Actuarial Cost Method*

TCDRS has adopted the replacement life entry age cost method, a conservative cost method and an industry standard. The goal of this cost method is to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin. Under this approach, benefits are funded in advance as a level of percentage of pay. This portion of the contribution rate is called the normal cost rate and generally remains stable from year to year.

*6. Amortization Policy*

The portion of the contribution rate that funds any remaining unfunded amounts for benefits that are not covered by the normal cost is called the unfunded actuarial accrued liability (UAAL) rate. UAAL amounts occur when benefit enhancements are adopted that have not been funded in advance, or when actual investment or demographic experience varies from the actuarial assumptions (actuarial gains and losses). UAAL amounts are amortized on a level-of-percentage-of-covered-payroll basis over a closed period with a layered approach.

The closed periods ensure all unfunded liabilities are financed over no more than 20 years from the time they occur. Each year new layers are established to amortize changes in the UAAL due to actuarial gains and losses, as well as any plan benefit changes elected by the employer for that year.

Benefit enhancements are amortized over a 15-year closed period. All other changes in the UAAL are amortized over 20-year closed periods. These amortization periods are generally more conservative than those of most other public retirement plans and are stricter than the minimum amortization period required under state law.

Notwithstanding the layered approach, the total UAAL payment may not be less than the required payment obtained by amortizing the entire UAAL over a 20-year period.

If the plan is overfunded, the overfunded actuarial accrued liability (OAAL) is calculated annually using a 30-year open amortization period.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**P. Defined Benefit Pension Plans (continued)**

*7. Asset Valuation Method*

When determining the actuarial value of assets used for measuring a plan's funded status, TCDRS smooths each year's actuarial investment gains and losses and recognizes them over a five-year period to better reflect the system's long-term investment horizons and to keep employer contribution rates more stable. As actuarial asset investment gains and losses are recognized, they become part of the actuarial gains and losses for the year and are funded according to the amortization policy. The five-year period helps stabilize employer rates while still ensuring that rates are reflective of current market conditions.

In addition, TCDRS has the ability to set aside reserves from investment earnings that are used to help offset future negative economic cycles. These reserves are held separately and are not counted as part of a participating employer's plan assets until they are passed through to employers when determined necessary by TCDRS. Reserves help maintain rate stability for employers. In addition, reserves ensure that employers do not adopt benefit increases based on a temporarily lower plan cost at a high point in a market cycle and, conversely, are not as pressured to immediately reduce benefit levels during a low point in a market cycle.

*8. Actuarial Assumptions*

Demographic and economic assumptions are used to estimate employer liabilities and to determine the amount of funding required from employer contributions as opposed to investment earnings. These assumptions reflect a long-term perspective of 30 years or more. Examples of key economic assumptions include long-term investment return, long-term inflation and annual payroll increase.

Demographic assumptions are the actuary's best estimate of what will happen to TCDRS members and retirees. Examples of demographic assumptions are employment termination rates, retirement rates and retiree mortality rates. A complete listing of all actuarial assumptions can be found in the annual system-wide valuation report.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**P. Defined Benefit Pension Plans** (continued)

8. *Actuarial Assumptions* (continued)

**Notes to Schedule**

Valuation Timing:	Actuarially determined contribution rates are calculated on a calendar year basis as December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age (level percent of pay)
Amortization Method	
Recognition of economic/ demographic gains or losses	Straight-Line amortization over Expected Working Life
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	Same as funding valuation
Salary Increases	Same as funding valuation
Investment Rate of Return	7.60% (Gross of administrative expenses)
Cost-of-Living Adjustments	Cost-of-Living Adjustments for North Plains Groundwater Conservation District are not considered to be substantively automatic under GASB Statement No. 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Mortality	Same as funding valuation
Retirement Age	Same as funding valuation
Turnover	Same as funding valuation
Adjustment for Plans with the Partial-Lump Sum Payment Option (Liability and Normal Cost)	Same as funding valuation. For employers who have elected this option, a 0.75% increase is applied to the TPL related to the member deposit portion of the estimated monthly benefit for future retirees.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**P. Defined Benefit Pension Plans** (continued)

8. *Actuarial Assumptions* (continued)

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 correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2023 information for a 10-year time horizon.

Note that the valuation assumption for the long-term expected return is re-assessed in detail at a minimum of every four years, and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.95%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment - Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.39%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	7.60%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**P. Defined Benefit Pension Plans (continued)**

*9. Discount Rate*

The discount rate used to measure the total pension liability was 7.6%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

*10. Changes in the Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/21	\$ 1,374,599	\$ 1,701,291	\$ (326,692)
Changes for the year:			
Service Cost	115,609	-	115,609
Interest on total pension liability	111,802	-	111,802
Effect on plan changes	-	-	-
Effect of economic/demographic gains or losses	3,539	-	3,539
Effect of assumptions, changes, or inputs	-	-	-
Refund of contributions	(6,021)	(6,021)	-
Benefit payments	(32,943)	(32,943)	-
Administrative expenses	-	(996)	996
Member contributions	-	65,473	(65,473)
Net investment income	-	(107,576)	107,576
Employer contributions	-	65,473	(65,473)
Other	-	14,372	(14,372)
Balances at 12/31/22	\$ 1,566,585	\$ 1,699,073	\$ (132,488)



**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**P. Defined Benefit Pension Plans** (continued)

*11. 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 (8.60%)
Total Pension Liability	\$ 1,764,326	\$ 1,566,585	\$ 1,398,528
Fiduciary Net Position	<u>1,699,073</u>	<u>1,699,073</u>	<u>1,699,073</u>
Pension Liability/(Asset)	<u>\$ 65,253</u>	<u>\$ (132,488)</u>	<u>\$ (300,545)</u>

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

**Changes Since the Prior Actuarial Valuation**

The following are changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:

*a. TCDRS System-Wide Economic Assumptions*

Real rate of return	5.00%
Inflation	2.50%
Long-term investment return	7.50%

The assumed long-term investment return of 7.50% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 7.50% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**P. Defined Benefit Pension Plans** (continued)

*12. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* (continued)

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.7% per year for a career employee.

*b. Employer-Specific Economic Assumptions*

Growth in membership	0.00%
Payroll growth for funding calculations	0.00%

The payroll growth assumption is for the aggregate covered payroll of an employer.

*c. Mortality Assumptions*

For depositing members the Mortality Assumption was 135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2022 Ultimate scale after 2010.

For the year ended December 31, 2022, the District recognized pension expense of \$32,105. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 7,864	\$ 15,472
Changes in assumptions	1,143	26,357
Difference between projected and actual earnings	-	56,856
Contributions paid to TCDRS subsequent to the measurement date	-	17,318
	\$ 9,007	\$ 116,003

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**P. Defined Benefit Pension Plans (continued)**

*12. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)*

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

<u>Year Ended September 30:</u>	
2024	\$ 5,910
2025	23,271
2026	11,629
2027	48,868
2028	-
Thereafter	-

**Q. Other Post-Employment Benefits**

The District has no post-employment benefit liability under GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*.

**R. Commitments and Contingencies**

The District participates in state grant programs which are governed by rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the District's opinion, there were no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded for such contingencies.

**S. Fund Balances – Governmental Funds**

As of September 30, 2023, fund balances of the governmental funds are classified as follows:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**S. Fund Balances – Governmental Funds** (continued)

Committed - amounts that can be used only for specific purposes determined by a formal action of North Plains Groundwater Conservation District’s Board of Directors. North Plains Groundwater Conservation District’s Board of Directors is the highest level of decision making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by North Plains Groundwater Conservation District’s Board of Directors.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District’s adopted policy, only the General Manager may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

As of September 30, 2023, fund balances are composed of the following:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Non-spendable:			
Prepays	\$ 853	\$ -	\$ 853
Restricted:			
Long-term Debt	-	11,325	11,325
Committed:	-	-	-
Assigned:			
Groundwater Conservation Management Fund	2,235,566	-	2,235,566
Unassigned funds:	-	-	-
Total Fund Balances	\$ 2,236,419	\$ 11,325	\$ 2,247,744

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of the committed funds, then assigned funds, and finally unassigned funds, as needed, unless North Plains Groundwater Conservation District has provided otherwise in its commitment or assignment actions.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**T. State Grants**

In the normal course of operations, the District receives grant funds from various state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability reimbursed which may arise as the result of the audits is not believed to be material. The District expended the following state grants:

	Identifying Number	State Amount
<b>Governmental Funds - State</b>		
Texas Water Development Board - Agricultural Water Conservation Fund - Equipment Grant	2213582646	\$ 105,404
Total State Awards		\$ 105,404

No State Single Audit is required for State of Texas Awards.

**U. Litigation**

At September 30, 2023, North Plains Groundwater Conservation District had one threatening litigation, that according to management will have no material affect on the District's financial condition, except for the potential cost of legal fees to defend the lawsuit.

**V. Debt Issuances and Defeased Debt**

The District had no debt issuance for the year ended September 30, 2023.

The District had proceeds (\$29,145) from right-to-use leased assets for copy machines (See Note III.K. and Note III.L. for additional details).

The District had proceeds (\$52,484) from SBITA Assets for an UCI Copier (See Note III.K. and Note III.N. for additional details).

The District had no defeased debt for the year ended September 30, 2023.

**W. Subsequent Events**

The District has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were available to be issued (December 19, 2023), and there were no material subsequent event required to be disclosed.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Financial Statements**  
September 30, 2023

**X. Management Plan**

Chapter 36 Sec. 36.1071 requires the District to submit a management plan to the Texas Water Development Board every five years. The District's Management Plan was due in April 2023. The Texas Water Development Board has rejected the management plan twice. The District's management is working on submitting a corrected plan by December 22, 2023.

**REQUIRED SUPPLEMENTARY INFORMATION**

NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - General Fund  
For the Year Ended September 30, 2023

EXHIBIT G-1

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ 2,174,020	\$ 2,174,020	\$ 2,158,295	\$ (15,725)
Penalty and Interest on Taxes	15,600	15,600	19,221	3,621
State Grants	500,000	500,000	105,404	(394,596)
Fees for the District	200,000	200,000	205,492	5,492
Investment Earnings	8,000	8,000	33,235	25,235
Other Revenue	224,000	224,000	457,499	233,499
Total Revenues	<u>3,121,620</u>	<u>3,121,620</u>	<u>2,979,146</u>	<u>(142,474)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
Personnel	1,318,800	1,318,800	1,286,366	32,434
Professional Fees	225,000	335,000	313,364	21,636
Contracted Services	101,940	101,940	96,722	5,218
Technology, Communications, and Utilities	240,610	186,867	157,260	29,607
Vehicle, Repairs, and Supplies	137,000	129,800	103,221	26,579
Administration Expenditures	195,000	220,000	176,630	43,370
Conservation Demonstration Project	305,000	260,000	200,263	59,737
Aquifer Science	80,000	77,200	69,698	7,502
Conservation Outreach	645,000	427,000	362,156	64,844
Debt Service:				
Principal on Debt	13,749	13,243	12,949	294
Interest on Debt	1,251	1,152	1,025	127
Capital Outlay:				
Capital Outlay	90,000	281,738	281,587	151
Total Expenditures	<u>3,353,350</u>	<u>3,352,740</u>	<u>3,061,241</u>	<u>291,499</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(231,730)</u>	<u>(231,120)</u>	<u>(82,095)</u>	<u>149,025</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from Right-to-Use Leases	-	-	29,145	29,145
Proceeds from SBITAs	-	-	52,484	52,484
Transfers Out	(62,136)	(62,136)	(62,136)	-
Total Other Financing Sources (Uses)	<u>(62,136)</u>	<u>(62,136)</u>	<u>19,493</u>	<u>81,629</u>
Net Change	<u>(293,866)</u>	<u>(293,256)</u>	<u>(62,602)</u>	<u>230,654</u>
Fund Balance - October 1 (Beginning)	<u>2,299,021</u>	<u>2,299,021</u>	<u>2,299,021</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 2,005,155</u>	<u>\$ 2,005,765</u>	<u>\$ 2,236,419</u>	<u>\$ 230,654</u>



NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT  
Schedule of Changes in Net Pension Liability and Related Ratios  
Texas County & District Retirement System  
For the Year Ended September 30, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
<b>A. Total Pension Liability</b>			
Service Cost	\$ 115,609	\$ 120,636	\$ 102,851
Interest (on the Total Pension Liability)	111,802	97,451	82,484
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	3,539	9,318	12,274
Changes of Assumptions	-	(1,905)	64,318
Benefit Payments, Including Refunds of Employee Contributions	(38,964)	(24,582)	(7,283)
Net Change in Total Pension Liability	<u>\$ 191,986</u>	<u>\$ 200,918</u>	<u>\$ 254,644</u>
Total Pension Liability - Beginning	1,374,599	1,173,681	919,037
Total Pension Liability - Ending	<u>\$ 1,566,585</u>	<u>\$ 1,374,599</u>	<u>\$ 1,173,681</u>
<b>B. Total Fiduciary Net Position</b>			
Contributions - Employer	\$ 65,473	\$ 71,437	\$ 67,540
Contributions - Employee	65,473	71,437	67,540
Net Investment Income	(107,576)	295,734	108,266
Benefit Payments, Including Refunds of Employee Contributions	(38,964)	(24,583)	(7,283)
Administrative Expense	(996)	(920)	(940)
Other	14,372	3,705	3,884
Net Change in Plan Fiduciary Net Position	<u>\$ (2,218)</u>	<u>\$ 416,810</u>	<u>\$ 239,007</u>
Plan Fiduciary Net Position - Beginning	1,701,291	1,284,481	1,045,474
Plan Fiduciary Net Position - Ending	<u>\$ 1,699,073</u>	<u>\$ 1,701,291</u>	<u>\$ 1,284,481</u>
<b>C. Net Pension Liability (Asset)</b>			
	<u>\$ (132,488)</u>	<u>\$ (326,692)</u>	<u>\$ (110,800)</u>
<b>D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>			
	108.46%	123.77%	109.44%
<b>E. Covered Payroll</b>			
	\$ 935,331	\$ 1,020,524	\$ 964,854
<b>F. Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>			
	(14.16%)	(32.01%)	(11.48%)

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$ 95,665	\$ 107,729	\$ 111,665	\$ 118,409	\$ 95,661	\$ 92,715
68,505	59,663	49,837	33,114	27,011	18,878
-	(20,902)	(13,474)	-	(12,606)	-
8,454	-	-	3,622	(51,759)	(6,633)
-	-	-	-	4,024	-
(7,184)	(42,668)	(3,651)	(1,004)	(3,641)	-
\$ 165,440	\$ 103,822	\$ 144,377	\$ 154,141	\$ 58,690	\$ 104,960
753,597	649,775	505,398	351,257	292,567	187,607
\$ 919,037	\$ 753,597	\$ 649,775	\$ 505,398	\$ 351,257	\$ 292,567
\$ 61,546	\$ 58,342	\$ 64,270	\$ 67,751	\$ 63,696	\$ 56,712
61,546	58,342	64,270	67,751	63,696	56,712
130,552	(12,827)	79,043	26,980	(3,231)	8,324
(7,183)	(42,668)	(3,651)	(1,004)	(3,641)	-
(797)	(639)	(487)	(293)	(218)	(137)
4,113	2,278	1,666	12,736	(26)	(10)
\$ 249,777	\$ 62,828	\$ 205,111	\$ 173,921	\$ 120,276	\$ 121,601
795,697	732,869	527,758	353,836	233,560	111,959
\$ 1,045,474	\$ 795,697	\$ 732,869	\$ 527,757	\$ 353,836	\$ 233,560
\$ (126,437)	\$ (42,100)	\$ (83,094)	\$ (22,359)	\$ (2,579)	\$ 59,007
113.76%	105.59%	112.79%	104.42%	100.73%	79.83%
\$ 879,224	\$ 833,451	\$ 918,142	\$ 967,868	\$ 909,948	\$ 810,178
(14.38%)	(5.05%)	(9.05%)	(2.31%)	(0.28%)	7.28%

NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT  
Schedule of Contributions  
Texas County & District Retirement System  
For the Fiscal Year 2023

	2023	2022	2021
Actuarially Determined Contribution	\$ 45,925	\$ 36,739	\$ 36,279
Contributions in Relation to the Actuarially Determined Contributions	65,473	71,434	67,540
Contribution Deficiency (Excess)	\$ (19,548)	\$ (34,695)	\$ (31,261)
Covered Employee Payroll	\$ 935,331	\$ 1,020,524	\$ 964,854
Contributions as a Percentage of Covered Employee Payroll	7.00%	7.00%	7.00%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented as of the governmental entity's respective fiscal years as opposed to the time periods covered by the measurement dates ending December 31 for the respective fiscal years.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

	2020	2019	2018	2017	2016	2015
\$	35,345	\$ 35,838	\$ 40,582	\$ 54,201	\$ 51,594	\$ 40,914
	(61,546)	(58,342)	(64,270)	(67,751)	(63,696)	(56,712)
\$	(26,201)	\$ (22,504)	\$ (23,688)	\$ (13,550)	\$ (12,102)	\$ (15,798)
\$	879,224	\$ 833,451	\$ 918,142	\$ 967,868	\$ 909,948	\$ 810,175
	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Notes to the Required Supplementary Information**  
For the Year Ended September 30, 2023

<b>Valuation Timing</b>	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
<b>Actuarial Cost Method</b>	Entry Age (level percent of pay)
<b>Amortization Method</b>	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
<b>Asset Valuation Method</b>	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
<b>Inflation</b>	Same as funding valuation
<b>Salary Increases</b>	Same as funding valuation
<b>Investment Rate of Return</b>	7.60% (Gross of administrative expenses)
<b>Cost-of-Living Adjustments</b>	Cost-of-Living Adjustments for North Plains Groundwater Conservation District are not considered to be substantively automatic under GASB Statement No. 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
<b>Mortality</b>	Same as funding valuation
<b>Retirement Age</b>	Same as funding valuation
<b>Turnover</b>	Same as funding valuation
<b>Adjustment for Plans with the Partial-Lump Sum Payment Option (Liability and Normal Cost)</b>	Same as funding valuation. For employers who have elected this option, a 0.75% increase is applied to the TPL related to the member deposit portion of the estimated monthly benefit for future retirees.

## **COMBINING SCHEDULES**

NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2023

EXHIBIT H-1

	TWDB Contract	Default Reserve Account	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 100	\$ 11,225	\$ 11,325	\$ 11,325
Total Assets	<u>\$ 100</u>	<u>\$ 11,225</u>	<u>\$ 11,325</u>	<u>\$ 11,325</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	100	11,225	11,325	11,325
Total Fund Balances	<u>100</u>	<u>11,225</u>	<u>11,325</u>	<u>11,325</u>
Total Liabilities and Fund Balances	<u>\$ 100</u>	<u>\$ 11,225</u>	<u>\$ 11,325</u>	<u>\$ 11,325</u>

NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT  
Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2023

	TWDB Contract	Default Reserve Account	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
<b>EXPENDITURES:</b>				
Debt Service:				
Principal on Debt	62,000	-	62,000	62,000
Interest on Debt	136	-	136	136
Total Expenditures	<u>62,136</u>	<u>-</u>	<u>62,136</u>	<u>62,136</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(62,136)</u>	<u>-</u>	<u>(62,136)</u>	<u>(62,136)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	62,136	-	62,136	62,136
Total Other Financing Sources (Uses)	<u>62,136</u>	<u>-</u>	<u>62,136</u>	<u>62,136</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - October 1 (Beginning)	<u>100</u>	<u>11,225</u>	<u>11,325</u>	<u>11,325</u>
Fund Balance - September 30 (Ending)	<u>\$ 100</u>	<u>\$ 11,225</u>	<u>\$ 11,325</u>	<u>\$ 11,325</u>



**OTHER SCHEDULES**

NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Debt Service Fund TWDB Contract  
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
<b>EXPENDITURES:</b>				
Debt Service:				
Principal on Debt	\$ 62,000	\$ 62,000	\$ 62,000	\$ -
Interest on Debt	136	136	136	-
Total Expenditures	62,136	62,136	62,136	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,136)	(62,136)	(62,136)	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	62,136	62,136	62,136	-
Total Other Financing Sources (Uses)	62,136	62,136	62,136	-
Change in Fund Balance	-	-	-	-
Fund Balance - October 1 (Beginning)	100	100	100	-
Fund Balance - September 30 (Ending)	\$ 100	\$ 100	\$ 100	\$ -

NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Budget and Actual - Debt Service Fund Default Reserve Account  
 For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
Change in Fund Balance	-	-	-	-
Fund Balance - October 1 (Beginning)	11,225	11,225	11,225	-
Fund Balance - September 30 (Ending)	\$ 11,225	\$ 11,225	\$ 11,225	\$ -

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Schedule of General Fund Expenditures**  
For the Year Ended September 30, 2023

<b>PERSONNEL (INCLUDING BENEFITS)</b>	\$ 1,286,366
<b>PROFESSIONAL FEES:</b>	
Audit	22,000
Legal	137,480
Other professional fees	153,884
Total Professional Fees	313,364
<b>CONTRACTED SERVICES:</b>	
Appraisal District and Tax Collector fees expenses	80,347
Other	16,375
Total Contracted Services	96,722
<b>TECHNOLOGY, COMMUNICATION, AND UTILITIES</b>	157,260
<b>VEHICLE, REPAIRS, AND SUPPLIES</b>	103,221
<b>ADMINISTRATIVE EXPENDITURES:</b>	
Director's expenditures	56,184
Supplies	22,216
Insurance	21,513
Other administrative expenditures	76,717
Total Administrative Expenditures	176,630
<b>CONSERVATION OUTREACH</b>	362,156
<b>CONSERVATION DEMONSTRATION PROJECT</b>	200,263
<b>AQUIFER SCIENCE</b>	69,698
<b>CAPITAL OUTLAY:</b>	
Acquisition of fixed assets	281,587
<b>DEBT SERVICES</b>	13,974
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,061,241</b>

Number of persons employed by the District: 14 Full-time 1 Part-time

## NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT

## Schedule of Certificates of Deposit

For the Year Ended September 30, 2023

Funds	Identification or Certification Number	Interest Rate	Maturity Date	Balance at End of Year
General Fund:				
Certificate of Deposit - Dalhart Federal Savings and Loan Dalhart, Texas	6026088088	4.00%	05/03/24	\$ 100,000
Certificate of Deposit - Dalhart Federal Savings and Loan Dalhart, Texas	6026091833	4.00%	02/16/24	150,000
Certificate of Deposit - First National Bank Dumas, Texas	83033	3.25%	01/16/24	100,000
Certificate of Deposit - Perryton National Bank Perryton, Texas	21457	4.55%	08/23/24	100,000
Certificate of Deposit - First State Bank Dumas, Texas	21046	4.00%	04/01/24	100,000
Certificate of Deposit - Happy State Bank Dumas, Texas	11297	3.80%	02/15/24	150,000
Certificate of Deposit - Happy State Bank Dumas, Texas	12046	3.80%	08/06/24	100,000
Certificate of Deposit - First Bank Southwest Perryton, Texas	10000222	3.50%	06/14/24	100,000
Certificate of Deposit - First State Bank Spearman, Texas	45152	3.50%	01/23/24	150,000
Certificate of Deposit - Western Bank Gruver, Texas	20855	3.50%	03/17/24	250,000
Certificate of Deposit - Interstate Bank SS Perryton, Texas	13004190	3.65%	03/27/25	150,000
TOTAL GENERAL FUND				<u>\$ 1,450,000</u>

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Analysis of Taxes Levied and Receivable**  
 For the Year Ended September 30, 2023

	<b>Maintenance and Operating Taxes</b>
<b>TAXES RECEIVABLE, BEGINNING OF THE YEAR</b>	\$ 69,694
2022 Original Tax Levy (less adjustments plus supplements)	2,157,171
Total to be Accounted for	<u>2,226,865</u>
Tax Collections:	
Current Year	2,123,758
Prior Years	34,537
Total Collections	<u>2,158,295</u>
<b>TAXES RECEIVABLE, END OF YEAR</b>	<u><u>\$ 68,570</u></u>
 <b>TAX RECEIVABLE, BY YEARS</b>	
2021 and Prior	\$ 45,587
2022	22,983
<b>TAXES RECEIVABLE, END OF YEAR</b>	<u><u>\$ 68,570</u></u>

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Property Valuation (Includes land improvements and personal property)	\$ 7,939,912,449	\$ 6,800,429,429	\$ 6,732,738,035	\$ 7,710,684,439	\$ 7,486,087,893
Tax Rates Per \$100 Value (Maintenance and operating only)	\$ 0.027966	\$ 0.032600	\$ 0.032600	\$ 0.032600	\$ 0.033136
Original Tax Levy (Before adjustments)	\$ 2,164,960	\$ 2,159,762	\$ 2,135,720	\$ 2,294,097	\$ 2,290,921
Percent of Taxes Collected to Taxes Levied	98.10%	98.49%	98.95%	98.95%	98.55%

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Comparative Schedule of Revenues and Expenditures - General Fund**  
For the Year Ended September 30, 2023

	Amounts				
	2023	2022	2021	2020	2019
<b>REVENUES:</b>					
Taxes, penalties, and interest	\$2,177,516	\$ 2,144,911	\$2,130,074	\$2,304,645	\$ 2,271,837
State grant revenue	105,404	108,869	139,282	124,576	114,893
Federal grant revenue	-	-	15,876	29,124	-
Interest revenue	33,235	7,867	15,140	25,081	20,561
Fees for District services	205,492	220,269	246,971	202,642	133,000
Miscellaneous revenues	457,499	262,892	311,906	181,631	193,992
<b>TOTAL REVENUES</b>	<b>2,979,146</b>	<b>2,744,808</b>	<b>2,859,249</b>	<b>2,867,699</b>	<b>2,734,283</b>
<b>EXPENDITURES:</b>					
Personnel	1,286,366	1,251,899	1,256,389	1,197,673	1,143,791
Professional fees	313,364	182,155	207,505	192,560	172,308
Contracted services	96,722	108,588	114,119	144,338	109,996
Technology, communication, and utilities	157,260	275,104	147,628	158,365	124,296
Vehicle, repairs, and supplies	103,221	103,890	97,323	68,282	88,216
Administrative expenditures	176,630	174,398	140,546	139,796	186,375
Conservation outreach	362,156	207,432	266,374	237,230	184,733
Conservation demonstration project	200,263	160,940	181,117	201,003	209,103
Aquifer science	69,698	36,166	29,271	108,012	105,455
Debt services	13,974	12,383	-	-	-
Capital outlay	281,587	401,982	119,337	143,380	262,724
<b>TOTAL EXPENDITURES</b>	<b>3,061,241</b>	<b>2,914,937</b>	<b>2,559,609</b>	<b>2,590,639</b>	<b>2,586,997</b>
<b>EXCESS (DEFICIENCY) OF</b>					
<b>REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	<b>\$ (82,095)</b>	<b>\$ (170,129)</b>	<b>\$ 299,640</b>	<b>\$ 277,060</b>	<b>\$ 147,286</b>

Percent of Fund Total Revenues

<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
73.1	78.1	74.5	80.4	83.1
3.5	4.0	4.9	4.3	4.2
-	-	0.6	1.0	-
1.1	0.3	0.5	0.9	0.7
6.9	8.0	8.6	7.1	4.9
15.4	9.6	10.9	6.3	7.1
<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>
.				
43.2	45.6	43.9	41.7	41.8
10.5	6.6	7.3	6.7	6.3
3.2	4.0	4.0	5.0	4.0
5.3	10.0	5.2	5.5	4.5
3.5	3.8	3.4	2.4	3.2
5.9	6.4	4.9	4.9	6.8
12.2	7.5	9.3	8.3	6.8
6.7	5.9	6.3	7.0	7.7
2.3	1.3	1.0	3.8	3.9
0.5	0.5	-	-	-
9.5	14.6	4.2	5.0	9.6
<u>102.8</u>	<u>106.2</u>	<u>89.5</u>	<u>90.3</u>	<u>94.6</u>
<u>(2.8)</u>	<u>(6.2)</u>	<u>10.5</u>	<u>9.7</u>	<u>5.4</u>



**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

**Insurance Coverage**

For the Year Ended September 30, 2023

<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Name</u>	<u>Policy Clause: Co-Insurance (Deductible)</u>
Blanket Bond	\$ 60,000	Western Surety Company	None
Automobile Liability Coverage	\$ 1,000,000	Texas Water Conservation Association Risk Management	\$1,000 deductible
General Liability	\$ 1,000,000	Texas Water Conservation Association Risk Management	\$1,000 deductible
Errors and Omissions Liability	\$ 1,000,000	Texas Water Conservation Association Risk Management	\$1,000 deductible
Property Coverage	\$ 2,820,722	Texas Water Conservation Association Risk Management	\$2,500 deductible
Automobile Physical Damage	Actual Cash Value	Texas Water Conservation Association Risk Management	Varies by Vehicle
Public Official	\$ 70,000	The Hartford	None

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Board Members, Key Personnel, and Consultants**  
For the Year Ended September 30, 2023

Complete District Mailing Address: P. O. Box 795, Dumas, Texas 79029-0795  
District Business Telephone Number: (806) 935-6401

Names	Term of Office Elected and Expires	Title at Year End	Resident of District?
<b>Board Members:</b>			
Mark Howard	Elected 11/22 - 11/26	President	Yes
Daniel L. Krienke	Elected 11/20 - 11/24	Vice-President	Yes
Bob Zimmer	Elected 11/20 - 11/24	Secretary	Yes
Allan French	Elected 11/22 - 11/26	Director	Yes
Harold Grall	Elected 11/22 - 11/26	Director	Yes
Gene Born	Elected 11/20 - 11/24	Director	Yes
Justin Crownover	Elected 11/22 - 11/26	Director	Yes

Names	Date Hired	Salary	Title at Year End	Resident of District?
<b>Key Administrative Personnel:</b>				
Steve Walthour	05/07	\$ 159,627	Manager	Yes
(General Manager and Investment Officer)				

Names	Date Hired	Fees and Expense Reimbursements	Title at Year End	Resident of District?
<b>Consultants:</b>				
Lemon Law Firm	03/08/55	\$ 137,480	Attorney	Yes
Coy Barton, CPA	10/01/64	\$ 22,000	Auditor	Yes

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Schedule of Expenditure of State Awards**  
For the Year Ended September 30, 2023

<u>Name</u>	<u>State Award Number</u>	<u>Expenditures</u>
<b>State Awards</b>		
Texas Water Development Board - Agricultural Water Conservation Fund - Equipment Grant	2213582646	<u>\$ 105,404</u>

No Single Audit is required.

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Schedule of Delinquent Taxes Receivable**  
For the Year Ended September 30, 2023

<u>County</u>	<u>Beginning Balance 10/01/22</u>	<u>Current Year's Total Levy</u>	<u>Total Collections</u>	<u>Adjustments</u>	<u>Ending Balance 09/30/23</u>
Hansford	\$ 8,088	\$ 207,520	\$ 206,266	\$ (493)	\$ 8,849
Hartley	2,434	218,612	218,178	(291)	2,577
Hutchinson	7,711	40,737	42,770	(3,449)	2,229
Lipscomb	3,473	146,442	146,209	10	3,716
Moore	21,622	678,266	676,392	1,397	24,893
Ochiltree	17,332	388,162	384,090	(726)	20,678
Sherman	6,424	178,437	177,378	(3,916)	3,567
Dallam	2,610	306,784	307,012	(321)	2,061
Total	<u>\$ 69,694</u>	<u>\$ 2,164,960</u>	<u>\$ 2,158,295</u>	<u>\$ (7,789)</u>	<u>\$ 68,570</u>

**REPORTS ON INTERNAL CONTROL AND  
ON COMPLIANCE AND OTHER MATTERS**

# COY BARTON, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT

116 EAST SEVENTH

P.O. BOX 800 - TELEPHONE 806-935-4188

DUMAS, TEXAS 79029

MEMBER OF

THE AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

THE AICPA'S PRIVATE COMPANIES  
PRACTICE SECTION

TEXAS SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

## 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*

To the Board of Directors  
North Plains Groundwater Conservation District  
P.O. Box 795  
Dumas, Texas

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, each major fund, and the aggregate remaining fund information of North Plains Groundwater Conservation District as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise North Plains Groundwater Conservation District's basic financial statements, and have issued our report thereon dated December 19, 2023.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered North Plains Groundwater Conservation 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Plains Groundwater Conservation District's internal control. Accordingly, we do not express an opinion on the effectiveness of North Plains Groundwater Conservation 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

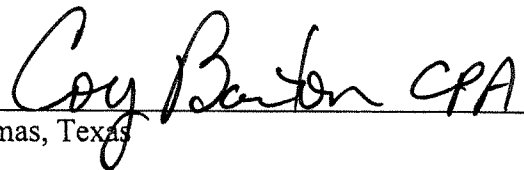
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 North Plains Groundwater Conservation District's financial statements are free from 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 or other matters that are required to be reported under *Government Auditing Standards*.

### **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
\_\_\_\_\_  
Dumas, Texas

December 19, 2023

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Schedule of Findings and Responses**  
For the Year Ended September 30, 2023

<b>Findings</b>	<b>Responses</b>
None	None



**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Schedule of Status of Prior Audit Findings**  
For the Year Ended September 30, 2023

<u>Findings</u>	<u>Status of Prior Year's Findings/Noncompliance</u>
None	None

**NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**  
**Corrective Action Plan**  
For the Year Ended September 30, 2023

<u>Findings</u>	<u>Corrective Action Plan</u>
None	None