

**NORTH TEXAS
GROUNDWATER
CONSERVATION
DISTRICT**

BOARD MEETING

**MUSTANG SUD ADMINISTRATIVE OFFICES
7985 FM 2931
AUBREY, TEXAS**

**TUESDAY
JUNE 11, 2019
10:00 AM**

NOTICE OF PUBLIC MEETING

OF THE
BOARD OF DIRECTORS of the

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
at the

Mustang SUD Administrative Offices
7985 FM 2931
Aubrey, Texas
Tuesday, June 11, 2019

Board Meeting

The Board Meeting will begin at 10:00 a.m.

Notice is hereby given that the Board of Directors of the North Texas Groundwater Conservation District ("District") may discuss, consider, and take all necessary action, including expenditure of funds, regarding each of the agenda items below:

Agenda:

1. Pledge of Allegiance and Invocation.
2. Call to order, establish quorum; declare meeting open to the public.
3. Administer Oath of Office to new and reappointed Board Members.
4. Public comment.
5. Appointment of a Nominating Committee for Election of Officers.
6. Appointment of a Budget Committee.
7. Consider and act upon approval of the minutes from the May 14, 2019, Board meeting.
8. Consider and act upon approval of invoices and reimbursements.
9. Consider and act upon 2018 Audit.
10. Receive reports from the following Committees*:
 - a. Budget and Finance Committee
 - 1) Receive Monthly Financial Information
 - b. Legislative Committee
 - 1) Receive Legislative Update

11. Consider and act upon Resolution of Appreciation for Chris Boyd.
12. Update and possible action regarding the process for the development of Desired Future Conditions (DFCs).
13. Consider and act upon compliance and enforcement activities for violations of District rules.
14. Discussion and possible action on activities related to the District's Disposal/Injection Well Program.
15. Consider and act upon monthly Board meeting time and location.
16. General Manager's Report: The General Manager will update the board on operational, educational and other activities of the District.
 - a. Well Registration Summary
 - b. Database Update and Demonstration
17. Open forum / discussion new business for future meeting agendas.
18. Adjourn public meeting.

* Reports from District standing committees will include a briefing by each committee for the Board on the activities of the committee, if any, since the last regular Board meeting.

The above agenda schedule represents an estimate of the order for the indicated items and is subject to change at any time.

These public meetings are available to all persons regardless of disability. If you require special assistance to attend the meeting, please call (855) 426-4433 at least 24 hours in advance of the meeting to coordinate any special physical access arrangements.

For questions regarding this notice, please contact Velma Starks at (855) 426-4433, at ntgcd@northtexasgcd.org, or at 5100 Airport Drive, Denison, TX 75020.

At any time during the meeting or work session and in compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, the North Texas Groundwater Conservation District Board may meet in executive session on any of the above agenda items or other lawful items for consultation concerning attorney-client matters (§551.071); deliberation regarding real property (§551.072); deliberation regarding prospective gifts (§551.073); deliberation regarding personnel matters (§551.074); deliberation regarding security devices (§551.076); and deliberation regarding cybersecurity (§551.089). Any subject discussed in executive session may be subject to action.

ATTACHMENT 7

**MINUTES OF THE BOARD OF DIRECTORS' BOARD MEETING AND PUBLIC HEARING
NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT**

TUESDAY MAY 14, 2019

**MUSTANG SUD ADMINISTRATIVE OFFICES
7985 FM 2931
AUBREY, TEXAS**

Members Present: Ronny Young, Allen Knight, Maurice Schwanke, Evan Groeschel, Chris Boyd, Joe Helmberger, and Thomas Smith

Members Absent: David Flusche and Ron Sellman

Staff: Drew Satterwhite, Paul Sigle, Carolyn Bennett, Theda Anderson, and Velma Starks

Visitors: Kristen Fancher, Fancher Legal
Peter M. Schulmeyer, Collier Consulting

Board Meeting

1. **Pledge of Allegiance and Invocation**

President Ronny Young led the group in the Pledge of Allegiance and provided the invocation.

2. **Call to order, establish quorum; declare meeting open to the public**

President Young called the meeting to order 10:00 a.m., established a quorum was present, and declared the meeting open to the public.

3. **Public Comment**

There were no public comments.

4. **Consider and act upon approval of the minutes from the April 9, 2019 board meeting**

Motion was made by Thomas Smith to approve the minutes of the April 9, 2019 meeting. The motion was seconded by Allen Knight, and passed unanimously.

5. **Consider and act upon approval of invoices and reimbursements**

General Manager Drew Satterwhite informed the board that the replacement truck has been ordered. After review and brief discussion Joe Helmberger made the motion to approve

Resolution No. 2019-05-01. Thomas Smith seconded the motion. Motion passed unanimously.

6. Receive reports from the following Committees*:
 - a. Budget and Finance Committee
 - 1) Receive Monthly Financial Information

General Manager Drew Satterwhite reviewed the financial information with the board.

- b. Legislative Committee

General Manager Drew Satterwhite expressed that Senate Bill 1010 pertaining to districts having similar rules didn't pass last legislative session. The Board discussed the bill that Districts justify why rules in their management plan are different. The fact that some districts were established by the TCEQ and others were established by the legislator resulted in some of the differences in rules. Bill 2026 is not anticipated to pass this session. Kristen Fancher, legal counsel, informed the Board that she would keep them updated as necessary. There is a possibility, after this session; that in the future North Texas GCD board meetings may have to be video-taped.

7. Consider and act upon Resolution of Appreciation for Maurice Schwanke.

President Ronny Young read the Resolution of Appreciation for Maurice Schwanke. Board Member Joe Helmberger made the motion to accept the Resolution of Appreciation for Maurice Schwanke. Board Member Christ Boyd seconded the motion. Motion passed unanimously.

8. Presentation of Plaque to Maurice Schwanke.

President Ronny Young presented the plaque to Maurice Schwanke and expressed the Board's appreciation for his service.

9. Update and possible action regarding the process for the development of Desired Future Conditions (DFCs).

President Ronny Young, also GMA 8 Representative, informed the Board that GMA 8 met on Monday, May 6, in Cleburne. GMA 8 formerly formally accepted the WSP contract hiring James Beach. The contract was negotiated by a committee consisting of Joe Cooper, Dirk Aaron and Drew Satterwhite. The Interlocal Agreement which was requested by NTGCD as Administrator for GMA 8 was approved; however, some of the representatives wanted to present it to their board before signing. All signatures should be received by May 30th. Kristen Fancher, Legal Counsel, informed the Board that they may have James changing pumping numbers in August, September or October. The Board discussed legal liabilities and how GMA 8 and the districts could be affected.

10. Formation of well plugging program committee.

General Manager Drew Satterwhite stated that questions pertaining to funding assistance to plugging wells would need to have conditions as to help received, which would be best addressed by a committee. A committee consisting of Joe Helmberger, Chris Boyd and Ronny

Young was established.

11. Consider and act upon compliance and enforcement activities for violations of District's Rules.
 - a. DWW Golf Management Company

General Manager Drew Satterwhite provided information relating to issues and Kristen Fancher, Legal Counsel, informed Board that there has been a lack of response on their part to communications she has sent. The Board discussed the situation and suggested that the City of McKinney be informed of action taken. The Board decided to issue a major violation fine of \$500 and to send a copy of the Violation and Penalty letter to the City of McKinney Manager. Board Member Thomas Smith made the motion to issue DWW Golf Management Company the \$500 major violation fine for failure to submit water fees. Board Member Joe Helmberger seconded the motion. Motion passed unanimously.

12. Discussion and possible action on activities related to the District's Disposal/Injection Well Program.

General Manager Drew Satterwhite informed the Board that the issue has been resolved.

13. General Manager's Report: The General Manager will update the board on operational, educational and other activities of the District.

- a. Management Plan Amendment will be scheduled for June 2019

General Manager Drew Satterwhite stated the draft Management Plan Amendment has been sent to the TWDB and staff is waiting to hear from the TWDB regarding the submittal. If TWDB does not respond by Wednesday, the Management Plan Amendment will need to be moved to July 2019.

- b. TAGD Featured District Article

General Manager Drew Satterwhite commented that this was a good article. It provided helpful information regarding how many meetings were held on developing the rules and addressing inquiries concerning district procedures.

- c. Cooke County Commissioners Presentation

President Ronny Young and General Manager Drew Satterwhite provided a presentation for Cooke County. Citizens in western Cooke County were able to express their concerns and receive information regarding the North Texas GCD. President Ronny Young stated that it would be beneficial to all District counties to have General Manager Drew Satterwhite give presentations.

General Manager Drew Satterwhite informed the Board that work is still being done on the database and that it will be shown to the Board when it is available.

14. Open forum/discussion of new business for future meeting agendas.

The Board will be updated as necessary regarding legislation. GMA 8 will be meeting July 26, 2019 in Cleburne. The Board discussed the possibility of residential wells being monitored.

15. Adjourn public meeting

Board President Ronny Young declared the meeting adjourned at 10:55 a.m.

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Recording Secretary

Secretary-Treasurer

ATTACHMENT 8

RESOLUTION NO. 2019-06-01

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS GROUNDWATER
CONSERVATION DISTRICT AUTHORIZING PAYMENT OF ACCRUED LIABILITIES FOR THE
MONTH OF MAY

The following liabilities are hereby presented for payment:

| <u>Administrative Services</u> | <u>Amount</u> |
|---|-------------------------|
| GTUA - May 2019 | 30,623.48 |
| <u>Direct Costs</u> | |
| NexTraq - May 2019 GPS Truck Tracking | 39.95 |
| <u>Legal</u> | |
| Fancher Legal - services through April 2019 | 3,094.00 |
| <u>Legal Legislative</u> | |
| Sledge Law - services through March 2019 | 3,000.00 |
| <u>Legal-Injection Well Monitoring</u> | |
| Sledge Law - services through March 2019 | 2,149.25 |
| <u>Meetings & Conferences</u> | |
| Mustang SUD - June 2019 room rental | 75.00 |
| GRAND TOTAL: | \$ 38,981.68 |

On motion of _____ and seconded by

the foregoing Resolution was passed and approved on this, the 11th day of June, 2019 by the following vote:

AYE:

NAY:

President

Secretary/Treasurer

ATTACHMENT 9



AGENDA COMMUNICATION

DATE: June 5, 2019

SUBJECT: AGENDA ITEM NO. 9

CONSIDER AND ACT UPON 2018 AUDIT

ISSUE

2018 Audit

BACKGROUND

The Board engaged the services of McClanahan and Holmes, LLP to provide the independent audit of the District's accounting records for the 2018 fiscal year. The auditors have advised that they expect to be present at the June meeting to present the audit.

CONSIDERATIONS

If there are questions or concerns about the audit, the Board will have the opportunity to further discuss them with the auditor.

ATTACHMENTS

2018 Audit

RECOMMENDED BY:

Drew Satterwhite, P.E., General Manager

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

**NORTH TEXAS GROUNDWATER
CONSERVATION DISTRICT**

**Communication with Those
Charged With Governance**

December 31, 2018

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY

McClanahan and Holmes, LLP
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN W. MOHUNDRO, CPA
GEORGE H. STRUVE, CPA
ANDREW B. REICH, CPA
RUSSELL P. WOOD, CPA
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Communication with Those Charged
With Governance

Members of the Board
North Texas Groundwater Conservation District
Denison, Texas

We have audited the financial statements of the governmental activities and the major fund of the North Texas Groundwater Conservation District (the District) for the year ended December 31, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 18, 2018. Professional Standards also require that we communicate to you the following information related to our audit.

Significant Auditing Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of allowance for doubtful accounts. Allowance for doubtful accounts is based on historical consumption and accounts receivable, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of depreciation expense. Depreciation expense is calculated on a straight-line basis, over the estimated useful lives of the District's assets. We evaluated the key factors and assumptions used to develop the depreciation method used and the estimates of useful lives of the assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY

Members of the Board
North Texas Groundwater Conservation District
Denison, Texas

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Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Appendix A summarizes misstatements detected as a result of audit procedures that were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 4, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In performing and completing our audit, we encountered difficulties in obtaining appropriate reconciliation of the well driller deposit liability account and related revenue accounts. We recommend that detailed support of deposits on hand be maintained and made available for review. In addition, we recommend providing a detailed rollforward of the liability account from prior year to current year.

Other Matters

We applied certain limited procedures to the management's discussion and analysis and the budgetary comparison schedule, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the comparative balance sheet and comparative statement of revenues, expenditures, and changes in fund balance, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

DISCUSSION PURPOSE ONLY

Members of the Board
North Texas Groundwater Conservation District
Denison, Texas

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DISCUSSION PURPOSE ONLY

Restriction on Use

This information is intended solely for the information and use of management of the District, the Board members, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

TEMPORARILY REDACTED
DISCUSSION PURPOSE ONLY
McClanahan and Holmes, LLP
Certified Public Accountants

Bonham, Texas
June 4, 2019

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Misstatements Corrected by Management
December 31, 2018

Appendix A

| Description | Debit | Credit |
|--------------------------------------|----------------------|----------------------|
| Allowance for Uncollectible Accounts | \$ - | \$ 15,500.00 |
| Well Drillers Deposits | - | 12,400.00 |
| Fund Balance | - | 1,284.82 |
| Well Production Fees | - | 2,689.87 |
| Well Registration Fees | 30,300.00 | - |
| Well Drillers Fees | - | 17,900.00 |
| Bad Debt Expense | 15,500.00 | - |
| Direct Cost | 7,088.00 | - |
| Dues & Subscriptions | 937.50 | - |
| Capital Outlay | 47,723.62 | - |
| Insurance | 490.23 | - |
| Legal | - | 4,774.00 |
| Software Maintenance | - | 47,490.66 |
| | <u>\$ 102,039.35</u> | <u>\$ 102,039.35</u> |

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

**TENTATIVE DRAFT - FOR
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**NORTH TEXAS GROUNDWATER
CONSERVATION DISTRICT**

Annual Financial Report

Year Ended December 31, 2018

**TENTATIVE DRAFT - FOR
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**TENTATIVE DRAFT - FOR
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**NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Annual Financial Report
Year Ended December 31, 2018**

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**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

McClanahan and Holmes, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Members of the Board
North Texas Groundwater Conservation District
Denison, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the North Texas Groundwater Conservation District (the District), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant account estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the North Texas Groundwater Conservation District as of December 31, 2018, 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.

Members of the Board
North Texas Groundwater Conservation District
Denison, Texas

Other Matters

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 3-6 and page 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Texas Groundwater Conservation District's basic financial statements. The comparative balance sheet and comparative statement of revenues, expenditures, and changes in fund balance are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative balance sheet and comparative statement of revenues, expenditures, and changes in fund balance have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the 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.

TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY

McClanahan and Holmes, LLP

Certified Public Accountants

Bonham, Texas
June 4, 2019

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

**NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Management's Discussion and Analysis
Year Ended December 31, 2018**

As management of North Texas Groundwater Conservation District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2018. Please read this narrative in conjunction with the independent auditors' report and the District's Basic Financial Statements.

FINANCIAL HIGHLIGHTS

- The assets of North Texas Groundwater Conservation District exceeded its liabilities at the close of the fiscal year by \$1,902,770 (Total Net Position). Of this amount, \$1,819,652 is unrestricted and may be used to meet the District's ongoing obligations and responsibilities.
- The District's net position increased by \$407,197, from \$1,495,573, as restated, in the prior year to \$1,902,770 as of December 31, 2018.
- At December 31, 2018, the District had \$1,819,652 total fund balance in its General Fund, representing a \$362,490 or a 24.88% increase from the \$1,457,162 fund balance in the previous year. \$992,258 of the fund balance is unassigned, constituting approximately 192% of the \$516,380 in non-debt service General Fund expenditures for the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The management discussion and analysis is intended to serve as an introduction to North Texas Groundwater Conservation District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of North Texas Groundwater Conservation District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Evaluation of the overall economic health of the District would extend to other nonfinancial factors such as the condition of District infrastructure in addition to the financial information provided in this report.

The Statement of Activities presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's activities.

The purpose of the District is to help accomplish the objectives set forth in Article XVI, Section 59 of the Texas Constitution related to the conservation and development of water resources of the State of Texas. With many other governmental entities, the aforementioned government-wide financial statements normally identify and distinguish between either governmental activities supported by general revenues and fees or business-type activities which are typically self-supported by user fees and charges. Both government-wide financial statements consist of one governmental fund principally supported by groundwater usage fees. The District has no business-type activities.

The government-wide financial statements can be found on pages 7 and 8 of this report.

Fund Financial Statements: A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Depending upon their reporting needs and requirements, governmental entities utilize three types of funds, including governmental funds, proprietary funds, and fiduciary funds.

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Management's Discussion and Analysis
Year Ended December 31, 2018

The North Texas Groundwater Conservation District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Since the District has no legitimate need or requirement to have either proprietary or fiduciary funds, all of its funds are maintained and reported as governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains a single governmental fund, the General Fund. The General Fund is used to account for the acquisition and use of the District's spendable financial resources and the related liabilities.

The government fund financial statements can be found on pages 9 and 10 of this report.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. It can be found in the "Required Supplementary Information" section of this report.

Notes to the Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 11 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. Supplementary information follows the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position: As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2018, the North Texas Groundwater Conservation District's assets exceeded liabilities by \$1,902,770.

At December 31, 2018, \$1,967,719 in total assets were recorded. Of that amount, current and other assets (cash, investments, receivables, and prepaid expenses) represented 95.78% and capital assets constituted 4.22%.

Total liabilities at year end equaled \$64,949, none of which consisted of long-term debt.

Of the \$1,902,770 in total net position, 4.37% or \$83,118 is in capital assets net of accumulated depreciation. The District uses these capital assets to carry out its responsibilities and to provide information and services to citizens and the consumers which support the District. Capital assets are non-liquid and cannot be used to satisfy District obligations. The unrestricted net position total of \$1,819,652 may be used to meet the District's ongoing obligations and responsibilities.

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**
NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Management's Discussion and Analysis
Year Ended December 31, 2018

Governmental Activities: The following table provides a summary of the District's assets, liabilities, and net position for the years ended December 31, 2018 and 2017.

| | Governmental Activities | |
|--------------------------------------|-------------------------|---------------------|
| | 2018 | 2017 |
| Assets: | | |
| Current Assets | \$ 1,884,601 | \$ 1,528,383 |
| Capital Assets (Net of Depreciation) | 83,118 | 38,411 |
| Total Assets | 1,967,719 | 1,566,794 |
| Liabilities: | | |
| Current Liabilities | 64,949 | 71,221 |
| Total Liabilities | 64,949 | 71,221 |
| Net Position: | | |
| Net Investment in Capital Assets | 83,118 | 38,411 |
| Unrestricted | 1,819,652 | 1,457,162 |
| Total Net Position | \$ 1,902,770 | \$ 1,495,573 |

Note: The above amounts for Capital Assets, Net Investment in Capital Assets, and Unrestricted Net Position for fiscal year 2017 have been restated to reflect the effect of a prior period adjustment in the amount of \$31,576. The restated beginning net position of governmental activities is \$1,495,573. The prior period adjustment recognized prior year amounts for the design and development of a software system as a capital asset rather than expenditure. Capital Assets and Net Investment in Capital Assets have been restated to reflect an increase of \$31,576. The adjustment has also been reflected in the table below.

Governmental Activities: The following table provides a summary of the District's operations for the years ended December 31, 2018 and 2017.

| | Governmental Activities | |
|--|-------------------------|-------------------|
| | 2018 | 2017 |
| Revenues: | | |
| Fees, Forfeitures, and Other Charges | \$ 858,225 | \$ 688,319 |
| Interest Income | 20,645 | 4,034 |
| Total Revenues | 878,870 | 692,353 |
| Expenses: | | |
| Administrative Services | 400,318 | 412,648 |
| Legal | 71,355 | 73,209 |
| Total Liabilities | 471,673 | 485,857 |
| Increase (Decrease) in Net Position | \$ 407,197 | \$ 206,496 |

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

Governmental Funds: The focus of North Texas Groundwater Conservation District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing and budgeting requirements. In particular, the unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

At December 31, 2018, the District has \$1,819,652 total fund balance. This is 24.88% higher than the \$1,457,162 prior-year fund balance, primarily due to an increase in groundwater usage fees in 2018. \$825,000 of the fund balance is committed for various purposes identified by the Board and \$992,258 of the fund balance is unassigned.

**TENTATIVE DRAFT - FOR
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**NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Management's Discussion and Analysis
Year Ended December 31, 2018**

General Fund Budgetary Highlights: There were no amendments to the originally adopted budget during the year. Actual expenditures for the year ended December 31, 2018 were \$516,380, that being \$36,220 or 6.55% less than the \$552,600 budgeted for the year. Actual expenditures were under budget primarily due to fewer consultant costs than were budgeted.

Actual revenues for the year were \$878,870 or 120.81% of the budgeted revenues for the year, primarily due to higher than expected groundwater usage fee revenue.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The District's investment in capital assets for its governmental activities as of December 31, 2018 amounted to \$83,118 (net of accumulated depreciation). Asset additions during the year included additions to software development in progress. The following tables portrays the District's mix of capital assets at December 31, 2018:

| Capital Assets | |
|-------------------------|----------------------|
| | December 31, 2018 |
| Vehicle | \$ 16,624 |
| Equipment | 10,042 |
| Development in Progress | 79,300 |
| Total | <u>\$ 105,966</u> |

Debt Administration: At the end of the year, the District had no long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For fiscal year 2019 the District's latest adopted budget shows total anticipated expenditures of \$588,322, a \$71,942 increase from total actual expenditures of \$516,380 in fiscal year 2018. The majority of the increase is attributable to an expected increase in personnel costs. Rates assessed groundwater users are not expected to increase for fiscal year 2019.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact Drew Satterwhite, General Manager of the District, at 5100 Airport Drive, Denison, TX 75020, (855) 426-4433.

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NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Statement of Net Position
December 31, 2018

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| ASSETS | |
| Current Assets | |
| Cash and Cash Equivalents | \$ 1,418,170 |
| Investments | 260,782 |
| Accounts Receivable, Net of Allowance for Uncollectibles of \$15,500 | 181,686 |
| Other Receivables | 21,569 |
| Prepaid Expenses | <u>2,394</u> |
| Total Current Assets | <u>1,884,601</u> |
| Noncurrent Assets | |
| Capital Assets Not Being Depreciated: | |
| Software Development in Progress | 79,300 |
| Capital Assets, Net of Accumulated Depreciation: | |
| Vehicles and Equipment | <u>3,818</u> |
| Total Noncurrent Assets | <u>83,118</u> |
| Total Assets | <u>1,967,719</u> |
| LIABILITIES | |
| Current Liabilities | |
| Accounts Payable | 37,299 |
| Well Driller Deposits | <u>27,650</u> |
| Total Current Liabilities | <u>64,949</u> |
| Total Liabilities | <u>64,949</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 83,118 |
| Unrestricted | <u>1,819,652</u> |
| Total Net Position | <u>\$ 1,902,770</u> |

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

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

TENTATIVE FINANCIAL STATEMENTS
DISCUSSION PURPOSE ONLY

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Statement of Activities
Year Ended December 31, 2018

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|---|-------------------|-------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | Governmental Activities |
| Primary Government | | | | |
| Governmental Activities: | | | | |
| Administration | \$ 400,318 | \$ - | \$ - | \$ (400,318) |
| Legal | 71,355 | - | - | (71,355) |
| Total Governmental Activities | 471,673 | - | - | (471,673) |
| Total Primary Government | \$ 471,673 | \$ - | \$ - | (471,673) |
| General Revenues: | | | | |
| | | | | 797,405 |
| | | | | 23,230 |
| | | | | 20,600 |
| | | | | 16,990 |
| | | | | 20,645 |
| Total General Revenues | | | | 878,870 |
| Change in Net Position | | | | 407,197 |
| Net Position - Beginning (January 1) | | | | 1,463,997 |
| Prior Period Adjustment | | | | 31,576 |
| Net Position - Ending (December 31) | | | | \$ 1,902,770 |

TENTATIVE FINANCIAL STATEMENTS
DISCUSSION PURPOSE ONLY

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

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Balance Sheet - Governmental Fund
December 31, 2018

| | General Fund |
|---|-----------------|
| ASSETS | |
| Current Assets | |
| Cash and Cash Equivalents | \$ 1,418,170 |
| Investments | 260,782 |
| Accounts Receivable, Net of Allowance for Uncollectibles of \$15,500 | 181,686 |
| Other Receivables | 21,569 |
| Prepaid Expenses | 2,394 |
| Total Current Assets | 1,884,601 |
| Total Assets | \$ 1,884,601 |
| LIABILITIES | |
| Current Liabilities | |
| Accounts Payable | \$ 37,299 |
| Well Driller Deposits | 27,650 |
| Total Current Liabilities | 64,949 |
| Total Liabilities | 64,949 |
| FUND BALANCE | |
| Nonspendable | 2,394 |
| Committed | 825,000 |
| Unassigned | 992,258 |
| Total Fund Balance | 1,819,652 |
| Total Liabilities and Fund Balance | \$ 1,884,601 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Fund Balance - Total Governmental Fund (above) | 1,819,652 |
| Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$105,966 and the accumulated depreciation is \$22,848. | 83,118 |
| Net Position of Governmental Activities | \$ 1,902,770 |

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

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

TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Governmental Fund
Year Ended December 31, 2018

| | General Fund |
|---|-----------------|
| REVENUES | |
| Groundwater Usage Fees | \$ 797,405 |
| Registration and Other Fees | 23,230 |
| Deposit Forfeitures | 20,600 |
| Penalties and Late Charges | 16,990 |
| Interest Income | 20,645 |
| | 878,870 |
| Total Revenues | |
| EXPENDITURES | |
| Administration | 397,301 |
| Legal | 71,355 |
| Capital Outlay: | |
| Software Development | 47,724 |
| | 516,380 |
| Total Expenditures | |
| Excess (Deficiency) of Revenues over Expenditures | 362,490 |
| Net Change in Fund Balance | 362,490 |
| Fund Balance - Beginning (January 1) | 1,457,162 |
| Fund Balance - Ending (December 31) | \$ 1,819,652 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Net Change in Fund Balance - Total Governmental Fund (above) | 362,490 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$47,724) exceeded depreciation expense (\$3,017) in the current year. | 44,707 |
| Change in Net Position of Governmental Activities | \$ 407,197 |

TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY

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

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Notes to the Basic Financial Statements
December 31, 2018

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The North Texas Groundwater Conservation District (District), is a political subdivision of the State of Texas, created under the authority of Article XVI, Section 59, Texas Constitution, and operating pursuant to the provisions of the Texas Water Code, Chapter 36, and Senate Bill 2497, Acts of the 81st Texas Legislature, Regular Session, 2010. The District encompasses the North Texas counties of Collin, Cooke, and Denton. The Board of Directors (Board), a nine-member group constituting an on-going entity, is the level of government which has governance responsibilities over all activities within the jurisdiction of the District. The Board is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Reporting Standards, since Board members are appointed, have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters. The purpose of the District is to help accomplish the objectives set forth in Article XVI, Section 59 of the Texas Constitution related to the conservation and development of water resources of the State of Texas.

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

B. Basis of Presentation – Basis of Accounting

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

The statement of activities 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 (1) fees and other charges paid by the recipients of goods or services offered by the programs and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxing entities allocations and investments, are presented as general revenues.

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

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

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

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DISCUSSION PURPOSE ONLY**

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Notes to the Basic Financial Statements (Continued)
December 31, 2018

I. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Basis of Accounting (continued)

Government fund types include the following:

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

C. Measurement Focus – Basis of Accounting

Government-Wide Statements – These financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, if any, in which the District gives (or receives), value without directly receiving (or giving) equal value in exchange, are not recognized if not measurable and are disclosed. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fund Financial Statements – These financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers revenues as available if they are collected within 90 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

D. Receivable and Payable Balances

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

E. Financial Statement Amounts

Cash and Cash Equivalents

Cash and Cash Equivalents are comprised of cash on hand, deposits in financial institutions, including time deposits, and certificates of deposit. Restricted assets and temporary investments are not included.

Capital Assets

Capital assets are reported in the government-wide statement of net position. All capital assets are valued at historical cost. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset life are not capitalized.

**TENTATIVE DRAFT - FOR
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NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Notes to the Basic Financial Statements (Continued)
December 31, 2018

I. Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (continued)

Capital Assets (continued)

Assets capitalized have an original cost of more than \$500 and useful life in excess of one year. Depreciation has been provided over the estimated useful life using the straight-line method of depreciation. The estimated useful life of the vehicle and equipment is seven years. Development in progress is not depreciated. Depreciation expense of \$3,017 was charged to Administration in the Statement of Activities for the year ended December 31, 2018.

| | Balance 12/31/17 | Additions | Retirements | Balance 12/31/18 |
|--|---------------------|------------------|-------------|---------------------|
| Governmental Activities: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Software Development in Progress | \$ 31,576 | \$ 47,724 | \$ - | \$ 79,300 |
| | <u>31,576</u> | <u>47,724</u> | <u>-</u> | <u>79,300</u> |
| Capital Assets being Depreciated: | | | | |
| Vehicle | 16,624 | - | - | 16,624 |
| Equipment | 10,042 | - | - | 10,042 |
| | <u>26,666</u> | <u>-</u> | <u>-</u> | <u>26,666</u> |
| Less Accumulated Depreciation for: | | | | |
| Vehicle | 15,042 | 1,582 | - | 16,624 |
| Equipment | 4,789 | 1,435 | - | 6,224 |
| | <u>19,831</u> | <u>3,017</u> | <u>-</u> | <u>22,848</u> |
| Governmental Activities | | | | |
| Capital Assets, Net | <u>\$ 38,411</u> | <u>\$ 44,707</u> | <u>\$ -</u> | <u>\$ 83,118</u> |

Fund Balance

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

Nonspendable fund balance – represents amounts that cannot be spent because they are either not spendable form (such as inventory or prepaids) or legally required to remain intact (such as notes receivable or principal or a permanent fund). The District has classified prepaid items as being nonspendable as these items are not expected to be converted to cash.

Restricted fund balance – represents amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers. The District does not have any restricted fund balances by enabling legislation.

Committed fund balance – represents amounts that can only be used for specific purposes imposed by a formal action of the District's highest level of decision-making authority, the Board. Committed resources cannot be used for any other purpose unless the Board removes or changes the specific use by taking the same formal action that imposed the constraint originally. The District had \$825,000 of fund balances at December 31, 2018 committed for the following purposes: geodatabase upgrades, permanent well monitoring equipment, downhole well camera, well pulling program, legal, well plugging program, and monitoring well maintenance/closure funds.

**TENTATIVE DRAFT - FOR
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**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**
 NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
 Notes to the Basic Financial Statements (Continued)
 December 31, 2018

I. Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (continued)

Fund Balance (continued)

Assigned fund balance – represents amounts the District intends to use for specific purposes as expressed by the Board or an official delegated authority. The District has no assigned fund balances at December 31, 2018.

Unassigned fund balances – represents all amounts not included in other spendable classifications, including the residual fund balance for the General Fund.

In circumstances where an expenditure is to be made for the purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The District has adopted a fund balance policy that expresses an intent to maintain a level of unassigned fund balance equal to a minimum of 33% of total General Fund expenditures.

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

| | General |
|--------------|--------------|
| Nonspendable | \$ 2,394 |
| Committed | 825,000 |
| Unassigned | 992,258 |
| Total | \$ 1,819,652 |

II. Stewardship, Compliance, and Accountability

By its nature as a local government unit, the District is subject to various federal, state, and local laws and contractual regulations.

An annual budget is legally adopted for the General Fund on a basis consistent with accounting principles generally accepted in the United States of America. Prior to the beginning of each fiscal year, the Board of Directors is presented with a proposed budget for the year beginning on the following January 1. The budget includes proposed expenditures and the means of financing them.

The budget is legally enacted through passage of a resolution. Revisions to the budget that alter General Fund expenditures must be approved by the Board of Directors. The fund level is the legal level of budgetary control.

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Notes to the Basic Financial Statements (Continued)
December 31, 2018

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

II. Stewardship, Compliance, and Accountability (Continued)

For the year ended December 31, 2018, the District's expenditures exceeded appropriations in the General Fund as follows:

| <u>Object Category</u> | <u>Expenditures Exceeding Appropriations</u> |
|---|--|
| Administrative – General Manager | \$ 1,120 |
| Administrative – Project Coordinator | 430 |
| Accounting and Auditing | 2,460 |
| Legal | 11,355 |
| Capital Outlay | 47,724 |
| Bad Debt Expense | 15,500 |
| Direct Costs Reimbursed | 1,865 |
| Insurance | 1,319 |
| Vehicle Costs | 357 |
| Telephone | 669 |
| Legal Notices | 452 |
| Dues and Subscriptions | 959 |
| Meetings and Conferences | 405 |
| Bank Fees | <u>94</u> |
| Total Expenditures Exceeding Appropriations | \$ <u>84,709</u> |

III. Deposits, Securities, and Investments

District funds may be invested in obligations of the United States Government, fully insured or collateralized certificates of deposit from any bank doing business in the State of Texas, and certain Texas Local Government Investment Pools.

The District maintains deposits in Independent Bank, McKinney, Texas that at times may exceed the insured amount of \$250,000 provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The District was not exposed to custodial credit risk as its deposits were fully insured with FDIC insurance or collateralized at year-end.

The District maintains two certificates of deposit at banks as of December 31, 2018. The District was not exposed to custodial credit risk as its deposits were fully insured with FDIC insurance or collateralized at year-end.

As of December 31, 2018, the District had the following investments:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Average Maturity (Days)</u> |
|--|-------------------|---|
| Texas Short-Term Asset Reserve Program (TexSTAR) | \$ 260,782 | 40 days |

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DISCUSSION PURPOSE ONLY**
NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Notes to the Basic Financial Statements (Continued)
December 31, 2018

III. Deposits, Securities, and Investments (Continued)

The public funds investment pools in Texas are established under authority of the Interlocal Cooperation Act, chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the Act), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the Pool and other persons who do not have a business relationship with the Pool and are qualified to advise the Pool; 2) maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service; 3) maintain the market value of its underlying investment portfolio within one-half of one percent of the values of its shares.

TexSTAR has a credit rating of AAAM from Standard & Poor's Financial Services. Local government investment pools in this rating category meet the highest standard for extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. The pool invests in a high quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state.

Investments in TexSTAR are not insured or guaranteed by the FDIC or any other governmental agency. The Pool is measured at amortized cost, and is not required to be reported by levels.

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

Custodial Credit Risk

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

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

Credit Risk

Investments are exposed to the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk.

Interest Rate Risk

Interest rate risks refers to the risk that changes in interest rates will adversely affect the fair value of an investment.

IV. Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2018, the District purchased commercial insurance to cover these liabilities. There were no significant reductions in coverage in the last year, and there were no settlements exceeding insurance coverage in the past year.

TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Notes to the Basic Financial Statements (Continued)
December 31, 2018

V. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

VI. Change in Presentation

The District reclassified certain 2017 items in order to conform to the presentation in 2018. There was no effect on net change in fund balance nor fund balance.

VII. Concentrations

One vendor comprised approximately 57% of expenses for the year ended December 31, 2018.

VIII. Commitments

At December 31, 2018, the District had outstanding contract commitments totaling \$4,200 related to the design and development of a software system.

IX. Prior Period Adjustment

Prior year amounts for the design and development of a software system were capitalized rather than expensed, resulting in the recognition of a prior period adjustment. The prior period adjustment totaled \$31,576 for governmental activities. The restated beginning net position of governmental activities is \$1,495,573.

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DISCUSSION PURPOSE ONLY

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

General Fund

Budgetary Comparison Schedule

Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Groundwater Usage Fees | \$ 698,000 | \$ 698,000 | \$ 797,405 | \$ 99,405 |
| Registration Fees | 18,000 | 18,000 | 21,500 | 3,500 |
| Deposit Forfeitures | - | - | 20,600 | 20,600 |
| GMA8 Fees | 10,000 | 10,000 | 1,730 | (8,270) |
| Penalties and Late Charges | - | - | 16,990 | 16,990 |
| Interest Income | 1,500 | 1,500 | 20,645 | 19,145 |
| Total Revenues | 727,500 | 727,500 | 878,870 | 151,370 |
| EXPENDITURES | | | | |
| Administrative - General Manager | 55,000 | 55,000 | 56,120 | (1,120) |
| Administrative - Secretarial & Clerical | 63,000 | 63,000 | 48,073 | 14,927 |
| Administrative - Project Coordinator | 15,000 | 15,000 | 15,430 | (430) |
| Field Technicians | 125,000 | 125,000 | 104,897 | 20,103 |
| Consultants | 85,000 | 85,000 | 37,691 | 47,309 |
| Field Permitting/Geologist | 70,000 | 70,000 | 41,625 | 28,375 |
| Accounting and Auditing | 30,500 | 30,500 | 32,960 | (2,460) |
| Legal | 60,000 | 60,000 | 71,355 | (11,355) |
| Capital Outlay | - | - | 47,724 | (47,724) |
| Software Maintenance | 10,000 | 10,000 | 8,627 | 1,373 |
| Bad Debt Expense | - | - | 15,500 | (15,500) |
| Direct Costs Reimbursed | 4,000 | 4,000 | 5,865 | (1,865) |
| Insurance | 4,000 | 4,000 | 5,319 | (1,319) |
| Vehicle Costs | 5,500 | 5,500 | 5,857 | (357) |
| Office Rent | 2,400 | 2,400 | 2,400 | - |
| Telephone | 2,000 | 2,000 | 2,669 | (669) |
| GMA8 Costs | 11,000 | 11,000 | 3,366 | 7,634 |
| Legal Notices | 1,000 | 1,000 | 1,452 | (452) |
| Dues and Subscriptions | 2,000 | 2,000 | 2,959 | (959) |
| Meetings and Conferences | 4,500 | 4,500 | 4,905 | (405) |
| Injection Well Monitoring | 700 | 700 | 657 | 43 |
| Small Equipment | 2,000 | 2,000 | 835 | 1,165 |
| Bank Fees | - | - | 94 | (94) |
| Total Expenditures | 552,600 | 552,600 | 516,380 | 36,220 |
| Net Change in Fund Balance | 174,900 | 174,900 | 362,490 | 187,590 |
| Fund Balance - Beginning (January 1) | 1,457,162 | 1,457,162 | 1,457,162 | - |
| Fund Balance - Ending (December 31) | \$ 1,632,062 | \$ 1,632,062 | \$ 1,819,652 | \$ 187,590 |

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

**NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Comparative Balance Sheet - General Fund
December 31, 2018 and 2017**

| | 2018 | 2017 |
|--|--------------|--------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | \$ 1,418,170 | \$ 1,349,845 |
| Investments | 260,782 | - |
| Accounts Receivable, Net of Allowance for Uncollectibles | 181,686 | 155,200 |
| Other Receivables | 21,569 | 19,445 |
| Prepaid Expenses | 2,394 | 3,893 |
| Total Current Assets | 1,884,601 | 1,528,383 |
| Total Assets | \$ 1,884,601 | \$ 1,528,383 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | \$ 37,299 | \$ 47,421 |
| Well Driller Deposits | 27,650 | 23,800 |
| Total Current Liabilities | 64,949 | 71,221 |
| Total Liabilities | 64,949 | 71,221 |
| FUND BALANCE | | |
| Nonspendable | 2,394 | 3,893 |
| Committed | 825,000 | 825,000 |
| Unassigned | 992,258 | 628,269 |
| Total Fund Balance | 1,819,652 | 1,457,162 |
| Total Liabilities and Fund Balance | \$ 1,884,601 | \$ 1,528,383 |

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

**NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Comparative Statement of Revenues, Expenditures, and Changes
In Fund Balance - General Fund
Year Ended December 31, 2018 and 2017**

| | 2018 | 2017 |
|---|--------------|--------------|
| REVENUES | | |
| Groundwater Usage Fees | \$ 797,405 | \$ 646,099 |
| Registration Fees | 21,500 | 23,600 |
| Deposit Forfeitures | 20,600 | 9,030 |
| GMA8 Fees | 1,730 | 1,849 |
| Penalties and Late Charges | 16,990 | 7,741 |
| Interest Income | 20,645 | 4,034 |
| | 878,870 | 692,353 |
| EXPENDITURES | | |
| Administrative - General Manager | 56,120 | 51,288 |
| Administrative - Secretarial & Clerical | 48,073 | 54,112 |
| Administrative - Project Coordinator | 15,430 | 20,292 |
| Field Technicians | 104,897 | 108,930 |
| Consultants | 37,691 | 94,660 |
| Field Permitting/Geologist | 41,625 | 11,692 |
| Accounting and Auditing | 32,960 | 26,486 |
| Legal | 71,355 | 73,209 |
| Capital Outlay | 47,724 | 31,576 |
| Software Maintenance | 8,627 | 8,035 |
| Bad Debt Expense | 15,500 | - |
| Direct Costs Reimbursed | 5,865 | 5,263 |
| Insurance | 5,319 | 4,478 |
| Vehicle Costs | 5,857 | 4,815 |
| Office Rent | 2,400 | 2,400 |
| Telephone | 2,669 | 2,073 |
| GMA8 Costs | 3,366 | 4,417 |
| Legal Notices | 1,452 | 2,003 |
| Dues and Subscriptions | 2,959 | 2,141 |
| Meetings and Conferences | 4,905 | 3,598 |
| Injection Well Monitoring | 657 | 634 |
| Small Equipment | 835 | 1,496 |
| Bank Fees | 94 | 25 |
| | 516,380 | 513,623 |
| Excess (Deficiency) of Revenues over Expenditures | 362,490 | 178,730 |
| Net Change in Fund Balance | 362,490 | 178,730 |
| Fund Balance - Beginning (January 1) | 1,457,162 | 1,278,432 |
| Fund Balance - Ending (December 31) | \$ 1,819,652 | \$ 1,457,162 |

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY

McClanahan and Holmes, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards

Members of the Board
North Texas Groundwater Conservation District
Denison, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the North Texas Groundwater Conservation District (the District), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 4, 2019.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. We consider the following deficiencies to be material weaknesses and significant deficiencies.

TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY

Members of the Board
North Texas Groundwater Conservation District
Denison, Texas

Financial Accounting and Reporting:

The District does not prepare the financial statements nor control the period-end financial reporting process, including controls over the selection and application of accounting principles that are in conformity with generally accepted accounting principles; controls over procedures used to analyze transactions comprising general ledger activity; controls over initiating, authorizing, recording, and processing journal entries into the general ledger; and controls over recording recurring and nonrecurring adjustments to the financial statements.

Segregation of Duties:

A critical element in any internal control structure is the characteristic known as segregation of duties. Assigning different personnel the responsibility of authorizing transactions, recording transactions, and maintaining custody of assets achieves this internal control structure attribute. Due to the District's small number of personnel, there is limited segregation of duties in substantially all areas of the accounting system. To the extent possible, every effort should be made to utilize a "best practices" approach when considering controls over cash transactions and preparation of accounting records. We encourage the board to closely monitor its financial activities which may help offset the weaknesses associated with limited segregation of duties.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY
McClanahan and Holmes, LLP
Certified Public Accountants

Bonham, Texas
June 4, 2019

ATTACHMENT 10 a-1

Balance Sheet

For General Fund (00)

May 31, 2019

Assets

| | | |
|-------------|--------------------------------------|------------------------|
| 00-01-10001 | Checking Account | 349,197.26 |
| 00-01-10005 | Index Account | 6,636.58 |
| 00-01-10008 | Cash- TexStar | 768,628.32 |
| 00-01-10010 | Investments | 650,000.00 |
| 00-01-10025 | Accounts Receivable | 44,065.30 |
| 00-01-10026 | Allowance for Uncollectible Accounts | (15,500.00) |
| 00-01-10027 | Interest Receivable | 4,295.89 |
| 00-01-10041 | A/R Saratoga UWCD | 173.02 |
| 00-01-10050 | A/R 440 Ranch | 1,500.00 |
| 00-01-10070 | A/R Liens - Strittmatter Irrigation | 14,000.00 |
| 00-01-12001 | PP Expense | 358.00 |
| | Total | <u>1,823,354.37</u> |
| | Total Assets | <u>\$ 1,823,354.37</u> |

Liabilities and Fund Balance

| | | |
|-------------|--|------------------------|
| 00-01-23100 | Accounts Payable | 38,906.68 |
| 00-01-23150 | Well Drillers Deposits | 29,650.00 |
| | Total | <u>68,556.68</u> |
| | Total Liabilities | <u>68,556.68</u> |
| 00-01-35100 | Fund Balance | 1,292,708.63 |
| 00-01-35110 | Current Year Excess of Revenue over Expenses | 526,943.69 |
| | Total | <u>1,819,652.32</u> |
| | Excess of Revenue Over Expenditures | (64,854.63) |
| | Total Fund Balances | <u>1,754,797.69</u> |
| | Total Liabilities and Fund Balances | <u>\$ 1,823,354.37</u> |

North Texas Groundwater Conservation District
Statement of Revenue and Expenditures

6/5/2019 11:07am

Page 1

Revised Budget
For General Fund (00)
For the Fiscal Period 2019-5 Ending May 31, 2019

| Account Number | Current Budget | Current Actual | Annual Budget | YTD Actual | Remaining Budget % |
|--|-----------------------|-----------------------|----------------------|-----------------------|--------------------|
| Revenues | | | | | |
| 00-01-46001 Well Production Fees | \$ 0.00 | \$ 0.00 | \$ 686,000.00 | \$ 108,902.59 | 84.12% |
| 00-01-46003 Well Registration Fees | 1,666.67 | 300.00 | 20,000.00 | 3,500.00 | 82.50% |
| 00-01-46010 GMA8 Fees | 1,666.67 | 0.00 | 20,000.00 | 0.00 | 100.00% |
| 00-01-46015 Late Fees | 0.00 | 0.00 | 0.00 | 3,758.00 | 0.00% |
| 00-01-46016 Penalty and Fines | 0.00 | 0.00 | 0.00 | 500.00 | 0.00% |
| 00-01-46100 Interest Inc | 250.00 | 0.00 | 3,000.00 | 9,486.11 | (216.20%) |
| Total General Fund Revenues | \$ 3,583.34 | \$ 300.00 | \$ 729,000.00 | \$ 126,146.70 | 82.70% |
| Expenditures | | | | | |
| 00-01-77012 Admin-Mileage | \$ 250.00 | \$ 239.59 | \$ 3,000.00 | \$ 901.98 | 69.93% |
| 00-01-77013 Admin-Secretarial | 2,083.33 | 1,610.00 | 25,000.00 | 7,497.00 | 70.01% |
| 00-01-77014 Admin-Project Coordinator | 1,666.67 | 954.00 | 20,000.00 | 7,989.75 | 60.05% |
| 00-01-77015 Admin-GM | 5,000.00 | 5,564.00 | 60,000.00 | 25,480.00 | 57.53% |
| 00-01-77016 Admin-Clerical | 2,833.33 | 2,639.00 | 34,000.00 | 15,931.50 | 53.14% |
| 00-01-77025 Accounting | 2,083.33 | 3,728.25 | 25,000.00 | 17,003.50 | 31.99% |
| 00-01-77027 Auditing | 458.33 | 0.00 | 5,500.00 | 0.00 | 100.00% |
| 00-01-77030 Advertising | 166.67 | 0.00 | 2,000.00 | 66.60 | 96.67% |
| 00-01-77150 Consulting- Hydrogeo | 5,000.00 | 0.00 | 60,000.00 | 3,294.00 | 94.51% |
| 00-01-77325 Direct Cost | 350.00 | 560.62 | 4,200.00 | 2,918.77 | 30.51% |
| 00-01-77450 Dues & Subscription | 250.00 | 0.00 | 3,000.00 | 358.00 | 88.07% |
| 00-01-77480 Equipment | 833.33 | 232.50 | 10,000.00 | 968.08 | 90.32% |
| 00-01-77485 Equipment-Database | 833.33 | 0.00 | 10,000.00 | 0.00 | 100.00% |
| 00-01-77500 Fees-GMA8 | 1,833.33 | 839.60 | 22,000.00 | 1,104.82 | 94.98% |
| 00-01-77550 Field Tech | 10,416.67 | 9,788.00 | 125,000.00 | 47,979.50 | 61.62% |
| 00-01-77560 Field Permitting/Geologist | 5,833.33 | 2,622.00 | 70,000.00 | 23,069.00 | 67.04% |
| 00-01-77650 Fuel/Maintenance | 291.67 | 128.52 | 3,500.00 | 895.99 | 74.40% |
| 00-01-77800 Injection Well Monitoring | 58.33 | 0.00 | 700.00 | 155.70 | 77.76% |
| 00-01-77810 Insurance | 385.17 | 320.80 | 4,622.00 | 1,678.48 | 63.68% |
| 00-01-77970 Legal | 4,166.67 | 0.00 | 50,000.00 | 8,432.00 | 83.14% |
| 00-01-77975 Legal-Injection | 1,250.00 | 0.00 | 15,000.00 | 7,628.05 | 49.15% |
| 00-01-77980 Legal-Legislation | 1,250.00 | 0.00 | 15,000.00 | 9,000.00 | 40.00% |
| 00-01-78010 Meetings & Conferenœes | 541.67 | 996.18 | 6,500.00 | 2,370.12 | 63.54% |
| 00-01-78310 Rent | 200.00 | 200.00 | 2,400.00 | 1,000.00 | 58.33% |
| 00-01-78600 Software Maint | 416.67 | 334.15 | 5,000.00 | 3,740.38 | 25.19% |
| 00-01-78610 Telephone | 200.00 | 438.52 | 2,400.00 | 1,538.11 | 35.91% |
| 00-01-78780 Well Monitoring/Testing | 375.00 | 0.00 | 4,500.00 | 0.00 | 100.00% |
| Total General Fund Expenditures | \$ 49,026.83 | \$ 31,195.73 | \$ 588,322.00 | \$ 191,001.33 | 67.53% |
| General Fund Excess of Revenues Over Expenditures | \$ (45,443.49) | \$ (30,895.73) | \$ 140,678.00 | \$ (64,854.63) | |

ATTACHMENT 11



AGENDA COMMUNICATION

DATE: June 6, 2019

SUBJECT: AGENDA ITEM NO. 11

CONSIDER AND ACT UPON RESOLUTION OF APPRECIATION FOR CHRIS BOYD

ISSUE

Resolution of Appreciation for Chris Boyd.

BACKGROUND

The Board of Directors has customarily adopted Resolutions of Appreciation and presented a plaque to retiring Board members who have served on the Board. Mr. Chris Boyd served from June of 2009 to June of 2019 representing the Denton County Groundwater Producers.

Mr. Boyd was a dedicated Board Member and his contributions to the District have been invaluable.

STAFF RECOMMENDATIONS

The staff recommends the Board consider adopting Resolution of Appreciation for his service.

ATTACHMENTS

Resolution of Appreciation

PREPARED AND SUBMITTED BY:

Drew Satterwhite, P.E.
General Manager

RESOLUTION NO. 2019-06-11-02

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

A RESOLUTION BY THE NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT RECOGNIZING

CHRIS BOYD

WHEREAS, the North Texas Groundwater Conservation District wishes to recognize

CHRIS BOYD

for contributing toward furthering economic development of this area and for helping to promote effective planning and utilization of groundwater by faithfully participating in the activities of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT THAT: the District conveys its sincere appreciation and gratitude to

CHRIS BOYD

for service provided to the District.

On motion of _____, seconded by _____, the foregoing Resolution was passed and approved on this the 11th day of June, 2019 by the following vote:

AYE:

NAY:

ABSTAIN:

At a meeting of the Board of Directors of the North Texas Groundwater Conservation District.

President

ATTEST:

Secretary-Treasurer

ATTACHMENT 16 a

North Texas Groundwater Conservation District

Well Registration Summary

As of May-31-2019

| Well Type | Total Registered Collin County | Total Registered Cooke County | Total Registered Denton County | Total NTGCD | New Registrations since Apr-30-2019 |
|---|-----------------------------------|----------------------------------|-----------------------------------|-------------|--|
| Agriculture | 8 | 12 | 40 | 60 | 0 |
| Commercial / Small Business | 7 | 8 | 34 | 49 | 0 |
| Domestic Use (household / lawn watering at residence) | 80 | 400 | 706 | 1188 | 12 |
| Filling a pond or other surface impoundment** | 47 | 14 | 93 | 155 | 2 |
| Golf course irrigation | 15 | 2 | 21 | 38 | 0 |
| Industrial / Manufacturing | 8 | 11 | 8 | 28 | 0 |
| Irrigation | 88 | 4 | 179 | 271 | 2 |
| Leachate | 0 | 0 | 0 | 0 | 0 |
| Livestock Watering | 7 | 65 | 54 | 126 | 0 |
| Monitoring | 0 | 0 | 0 | 0 | 0 |
| Municipal / Public Water System | 34 | 75 | 228 | 338 | 0 |
| Other | 11 | 7 | 33 | 51 | 0 |
| Piezometer | 0 | 0 | 0 | 0 | 0 |
| Poultry | 0 | 0 | 0 | 0 | 0 |
| Solely to supply water for rig actively*** | 1 | 1 | 7 | 9 | 0 |
| Supplying water for oil or gas production* | 0 | 5 | 63 | 68 | 0 |
| Not Specified | 18 | 9 | 42 | 69 | 1 |
| SUM | 324 | 613 | 1508 | 2450 | 17 |

ADJOURN