

**RED RIVER
GROUNDWATER
CONSERVATION
DISTRICT**

PERMIT HEARING AND BOARD MEETING

**BOARD ROOM
GREATER TEXOMA UTILITY AUTHORITY
5100 AIRPORT DRIVE
DENISON, TEXAS 75020**

**THURSDAY
JUNE 27, 2019**

AGENDA
RED RIVER GROUNDWATER CONSERVATION DISTRICT
BOARD OF DIRECTORS BOARD MEETING
GREATER TEXOMA UTILITY AUTHORITY BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020
THURSDAY, JUNE 27, 2019

Permit Hearing

The Permit Hearing will be at 10:00 a.m.

Notice is hereby given that the Board of Directors of the Red River Groundwater Conservation District ("District") will conduct a permit hearing on the following Production Permit Application:

Agenda:

1. Call to Order; establish quorum; declare hearing open to the public; introduction of Board.
2. Review the Production Permit Application of:

Applicant: Thalle Construction Co., 10110 E. FM 917, Alvarado, Texas 76009

Location of Well: 605 County Road 4965, Leonard, Texas 75452; Latitude: 33.393300°N Longitude: 96.2745806°W

Purpose of Use: Construction Water (Industrial Use)

Requested Amount of Use: 13,359,000 gallons per year

Production Capacity of Well: 100 gallons per minute

Aquifer: Woodbine Aquifer

3. Public Comment on the Production Permit Application (verbal comments limited to three (3) minutes each).
4. Consider and act upon the Production Permit Application, including designation of parties and/or granting or denying the Production Permit Application in whole or in part, as applicable.
5. Adjourn or continue permit hearing.

Board Meeting

The regular Board Meeting will begin upon adjournment of the above noticed Permit Hearing.

Notice is hereby given that the Board of Directors of the Red River 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. Call to order, establish quorum; declare meeting open to the public.
2. Public Comment.
3. Consider and act upon approval of Minutes of May 21, 2019, Board Meeting.
4. Consider and act upon 2018 Audit.
5. Review and approval of monthly invoices.
6. Receive monthly financial information.
7. Appointment of a Budget Committee.
8. Receive Legislative Update.
9. Update and possible action regarding the process for the development of Desired Future Conditions (DFC).
10. Consider and act upon compliance and enforcement activities for violations of District Rules.
 - a. Buena Vista Turf Farm, LLC
 - b. Greg Gillum
11. General Manager's report: The General Manager will update the Board on operational, educational and other activities of the District.
 - a. Well Registration Summary
12. Open forum / discussion of new business for future meeting agendas.
13. Adjourn.

¹*The Board may vote and/or act upon each of the items listed in this agenda.*

²*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 Red River 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); personnel matters (§551.074); and deliberation regarding security devices (§551.076). Any subject discussed in executive session may be subject to action during an open meeting.*

³*Persons with disabilities who plan to attend this meeting, and who may need assistance, are requested to contact Velma Starks at (800) 256-0935 two (2) working days prior to the meeting, so that appropriate arrangements can be made.*

⁴*For questions regarding this notice, please contact Velma Starks at (800) 256-0935, at rrgcd@redrivergcd.org or at 5100 Airport Drive, Denison, TX 75020.*

ATTACHMENT 3

**MINUTES OF THE BOARD OF DIRECTORS' BOARD MEETING AND PERMIT HEARING
RED RIVER GROUNDWATER CONSERVATION DISTRICT**

TUESDAY, MAY 21, 2019

**GREATER TEXOMA UTILITY AUTHORITY
BOARD ROOM
5100 AIRPORT DRIVE
DENISON TX 75020**

Members Present: Chuck Dodd, David Gattis, Harold Latham, Mark Patterson, Mark Gibson, Mark Newhouse, and Billy Stephens

Members Absent:

Staff: Drew Satterwhite, Allen Burks, Paul Sigle, Theda Anderson, Carolyn Bennett, Debi Atkins, and Velma Starks

Visitors: Kristen Fancher, Fancher Legal
Brady Nentwig, Phillips and Jordan
John Faulkner, Faulkner & Son

Permit Hearing

The Permit Hearing will being at 10:00 a.m.

Notice is hereby given that the Board of Directors of the Red River Groundwater Conservation District ("District") will conduct a permit hearing on the following Production Permit Application:

Agenda:

1. Call to Order; establish quorum; declare hearing open to the public; introduction of Board.

Board President Mark Patterson called the meeting to order at 10:00 a.m., established that a quorum was present; declared hearing open to the public; and introduction of Board.

2. Review the Production Permit Application of:

Applicant: North Texas Municipal Water District, P. O. Box 2408, Wylie, TX 75098

Location of Well: approximately ¼ of a mile East of County Road 2700 in ABSTRACT A-614 J KERR;
Latitude: 33.716061°N Longitude: 95.98552°W

Purpose of Use: Slurry Trench and Water for Construction

Requested Amount of Use: 9,500,000 (9.5 Million) gallons per year

Production Capacity of Well: 199 gallons per minute

Aquifer: Woodbine Aquifer

General Manager Drew Satterwhite introduced Brady Nentwig with Phillips and Jordan. Mr. Satterwhite informed the Board that this well is to be used during construction and then plugged upon completion of project.

3. Public Comment on the Production Permit Application (verbal comments limited to three (3) minutes each).

There were no public comments.

4. Consider and act upon the Production Permit Application, including designation of parties and/or granting or denying the Production Permit Application in whole or in part, as applicable.

Board Member Chuck Dodd made the motion to grant the Production Permit. Board Member Mark Newhouse seconded the motion. Motion passed unanimously.

5. Adjourn or continue permit hearing.

Board President Mark Patterson adjourned the permit hearing at 10:05 a.m.

Board Meeting

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

Board President Mark Patterson called the meeting to order at 10:08 a.m., established a quorum was present, and declared the meeting open to the public.

2. Public comment

No public comments.

3. Consider and act upon approval of Minutes of April 18, 2019, Board Meeting.

Board Member David Gattis made a motion to approve the minutes of the April 18, 2019 meeting. The motion was seconded by Board Member Chuck Dodd. The motion passed unanimously.

4. Review and approval of monthly invoices.

General Manager Satterwhite reviewed the monthly invoices with the Board of Directors. Board Member David Gattis made a motion to approve Resolution 2019-05-21-01. Board Member Mark Gibson seconded the motion. Motion passed unanimously.

5. Receive monthly financial information.

General Manager Drew Satterwhite reviewed the monthly financial information with the Board.

6. Receive Quarterly Investment Report.

General Manager Drew Satterwhite reviewed the Quarterly Investment Report with the Board.

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

General Manager Drew Satterwhite informed the Board that the GMA 8 had meeting on May 6. The contract with WSP (James Beach) was approved. A committee consisting of Drew Satterwhite, Joe Cooper and Dirk Aaron reviewed the contract. Concern that was expressed at the GMA 8 meeting concerning what would happen if James Beach left WSP. This matter was addressed at the meeting and in the contract. The interlocal agreement was approved at the meeting, and was signed by eight of the 10 representatives. The other two wanted to take it before their boards before signing. Saratoga UWCD is a third party to the agreement.

The next GMA 8 meeting will be July 26.

Kristen Fancher, legal counsel, informed the Board that a presentation will be available concerning DFCs possibly this coming Fall.

8. Consider and act upon compliance and enforcement activities for violations of District Rules.

a. Buena Vista Turf Farm, LLC

Kristen Fancher, legal counsel, provided an update to the on her communications with Buena Vista Turf Farm.

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

a. Management Plan Update

General Manager Drew Satterwhite has sent minor amendment to Management Plan to TWDB and is waiting to hear from them.

b. Legislative Update

General Manager Drew Satterwhite informed the Board that bills amending Chapter 36 appear to be dead for now.

c. Update on Issues Related to Regulation of Groundwater for Mining Operations

Kristen Fancher, legal counsel, informed the Board on development she has been hearing in regards to TCEQ's jurisdiction of sand mining operations.

d. Database Update and Demonstration

General Manager Drew Satterwhite and Allen Burks presented a demonstration of the database and answered questions.

10. Open Quorum/discussion of future agenda items.

The next Board meeting will be held THURSDAY, June 27.

15. Adjourn.

President Patterson declared the meeting adjourned at 11:21 a.m.

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Recording Secretary

Secretary-Treasurer

ATTACHMENT 4



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: June 5, 2019

SUBJECT: AGENDA ITEM NO. 4

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:

A blue ink signature of Drew Satterwhite, consisting of a stylized 'D' followed by a series of horizontal strokes.

Drew Satterwhite, P.E., General Manager

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

**RED RIVER GROUNDWATER
CONSERVATION DISTRICT**

**Communication with Those
Charged With Governance**

December 31, 2018

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

TENTATIVE REPORT - 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
DEBRA J. WILDER, CPA
TEFFANY A. KAVANAUGH, CPA
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Communication with Those Charged
With Governance

Members of the Board
Red River Groundwater Conservation District
Denison, Texas

We have audited the financial statements of the governmental activities and the major fund of the Red River 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 September 20, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Auditing Findings

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.

Difficulties Encountered in Performing the Audit

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

Members of the Board
Red River Groundwater Conservation District
Denison, Texas

TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY

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 6, 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" or 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.

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.

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.

TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY

McClanahan and Holmes, LLP

Certified Public Accountants

Bonham, Texas
June 6, 2019

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Misstatements Corrected by Management
December 31, 2018

Appendix A

Description	Debit	Credit
Accounts Receivable	\$ -	\$ 13,410.54
Deposits to be Refunded	-	200.00
Current Year Excess of Revenue over Expenses	27,747.68	-
Groundwater Production Fees	-	9,930.82
Well Drillers Deposit	-	5,500.00
Registration Fees	5,500.00	-
Administrative Cost	-	4,696.28
Contract Services	-	600.00
Internet Fees	1,089.96	-
Software Maintenance	-	47,723.62
Capital Outlay	47,723.62	-
	<u>\$ 82,061.26</u>	<u>\$ 82,061.26</u>

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

**RED RIVER GROUNDWATER
CONSERVATION DISTRICT**

Annual Financial Report

Year Ended December 31, 2018

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Annual Financial Report
Year Ended December 31, 2018

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DISCUSSION PURPOSE ONLY**

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INDEPENDENT AUDITORS' REPORT

Members of the Board
Red River 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 Red River 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 Red River 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.

TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY

Members of the Board
Red River 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 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 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 6, 2019

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Management's Discussion and Analysis
Year Ended December 31, 2018

The Red River Groundwater Conservation District (District) is pleased to present its financial statements. This required supplementary information presents our discussion and analysis of the District's financial performance during the year ended December 31, 2018. Please read this section in conjunction with the basic financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net position was \$506,727 at December 31, 2018.
- During the year, the District's expenses were \$44,262 less than the \$374,816 generated from groundwater production fees and other revenues.
- The General Fund presents a year end fund balance of \$415,008 at December 31, 2018.

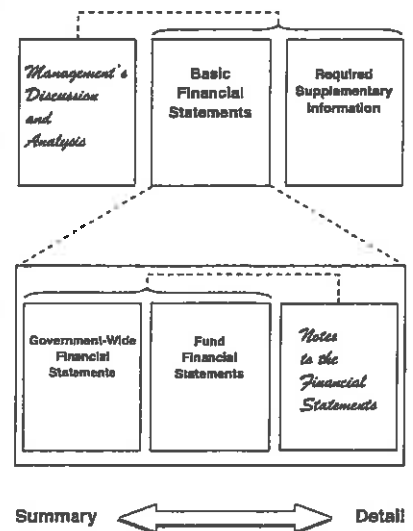
OVERVIEW OF THE FINANCIAL STATEMENTS

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

Basic Financial Statements

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

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



**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

**RED RIVER GROUNDWATER CONSERVATION DISTRICT
Management's Discussion and Analysis (Continued)
Year Ended December 31, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's budgetary comparison schedule. Required supplementary information can be found on page 16 of this report.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position may serve over time as a useful indicator of a government's financial position. For the District, the total combined net position was \$506,727 at year end. A comparative condensed summary of the District's statements of net position is presented here:

Red River Groundwater Conservation District's Net Position			Table A-1
	<u>2018</u>	<u>2017</u>	Total Percentage Change 2017-2018
Assets:			
Cash and Cash Equivalents	\$ 360,936	\$ 356,152	1.34%
Receivables and Other Assets	85,100	102,214	-16.75%
Capital Assets, Net of Accumulated Depreciation	<u>91,719</u>	<u>48,802</u>	87.95%
Total Assets	<u>537,755</u>	<u>507,168</u>	6.03%
Liabilities:			
Current Liabilities	<u>31,028</u>	<u>44,703</u>	-30.59%
Total Current Liabilities	<u>31,028</u>	<u>44,703</u>	-30.59%
Net Position:			
Unrestricted	<u>506,727</u>	<u>462,465</u>	9.57%
Total Net Position	<u>\$ 506,727</u>	<u>\$ 462,465</u>	9.57%

At year end, 67.1% of the District's total assets were held in cash and cash equivalents, with fees receivable and prepaid expenses representing 15.8%, and fixed assets representing 17.1%.

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

Unrestricted net position represents amounts available for future spending.

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

**RED RIVER GROUNDWATER CONSERVATION DISTRICT
Management's Discussion and Analysis (Continued)
Year Ended December 31, 2018**

CHANGES IN NET POSITION

The District's total revenues were \$351,968 generated from Groundwater Production Fees assessed upon residents of the District and \$22,848 of other revenues.

The total cost of all services was \$330,554, for third party administration of the program and legal services.

A condensed summary of the District's statements of activities and changes in net position for the years ended December 31, 2018 and 2017 is presented here:

Changes in Red River Groundwater Conservation District's Net Position			Table A-2
			Total Percentage Change 2017-2018
	2018	2017	
General Revenues:			
Groundwater Production Fees	\$ 351,968	\$ 292,967	20.14%
Registration and Other Fees	19,653	10,706	83.57%
Interest Income	3,195	3,000	6.50%
Total Revenues	374,816	306,673	22.22%
Expenses:			
Administration	280,247	300,570	-6.76%
Legal	50,307	35,722	40.83%
Total Expenses	330,554	336,292	-1.71%
Increase (Decrease) in Net Position	\$ 44,262	\$ (29,619)	249.44%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The governmental funds of the District reported revenues of \$374,816 during the year, with total expenditures of \$373,471.

BUDGETARY HIGHLIGHTS

The District's Board of Directors adopted a final operating budget for the 2018 fiscal year, based on anticipated receipts and expenditures (unaudited), prior to year end. The budget encompasses all the activities of the District, which would normally include both revenues and expenditures. Total revenues were \$41,816 above final budgeted amounts. Total expenditures exceeded budgeted amounts by \$10,221.

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

**TENTATIVE DRAFT - FOR
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RED RIVER GROUNDWATER CONSERVATION DISTRICT
Management's Discussion and Analysis (Continued)
Year Ended December 31, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets amounted to \$103,336, net of accumulated depreciation of \$11,617 as of December 31, 2018. This investment in capital assets includes a vehicle and software development in progress.

A summary of capital asset activity is shown in Note I.E of the financial statements.

Debt

As of December 31, 2018, the District has not entered into any debt agreements. The District has no outstanding long-term debt at year end.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Statement of Net Position
December 31, 2018

	Governmental Activities
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 360,936
Accounts Receivable, Net of Allowance for Uncollectibles of \$1,530	83,167
Prepaid Expenses	1,933
Total Current Assets	446,036
Noncurrent Assets	
Capital Assets Not Being Depreciated:	
Software Development in Progress	79,300
Capital Assets, Net of Accumulated Depreciation:	
Vehicle	12,419
Total Noncurrent Assets	91,719
Total Assets	537,755
LIABILITIES	
Current Liabilities	
Accounts Payable	26,728
Driller Deposits	4,300
Total Current Liabilities	31,028
Total Liabilities	31,028
NET POSITION	
Unrestricted	506,727
Total Net Position	\$ 506,727

TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY

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

TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY

RED RIVER 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	\$ 280,247	\$ -	\$ -	\$ (280,247)
Legal	50,307	-	-	(50,307)
Total Governmental Activities	330,554	-	-	(330,554)
Total Primary Government	\$ 330,554	\$ -	\$ -	(330,554)
General Revenues:				
Groundwater Production Fees				351,968
Registration and Other Fees				19,653
Interest Income				3,195
Total General Revenues				374,816
Change in Net Position				44,262
Net Position - Beginning (January 1)				462,465
Net Position - Ending (December 31)				\$ 506,727

TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY

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

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**
RED RIVER GROUNDWATER CONSERVATION DISTRICT
Balance Sheet - Governmental Fund
December 31, 2018

	General Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 360,936
Accounts Receivable, Net of Allowance for Uncollectibles of \$1,530	83,167
Prepaid Expenses	1,933
Total Current Assets	446,036
Total Assets	\$ 446,036
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 26,728
Driller Deposits	4,300
Total Current Liabilities	31,028
Total Liabilities	31,028
FUND BALANCE	
Unassigned	415,008
Total Fund Balance	415,008
Total Liabilities and Fund Balance	\$ 446,036
Amounts reported for governmental activities in the statement of net position are different because:	
Fund Balance - Total Governmental Fund (above)	\$ 415,008
Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$103,336 and the accumulated depreciation is \$11,617.	
	91,719
Net Position of Governmental Activities	\$ 506,727

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

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

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

	General Fund
REVENUES	
Groundwater Production Fees	\$ 351,968
Registration and Other Fees	19,653
Interest Income	<u>3,195</u>
Total Revenues	<u>374,816</u>
EXPENDITURES	
Administration	275,440
Legal	50,307
Capital Outlay: Software Development	<u>47,724</u>
Total Expenditures	<u>373,471</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,345</u>
Net Change in Fund Balance	1,345
Fund Balance - Beginning (January 1)	<u>413,663</u>
Fund Balance - Ending (December 31)	<u><u>\$ 415,008</u></u>
Amounts reported for governmental activities in the statement of activities are different because:	
Net Change in Fund Balance - Total Governmental Fund (above)	1,345
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 (\$4,807) in the current year.	<u>42,917</u>
Change in Net Position of Governmental Activities	<u><u>\$ 44,262</u></u>

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

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

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**
RED RIVER GROUNDWATER CONSERVATION DISTRICT
Notes to the Basic Financial Statements
December 31, 2018

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Red River Groundwater Conservation District (District), is a political subdivision of the State of Texas, created under the authority of Article XVI, Section 59, Texas Constitution, and operating pursuant to the provisions of the Texas Water Code, Chapter 36, and Senate Bill 2497, Acts of the 81st Texas Legislature, Regular Session, 2010. The District encompasses the Red River counties of Grayson and Fannin. The Board of Directors (Board), a seven-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.

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.

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

RED RIVER 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)

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:

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, in which the District gives (or receives), value without directly receiving (or giving) equal value in exchange, including taxing entity allocations. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fund Financial Statements – 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 60 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. The total accounts receivable balance is expected to be collected within one year.

E. Financial Statement Amounts

Cash and Cash Equivalents

Cash and Cash Equivalents are comprised of 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
DISCUSSION PURPOSE ONLY**

RED RIVER 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 \$5,000 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 is five years. Development in progress is not depreciated. Depreciation expense of \$4,807 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	24,036	-	-	24,036
	<u>24,036</u>	<u>-</u>	<u>-</u>	<u>24,036</u>
Less Accumulated Depreciation for:				
Vehicle	6,810	4,807	-	11,617
	<u>6,810</u>	<u>4,807</u>	<u>-</u>	<u>11,617</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 48,802</u>	<u>\$ 42,917</u>	<u>\$ -</u>	<u>\$ 91,719</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 in spendable form (such as inventory or prepaids) or legally required to remain intact (such as notes receivable or principal or a permanent fund).

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

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

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

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**
RED RIVER 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)

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 policy that sets a minimum fund balance equal to twenty-five percent (25%) of the total general fund expenditures.

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

	<u>General</u>
Unassigned	\$ 415,008
Total	<u>\$ 415,008</u>

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.

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

<u>Object Category</u>	<u>Expenditures Exceeding Appropriations</u>
Legal	\$ 15,307
Capital Outlay	<u>47,724</u>
Total Expenditures Exceeding Appropriations	<u>\$ 63,031</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. At December 31, 2018, the District has only invested in certificates of deposit.

The District maintains deposits in First United, Sherman, 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 at year-end.

The District maintains one certificate of deposit at a bank as of December 31, 2018. The District was not exposed to custodial credit risk as its deposits were fully insured with FDIC insurance at year-end.

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:

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

III. Deposits, Securities, and Investments (Continued)

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.

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.

V. Concentrations

One customer individually comprised approximately 34% of gross accounts receivable at December 31, 2018. This customer individually comprised approximately 37% of revenue for the year ended December 31, 2018. One vendor comprised approximately 60% of expenses for the year ended December 31, 2018.

VI. Commitments

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

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

RED RIVER GROUNDWATER CONSERVATION DISTRICT
General Fund
Budgetary Comparison Schedule
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Groundwater Production Fees	\$ 325,000	\$ 325,000	\$ 351,968	\$ 26,968
Registration and Other Fees	5,500	5,500	19,653	14,153
Interest Income	2,500	2,500	3,195	695
Total Revenues	333,000	333,000	374,816	41,816
EXPENDITURES				
Administration	328,250	328,250	275,440	52,810
Legal	35,000	35,000	50,307	(15,307)
Capital Outlay: Software Development	-	-	47,724	(47,724)
Total Expenditures	363,250	363,250	373,471	(10,221)
Net Change in Fund Balance	(30,250)	(30,250)	1,345	31,595
Fund Balance - Beginning (January 1)	413,663	413,663	413,663	-
Fund Balance - Ending (December 31)	\$ 383,413	\$ 383,413	\$ 415,008	\$ 31,595

**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
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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
Red River 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 Red River 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 6, 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 identified 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 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 in internal control over financial reporting.

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

**TENTATIVE DRAFT - FOR
DISCUSSION PURPOSE ONLY**

Members of the Board
Red River 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 6, 2019

ATTACHMENT 5

RESOLUTION NO. 2019-06-01

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE RED RIVER 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	17,465.85
<u>Contract Services</u>	
IT Nexus - May 2019 software maintenance for well database	600.00
<u>Direct Costs</u>	
North Texas Tollway Authority	17.62
Nextraq - May 2019	39.95
<u>Legal</u>	
Fancher Legal services April 2019	1,558.00
<u>Well Monitoring</u>	
Tommy Gay - Refunded Deposit. Well not dug.	100.00
GRAND TOTAL:	\$ <u>19,681.42</u>

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RED RIVER
GROUNDWATER CONSERVATION DISTRICT THAT the Secretary-Treasurer is hereby authorized
to make payments in the amounts listed above.

On motion of _____ and seconded by:

_____, the foregoing Resolution was passed and approved on this, the 20th day of June 2019

by the following vote:

AYE:

NAY:

At a meeting of the Board of Directors of the Red River Groundwater Conservation District.

President

ATTEST:

Secretary/Treasurer

ATTACHMENT 6

RED RIVER GROUNDWATER
Balance Sheet
As of May 31, 2019

ASSETS

10001 CASH-First United	186,308.00
10025 A/R Consumption	18,253.46
10026 A/R Texas Rain Holding Co	2,600.00
10027 A/R Buena Vista Turf Farm	1,100.00
10101 Allowance for Uncollect	-1,530.00
10200 AR Drillers Deposits	-14,200.00
10225 A/R Registration Fees	10,400.00
10010 Investment CD's	200,868.95
10230 PP Expense	1,288.98
Undeposited Funds	980.58

TOTAL ASSETS

406,069.97

LIABILITIES & FUND BALANCE

Liabilities

23100 Accounts Payable	18,991.42
23150 DRILLERS DEPOSIT LIAB	8,100.00

Total Liabilities

27,091.42

Fund Balance

35100 Fund Balance	425,142.33
Net Income	-46,163.78

Total Fund Balance

378,978.55

TOTAL LIABILITIES & FUND BALANCE

406,069.97

RED RIVER GROUNDWATER Statement of Revenue and Expenditures

May 31, 2019

	Current Actual	Current Budget	YTD Actual	Annual Budget	Remaining Budget
Income					
46002 GW Production Cost	69,090.80	0.00	69,963.22	315,000.00	77.79%
46005 Late fees	400.00		400.00		0.00%
46006 Violation Fees	1,000.00		1,000.00		0.00%
46015 Registration Fees	500.00	625.00	2,600.00	7,500.00	65.33%
46100 Interest Income	-714.57	167.11	-714.57	2,005.24	135.64%
Total Income	70,276.23	792.11	73,248.65	324,505.24	77.43%
Gross Profit	70,276.23	792.11	73,248.65	324,505.24	
Expense					
77010 ADMINISTRATIVE COST	44,868.25	9,166.67	44,868.25	110,000.00	59.21%
77020 ADVERTISING	100.95	0.00	100.95	1,500.00	93.27%
77027 AUDITING	0.00	0.00	0.00	4,750.00	100.00%
77031 Banking Fees	0.00	0.00	0.00	100.00	100.00%
77032 CONTRACT SERVICES	8,660.76	3,416.67	8,660.76	41,000.00	78.88%
77035 Field Tech	23,676.50	6,666.67	23,676.50	80,000.00	70.40%
77040 DIRECT COST	2,461.96	500.00	2,360.09	6,000.00	60.67%
77045 FIELD PERMITTING SPECIAL	13,593.00	2,500.00	13,694.87	30,000.00	54.35%
77450 DUES & SUBSCRIPTIONS	358.00	141.67	358.00	1,700.00	78.94%
77480 EQUIPMENT	968.08	166.67	968.08	2,000.00	51.60%
77500 FEES-GMA8	0.00	166.67	0.00	2,000.00	100.00%
77610 FUEL	1,134.53	291.67	1,134.53	3,500.01	67.58%
77810 Insurance & Bonding	6,083.50	372.34	6,083.50	4,468.00	-36.16%
77855 INTERNET FEES	2,143.93	83.34	2,143.93	1,000.00	-114.39%
77970 LEGAL	8,079.20	2,916.67	9,637.20	35,000.00	72.47%
78010 MEETINGS AND CONFEREN	2,143.62	433.34	2,143.62	5,200.00	58.78%
78310 RENT	1,000.00	200.00	1,000.00	2,400.00	58.33%
78600 Software Maintenance	1,572.73	1,166.67	1,572.73	14,000.00	88.77%
78750 TELEPHONE	1,009.42	208.34	1,009.42	2,500.00	59.62%
Total Expense	117,854.43	28,397.39	119,412.43	347,118.01	65.60%
Net Income	-47,578.20	-27,605.28	-46,163.78	-22,612.77	

ATTACHMENT 11

Red River Groundwater Conservation District

Well Registration Summary As of May 31, 2019

Well Type	Total		County	Total RRGCD	New Registrations
	Registered	Registered Grayson			
Domestic	159	280		439	0
Agriculture	18	28		46	0
Oil/Gas	0	21		21	0
Surface Impoundments	6	14		20	-1
Commercial	9	13		22	0
Golf Course	0	15		15	0
Livestock	17	24		41	0
Irrigation	0	7		7	0
Public Water	59	215		274	0
Monitoring	12	3		15	0
Total	280	620		900	-1

ADJOURN