



# Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

## **PLUM CREEK CONSERVATION DISTRICT**

### INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

**PLUM CREEK CONSERVATION DISTRICT**  
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**Montemayor Britton Bender PC**  
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Management  
Plum Creek Conservation District

**INDEPENDENT AUDITOR'S REPORT**

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Plum Creek Conservation District (District), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-7 and 18 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.



#### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *State of Texas Single Audit Circular*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The supplemental information required by the Texas Commission on Environmental Quality (TCEQ) listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information required by the TCEQ is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2024 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.

Montemayor Brittan Bender PC

January 4, 2024  
Austin, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2023

Our discussion and analysis of the Plum Creek Conservation District's (District) financial performance provides an overview of the District's financial activities for the year ended September 30, 2023. Please review it in conjunction with the District's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- During the year, the District had expenditures of \$16,813,774 compared to total revenues of \$19,865,489 resulting in net revenues over expenditures of \$3,051,715 for the year ended September 30, 2023.
- The District's cash and investments increased \$3,084,433 for the fiscal year.
- The District received grant funds of approximately \$15,755,542 for rehabilitation of dams.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements: The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending.

### Reporting the District as a Whole

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Revenue is recognized when it is collected, and expenses are recognized when they are incurred.

These two statements report the District's *net position* and changes in them. You can think of the District's net assets, the difference between assets and liabilities, as one way to measure the District's financial health, or *financial position*. Over time, increases or decreases in the District's net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's property tax to assess the *overall health* of the District.

The net position of the District's activities increased by \$3,051,715. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements were \$22,169,654 at September 30, 2023.

The District has sufficient revenues to pay the expenses of the District.

## THE DISTRICT AS A WHOLE

The District's total net position increased by \$3,051,715 in the year ended September 30, 2023. Our analysis below focuses on the net position (Table 1) and the changes in net position (Table 2) for the District's activities.

**Table 1**

### Governmental Activities

	2023	2022
Current assets	\$ 27,384,993	\$ 21,548,363
Capital assets	699,527	717,123
Total assets	<u>\$ 28,084,521</u>	<u>\$ 22,265,486</u>
Current liabilities	\$ 5,215,340	\$ 2,448,020
Total liabilities	5,215,340	2,448,020
Net position:		
Invested in capital assets	699,527	717,123
Restricted	-	-
Unrestricted	22,169,654	19,100,343
Total net position	<u>\$ 22,869,181</u>	<u>\$ 19,817,466</u>

**Table 2**

### Governmental Activities

	2023	2022
Revenues:		
Property Taxes	\$ 3,200,658	\$ 3,068,945
Investment Income	909,288	138,387
Grant Income	15,755,542	5,978,813
Other Revenues	-	2,365
Total Revenues	<u>19,865,489</u>	<u>9,188,510</u>
Expenses:		
Salaries and Wages	363,321	299,652
Operations, Maintenance and Repairs	16,117,248	6,046,732
Directors' Expenses	18,250	24,250
Office Supplies and Expenses	18,885	25,256
Travel and Contract Labor	11,425	21,163
Tax Collection/Appraisal Fees	37,922	51,944
Professional Fees	146,991	178,143
Other Expenses	82,137	39,257
Depreciation	17,595	17,842
Total Expenses	<u>16,813,774</u>	<u>6,704,239</u>
Increase in net position	3,051,715	2,484,271
Beginning net position	19,817,466	17,333,195
Ending net position	<u>\$ 22,869,181</u>	<u>\$ 19,817,466</u>

## General Fund Budgetary Highlights

The actual General Fund had excess of revenues over budgeted amounts of \$14,928,698 and expenses in excess of budgeted amounts of \$13,207,120. The reasons for the budget differences included the following:

The reasons for the budget difference included the following:

- Revenues and expenses related to rehabilitation and repairs were higher than expected by \$13,767,202 and \$13,550,241, respectively, due to projects being difficult to predict when they will start and how much the bids will come in at.
- Investment income was \$909,289 higher than anticipated due to unexpected increases in the TexPool interest rate.

## General Fund Analysis

The District's general fund balance increased \$1,893,598 over prior year. Total revenue earned increased to \$17,977,149 in fiscal year 2023 from \$7,605,984 in fiscal year 2022. This increase was related to a significant increase in grant funding for rehabilitation and repair projects, increased tax assessments and an increase in investment income. Expenses increased to \$16,083,551 in fiscal year 2023 from \$6,112,131 in fiscal year 2022. This increase was primarily related to the increase in rehabilitation and repair projects.

## Capital Asset and Debt Administration

### Capital Assets

At September 30, 2023, the District had \$699,527 invested in capital assets. Of this amount, \$293,741 was land and easements, and buildings and equipment, net of depreciation, were \$405,786. Total accumulated depreciation was \$229,300.

### Debt Administration

As of September 30, 2023, the District has not yet incurred any long-term debt since its inception.

## Economic Factors and Next Year's Budgets and Rates

The District's appointed officials considered many factors when setting the fiscal year 2024 budget and tax rates. One of those factors is the economy and estimated needs to operate the District in the next year.

Governmental Accounting Standards Board (GASB) Statement No. 44, Economic Condition Reporting provides for supplemental information relevant to the following areas:

Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic Information and Operating Information. The tax revenue is based on the growth of Hays and Caldwell counties and as the tax base increases, the revenue capacity increases. No major taxpayer has an effect on this area. The District has no debt at the current time. The District continues to provide maintenance and ongoing services to the customers of the District while keeping informed of current issues and responding to the relevant needs of the District.

The District is engaged in negotiations and has an agreement with the federal government for financial assistance which will provide the funds for repairs and maintenance to several of the high hazard dams.



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### **Contacting the District's Financial Management**

This financial report is designed to provide the taxpayers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's office at:

Mr. Daniel Meyer, Executive Manager  
Plum Creek Conservation District  
1101 W. San Antonio St.  
Lockhart, Texas 78644  
Telephone (512) 398-2383

# PLUM CREEK CONSERVATION DISTRICT

## STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

SEPTEMBER 30, 2023

ASSETS	General Fund	Adjustments (Note 9)	Statement of Net Position
Cash	\$81,263		\$81,263
Short-term investments	22,058,865		22,058,865
Property taxes receivable	140,802		140,802
Grants receivable	5,104,064		5,104,064
Capital assets:			
Land and easements	0	293,741	293,741
Capital assets, net of accumulated depreciation	<u>0</u>	405,786	<u>405,786</u>
	<u>\$27,384,994</u>		<u>28,084,521</u>
LIABILITIES			
Accounts payable	\$3,888,035		3,888,035
Retainage payable	0	1,265,291	1,265,291
Accrued payroll	<u>5,802</u>	56,212	<u>62,014</u>
	<u>3,893,837</u>		<u>5,215,340</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue- property taxes	140,802	(140,802)	0
Unavailable revenue- grants	<u>2,470,139</u>	(2,470,139)	<u>0</u>
	<u>2,610,941</u>		<u>0</u>
FUND BALANCES			
Unassigned	<u>20,880,216</u>	(20,880,216)	<u>0</u>
	<u>\$27,384,994</u>		
NET POSITION			
Net investment in capital assets		699,527	699,527
Unrestricted		22,169,654	<u>22,169,654</u>
			<u>\$22,869,181</u>

The accompanying notes are an integral part of this financial statement presentation.

# PLUM CREEK CONSERVATION DISTRICT

## STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED SEPTEMBER 30, 2023

	<u>General Fund</u>	<u>Adjustments (Note 9)</u>	<u>Statement of Activities</u>
EXPENSES/EXPENDITURES			
Rehabilitation and repairs	\$15,265,192	680,278	\$15,945,470
Payroll and related	330,971	32,350	363,321
Operations and maintenance	171,778		171,778
Legal fees	82,568		82,568
Consultants	49,085		49,085
Tax collection/appraisal district fees	37,922		37,922
Office supplies	18,885		18,885
Directors' fees	18,250		18,250
Accounting	15,338		15,338
Travel and entertainment	11,425		11,425
Other	82,137		82,137
Depreciation	<u>0</u>	17,595	<u>17,595</u>
	<u>16,083,551</u>		<u>16,813,774</u>
PROGRAM REVENUES			
Non-capital grants	13,867,202	1,888,340	15,755,542
GENERAL REVENUES			
Property taxes	3,200,658		3,200,658
Investment income	<u>909,289</u>		<u>909,289</u>
	<u>17,977,149</u>		<u>19,865,489</u>
Revenue over expenses/expenditures	1,893,598		3,051,715
Beginning fund balance/net position	<u>18,986,618</u>	830,848	<u>19,817,466</u>
Ending fund balance/net position	<u><u>\$20,880,216</u></u>		<u><u>\$22,869,181</u></u>

The accompanying notes are an integral part of this financial statement presentation.

## **PLUM CREEK CONSERVATION DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE 1: REPORTING ENTITY**

The Plum Creek Conservation District (District) is a conservation and reclamation district that was created by the 55th Legislature of the State of Texas and confirmed by the eligible voters within the Plum Creek Watershed in September 1959. It was created under the provisions of Section 59 Article XVI of the Texas constitution and operates pursuant to Chapter 49 of the Texas Water Code exercising powers described in Chapters 51 and 36 of the Texas Water Code. Under Chapter 52, the District is empowered to control, conserve, protect, distribute and utilize the storm and flood waters and unappropriated flow of Plum Creek and for the preservation, conservation, protection, recharge and prevention of waste and pollution of underground water of the District, except in those areas that are part of the Edwards Underground District or the Barton Springs/Edwards Aquifer Conservation District on January 1, 1989.

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in generally accepted accounting principles. The District is a separate self-supporting governmental unit covering portions of two counties and is administered by a board of six members who are appointed by the Commissioners of each county. The District is in compliance with the requirements of Texas Water Codes 50.371, Duty to Audit, and 50.381, Policies and Audits of Districts.

#### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the District conform to U.S. generally accepted accounting principles applicable to state and local governments promulgated by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The following is a summary of the significant accounting policies.

#### **GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The District is considered a special purpose government under GASB Statement No. 34. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements to be prepared on the modified accrual basis of accounting is met with the "General Fund" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's activities. The District services are supported primarily by general revenues, including property taxes and investment income. Additionally, the District receives some grant revenue. The Statement of Activities demonstrates how the District used revenue and demonstrates how direct expenses of a given function are offset by program revenues.

# **PLUM CREEK CONSERVATION DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The government-wide financial statements are reported using the flow of economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements use the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period in which they become susceptible to accrual, i.e. both measurable and available. Revenues are considered to be available when they are collectible, within the current period or soon enough thereafter to pay liabilities of the current period (defined by the District as collected within 60 days of year end). Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The reported fund balance of governmental funds is considered a measure of available spendable resources. The revenues susceptible to accrual are property taxes, grant income, and investment income. All other governmental revenues are recognized when received, as they are deemed immaterial.

#### **NET POSITION**

Net position represents the difference between assets, deferred outflows and inflows, and liabilities. Net position invested in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

#### **FUND BALANCES**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District can establish limitations of the use of resources through either a commitment or an assignment. When both unassigned and committed or assigned funds are available for expenditure, committed or assigned funds are used first.

Nonspendable fund balances are amounts that cannot be spent because they are not in a spendable form or legally or contractually required to be maintained in tact. Committed fund balances include amounts that can only be used for specific purposes determined by a formal action of the Board or adoption of an ordinance. Limitations imposed by commitments remain in place until formal Board action is taken to remove the limitation. Amounts in the assigned fund balances are intended to be used by the District for specific purposes but do not meet the criteria to be committed. Assignments are generally temporary and do not require Board action to be taken to remove the assignment.

# **PLUM CREEK CONSERVATION DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

The statement of net position and governmental funds balance sheet reports a separate section for deferred outflows of resources representing a consumption of net position that applies to a future period and is not recognized as an outflow of resources in the current period. These amounts are deferred and recognized as an outflow of resources in the period the amounts become due. The District does not have any deferred outflows. The statement of financial position and governmental funds balance sheet reports a separate section for deferred inflows of resources representing an acquisition of net position that applies to a future period and is not recognized as an inflow of resources or revenue until that time. The District has two items which qualify for reporting in this category- deferred inflows from unavailable property tax revenue and unavailable grant revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

#### **BUDGET**

The District adopts annual budgets for the General Fund. The District amends the budgets as needed during the year. All annual appropriations lapse at fiscal year end. Certain revenue and expenses were different than budgeted, resulting in higher than budgeted fund balance. Primarily, property tax revenue, grants, investment income and rehabilitations and repairs expenses were more than anticipated; and payroll and related and professional fees were less than budgeted.

#### **SHORT-TERM INVESTMENTS**

All short-term investments at year end were held in certificates of deposits, which are recorded at cost, and investments in the Texas Local Government Investment Pool (TexPool). TexPool uses amortized cost, which approximates fair value.

#### **CAPITAL ASSETS**

Assets with a value of \$5,000 or more and useful life or two year or more are capitalized. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at their estimated fair value at the date of the donation. Repairs and maintenance are recorded as expenditures or expenses; renewals and betterments are capitalized. Depreciation has been calculated on each class of depreciable property using the straight-line method.

Furniture and equipment	5-10 years
Buildings	40 years

# **PLUM CREEK CONSERVATION DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **COMPENSATED ABSENCES**

Accruals for compensated absences are based on years of service with the District. Hours may be accrued up to a maximum allowable amount based on the preceding 52 pay periods.

#### **ESTIMATES**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

### **NOTE 3: DEPOSITS AND INVESTMENTS**

At year end, the District had \$1,304,614 invested in cash and certificates of deposit. Additionally, the District had \$20,835,514 invested in TexPool.

#### Interest Rate Risk

Interest rate risk is the potential for a decline in market value due to rising interest rates. The District does have a formal investment policy in place. The District's cash and cash equivalents are currently invested in short-term instruments such as certificates of deposits, money market funds and an interest-bearing checking account.

#### Credit Risk

The Board has authorized the District under a written investment policy to invest funds in compliance with V.A.T.C.S Government Code, Title 10, Chapter 2256 (the Public Funds Investment Act of 1993). Investment vehicles authorized by Chapter 2256 include, but are not limited to, certificates of deposit, obligations backed by the U.S. and state governments, and public fund investment pools. All investments at year end were held in the Texas Local Government Investment Pool (TexPool). TexPool investments are carried at amortized cost, which approximates fair value. The State Comptroller oversees TexPool, with Federated Investors managing the daily operations of the pool under a contract with the State Comptroller. TexPool is a 2(a)7 like fund, which means that it is structured similar to a money market mutual fund. It allows shareholders the ability to deposit or withdraw funds on a daily basis. Such funds seek to maintain a constant net asset value of \$1.00, although this cannot be fully guaranteed. TexPool is rated AAAm (the highest rating a local government investment pool can achieve) and must maintain a dollar weighted average maturity not to exceed 60 days, which is the limit. At year end, the TexPool portfolio had a weighted average maturity of 28 days.

# PLUM CREEK CONSERVATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3: DEPOSITS WITH FINANCIAL INSTITUTIONS

However, the District considers the holdings in these funds to have a one day weighted average maturity because the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

#### Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of year end, the District had approximately \$330,000 in uncollateralized cash deposits in excess of federal depository insurance coverage. The District has not experienced any losses due to custodial credit risk.

### NOTE 4: RETIREMENT PLAN

The District has a defined contribution benefit plan, a Simple IRA, for eligible employees. The District's contribution to the plan for the fiscal year was \$6,705.

### NOTE 5: CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land and easements	\$293,741	\$0	\$0	\$293,741
Capital assets being depreciated:				
Building	581,393	0	0	581,393
Furniture and equipment	<u>53,693</u>	<u>0</u>	<u>0</u>	<u>53,693</u>
Total capital assets being depreciated	<u>635,086</u>	<u>0</u>	<u>0</u>	<u>635,086</u>
Accumulated depreciation:				
Building	(157,134)	(14,535)	0	(171,669)
Furniture and equipment	<u>(54,571)</u>	<u>(3,060)</u>	<u>0</u>	<u>(57,631)</u>
Total accumulated depreciation	<u>(211,705)</u>	<u>(17,595)</u>	<u>0</u>	<u>(229,300)</u>
Net capital assets being depreciated	<u>423,381</u>	<u>(17,595)</u>	<u>0</u>	<u>405,786</u>
	<u>\$717,122</u>	<u>(\$17,595)</u>	<u>\$0</u>	<u>\$699,527</u>

The District is responsible for maintaining Floodwater Retarding Structures originally valued at a cost of \$3,221,476, however the District does not own the structures.



## PLUM CREEK CONSERVATION DISTRICT

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 6: PROPERTY TAXES

The District's property taxes are levied each October 1, and are payable by the following January 31, on 100% of assessed value listed for all real and personal property located in the District. Assessed values are established by the Caldwell County and the Hays County Tax Appraisal Districts and are collected by the Caldwell County and Hays County Tax Assessors/Collectors. Property taxes attach as an enforceable lien on property as of January 1 of each year.

Since an enforceable lien attaches to the taxed properties, the District considers all delinquent tax receivables to be fully collectible. Accordingly, no allowance for doubtful accounts is required. The tax rates for fiscal year 2023 for Hays and Caldwell Counties, respectively, were \$.0159 (conservation) and \$.0162 (groundwater) per \$100 assessed valuation.

#### NOTE 7: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, injuries to employees and natural disasters. The District insures against these risks through participation in the Texas Water Conservation Association Risk Management Fund, a pool consisting of Texas water districts and authorities. The District pays premiums for its general liability, property, auto and workers' compensation coverage. The District's risk is limited to the amount of premiums paid unless the pool should fail, in which case, the District would be liable for its ratable share of the pool deficit.

#### NOTE 8: COMMITMENTS

At year end, the District had the following commitments for contracts related to dam rehabilitation and repairs:

<u>Vendor Name</u>	<u>Site #</u>	<u>Total Contract Amount</u>	<u>Remaining Commitment at September 30, 2023</u>
Solid Bridge Construction, LLC	10	\$5,143,870	\$206,005
Montoya Anderson Construction, Inc.	2	8,499,315	980,726
Sequoia Services, LLC	21	<u>12,036,290</u>	<u>3,413,975</u>
		<u>\$25,679,475</u>	<u>\$4,600,706</u>

## PLUM CREEK CONSERVATION DISTRICT

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 9: RECONCILIATION OF FUND FINANCIAL STATEMENTS TO GOVERNMENT-WIDE

Fund balance - general fund	\$20,880,216
Capital assets used in governmental activities are not financial resources reported in the general fund.	699,527
Property taxes receivables are deferred inflows in the fund financial statements and not in the government-wide financial statements.	140,802
Grant receivables related to reimbursements expected to be received more than 60 days after year end are deferred inflows in the fund financial statements and not in the government-wide financial statements	2,470,139
Long-term accrued leave expected to paid more than 60 days after year end is not reported in the fund financial statements.	(56,212)
Long-term retainage payable expected to be paid more than 60 days after year end is not reported in the fund financial statements	<u>(1,265,291)</u>
Net position - governmental activities	<u>\$22,869,181</u>
Change in fund balance- general fund	\$1,893,598
Depreciation expense not recorded in the fund financial statements.	(17,595)
Change in accrued leave not reported in the fund financial statements	(32,350)
Retainage payable not reported in the fund financial statements	(680,278)
Receivables not collected within 60 days after year end are considered unavailable and thus not recorded as revenue in the fund financial statements but are recorded in the government-wide financial statements.	<u>1,888,340</u>
Change in net position - governmental activities	<u>\$3,051,715</u>

#### NOTE 10: OTHER MATTERS

The District has been advised by the Natural Resources Conservation Service (NRCS) that twenty-three watershed sites have been classified as high hazard. As required by 30 TAC §299.61 an owner of a high hazard dam shall prepare an emergency action plan (EAP). The District has prepared and submitted multiple EAPs and subsequently has been approved by the Texas Commission on Environmental Quality. These dams are site # 1, #2, #3, #4, #5, #6, #7, #10, #12, #14, #16, #17, #18, #21, #24, #26, #28, #29, #31, #34, and #38.

## **PLUM CREEK CONSERVATION DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE 10: OTHER MATTERS**

The District is involved in ongoing discussions with their counsel and NRCS to pursue options available under federal grants. The District has had the following developments with respect to the repair of the high hazard dams.

Sites 2, 10 and 21 - The District received grant funds in connection with NRCS and Texas State Soil and Water Conservation Board (TSSWCB), through the United States Department of Agriculture, and its Watershed Rehabilitation Program and TSSWCB's grant program for repairs and upgrades to be able to pass 75% of the Probable Maximum Flood event. Sites 10 and 21 expenses are reimbursed by federal grant for 65%, state grant funds for 33.25% and the District is responsible for 1.75% of the costs. The in-kind reimbursement that the District receives for Sites 10 and 21 for administrative and land rights and legal costs is reimbursed at 33.25% for state and 65% for federal.

Site 2 expenses are reimbursed by a state grant at 98.25% of construction costs plus administrative reimbursement of 2.25% of the construction cost reimbursement.

There are currently three District dams under rehabilitation, sites #2, #10 and #21. In addition, there are three other dams being considered for rehabilitation, those being sites #12, #14, and #28.

**PLUM CREEK CONSERVATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 2,938,251	\$ 3,200,658	\$ 262,407
Non-capital grants	100,000	13,867,202	13,767,202
Investment income	-	909,289	909,289
Other	10,200	-	(10,200)
Total revenues	<u>3,048,451</u>	<u>17,977,149</u>	<u>14,928,698</u>
Expenditures:			
Rehabilitation and repairs	1,714,951	15,265,192	(13,550,241)
Payroll and related	427,380	330,971	96,409
Operations and Maintenance	250,000	171,778	78,222
Professional Fees	296,000	146,991	149,009
Tax Collection/Appraisal District Fees	65,000	37,922	27,078
Office Supplies	40,000	18,885	21,115
Directors' Fees	44,500	18,250	26,250
Travel and entertainment	38,600	11,425	27,175
Other	-	82,137	(82,137)
Total Expenditures	<u>2,876,431</u>	<u>16,083,551</u>	<u>(13,207,120)</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	172,020	1,893,598	1,721,578
Fund Balances - Beginning	<u>18,986,618</u>	<u>18,986,618</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 19,158,638</u>	<u>\$ 20,880,216</u>	<u>\$ 1,721,578</u>

See Independent Auditor's Report.

**PLUM CREEK CONSERVATION DISTRICT**  
**Texas Supplementary Information**  
**For the Year Ended September 30, 2023**

TSI-1	Services and Rates	Not Applicable
TSI-5	Long Term Debt Service Requirements by Years	Not Applicable
TSI-6	Changes on Long-Term Bonded Debt	Not Applicable

See Independent Auditor's Report.

**PLUM CREEK CONSERVATION DISTRICT**  
**TSI-2 General Fund Expenditures**  
**For the Year Ended September 30, 2023**

Personnel Expenditures (including benefits)	\$ 330,971
Professional Fees:	
Auditing	15,338
Legal	82,568
Consultants	49,085
Contracted Services:	
Appraisal District	37,922
Tax Collector	-
Utilities	-
Repairs and Maintenance	15,436,970
Administrative Expenditures:	
Directors' Fees	18,250
Office Expenses	18,885
Insurance	-
Other	93,562
Capital Outlay:	
Capitalized Assets	-
Total Expenditures	<u>\$ 16,083,551</u>

\* Number of persons employed by the District:

Full-time

4

Part-time

0

See Independent Auditor's Report.

**PLUM CREEK CONSERVATION DISTRICT**  
**TSI-3 Temporary Investments**  
**For the Year Ended September 30, 2023**

<u>Funds</u>	<u>Identification/ Certificate #</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at 9/30/23</u>
Money Market	810622	1.350%	N/A	\$ 97,464
TexPool	0280 0000 01	5.320%	N/A	20,835,514
Certificate of Deposit	10810	4.500%	8/28/2024	217,714
Certificate of Deposit	6901413330	3.900%	11/24/2023	225,000
Certificate of Deposit	2187	4.750%	5/27/2024	223,000
Certificate of Deposit	748	4.450%	5/4/2024	235,268
Certificate of Deposit	30043	3.000%	3/27/2024	<u>224,905</u>
Total				<u><u>\$ 22,058,865</u></u>

See Independent Auditor's Report.

**PLUM CREEK CONSERVATION DISTRICT**  
**TSI-4 Taxes Levied and Receivable**  
**For the Year Ended September 30, 2023**

	<b><u>TAXES</u></b>
Taxes Receivable, Beginning of Year	\$ 140,807
2022 Original Tax Levy	3,176,709
(less abatements & adjustments)	<u>(15,305)</u>
Total to be accounted for	3,302,211
Tax collections:	
Current Year	(3,126,140)
Prior Years	<u>(35,269)</u>
Total Collections	(3,161,409)
 Taxes Receivable, End of Year	 <u>\$ 140,802</u>
 Taxes Receivable, By Years	
2011 and prior	\$ 17,970
2012	2,387
2013	2,778
2014	3,661
2015	3,844
2016	4,545
2017	5,623
2018	6,871
2019	11,062
2020	14,628
2021	21,549
2022	<u>45,884</u>
Taxes Receivable, End of Year	<u>\$ 140,802</u>
	 <b><u>2022</u></b>
Property Valuations:	\$ 9,896,289,720
Maintenance tax rates per \$100 Valuation	\$0.0321
 Percent of Taxes Collected to Taxes Levied:	 94.67%

See Independent Auditor's Report.



**PLUM CREEK CONSERVATION DISTRICT**  
**TSI - 7 SCHEDULE OF REVENUES AND EXPENSES**  
**FIVE YEARS ENDED**  
**SEPTEMBER 30, 2023**

	For the Years Ended September 30,					Percent of Total Revenue for the Year Ended September 30,				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
General Fund Revenues:										
Property taxes	\$ 3,200,658	\$ 3,068,218	\$ 2,803,214	\$ 2,481,011	\$ 2,239,864	17.80%	35.65%	85.21%	80.11%	60.53%
Investment income	909,288	138,387	17,175	126,639	260,485	5.06%	1.61%	0.52%	4.09%	7.04%
Grant Income	13,867,202	5,397,014	469,440	480,526	1,149,604	77.14%	62.71%	14.27%	15.52%	31.07%
Other	-	2,365	-	8,942	50,596	0.00%	0.03%	0.00%	0.29%	1.37%
TOTAL REVENUES	<u>17,977,148</u>	<u>8,605,984</u>	<u>3,289,829</u>	<u>3,097,118</u>	<u>3,700,549</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
General Fund Expenses:										
Salaries and Wages	330,971	310,399	266,046	276,371	302,713	1.84%	3.61%	8.09%	8.92%	8.18%
Operations, Maintenance and Repairs	15,436,970	5,461,719	465,065	529,647	1,290,142	85.87%	63.46%	14.14%	17.10%	34.86%
Director's Expenses	18,250	24,250	19,250	17,204	25,135	0.10%	0.28%	0.59%	0.56%	0.68%
Office Supplies and Expenses	18,885	54,705	44,464	39,191	21,971	0.11%	0.64%	1.35%	1.27%	0.59%
Legal, Consultants and Accounting	146,991	178,143	106,197	112,384	139,795	0.82%	2.07%	3.23%	3.63%	3.78%
Travel and Contract Labor	11,425	21,163	10,236	13,105	17,580	0.06%	0.25%	0.31%	0.42%	0.48%
Tax Collection/Appraisal Fees	37,922	51,944	40,363	29,328	33,313	0.21%	0.60%	1.23%	0.95%	0.90%
Insurance	-	9,808	10,020	8,168	8,146	0.00%	0.11%	0.30%	0.26%	0.22%
Other expenses	82,137	-	-	-	-	0.46%	0.00%	0.00%	0.00%	0.00%
Capital outlay	-	-	-	-	81,775	0.00%	0.00%	0.00%	0.00%	2.21%
TOTAL EXPENSES	<u>16,083,551</u>	<u>6,112,131</u>	<u>961,641</u>	<u>1,025,397</u>	<u>1,920,569</u>	<u>89.47%</u>	<u>71.02%</u>	<u>29.23%</u>	<u>33.11%</u>	<u>51.90%</u>
EXCESS REVENUE OVER EXPENDITURES	<u>\$ 1,893,598</u>	<u>\$ 2,493,853</u>	<u>\$ 2,328,188</u>	<u>\$ 2,071,721</u>	<u>\$ 1,779,980</u>	<u>10.53%</u>	<u>28.98%</u>	<u>70.77%</u>	<u>66.89%</u>	<u>48.10%</u>

See Independent Auditor's Report.

**PLUM CREEK CONSERVATION DISTRICT**  
**TSI-8 Board Members, Key Personnel, and Consultants**  
**September 30, 2023**

Complete District Mailing Address: 1101 W. San Antonio St.  
Lockhart, TX 89644

District Business Telephone No.: (512) 398-2383

<u>Name</u>	<u>Term of Office Appointed</u>	<u>Fees of Office Paid 2023</u>	<u>Expense Reimb 2023</u>	<u>Title at Year End</u>	<u>Resident of District?</u>
<b>Board Members:</b>					
James Holt, Jr	12/31/20-12/31/24	\$ 4,000	\$ 288	President	Yes
Peter Reinecke	12/31/20-12/31/24	3,750	191	VP	Yes
Fred Rothert	12/31/22-12/31/26	3,500	340	Director	Yes
Lucy Knight	12/31/20-12/31/24	3,500	18	Sec/Treas	Yes
Tom Owen	12/31/22-12/31/26	3,500	269	Director	Yes
<b>Key Administrative Personnel:</b>					
Daniel Meyer		\$ 97,692			
<b>Consultants:</b>					
William Feathergail Wilson, Geologist		\$ 43,318			
Jansen and Gregorczyk CPA's		\$ 2,338			
McCarthy & McCarthy		\$ 69,886			

See Independent Auditor's Report.



Montemayor Britton Bender PC  
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Management  
Plum Creek Conservation District

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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 general fund of Plum Creek Conservation District (District) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 4, 2024.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



#### Report on 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 financial statements. 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.

Montemayor Brittan Bender PC

January 4, 2024  
Austin, Texas



**Montemayor Britton Bender PC**  
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Management  
Plum Creek Conservation District

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND THE *STATE  
OF TEXAS SINGLE AUDIT CIRCULAR***

**A. Report on Compliance for Each Major Federal and State Program**

**Opinion on Each Major Federal and State Program**

We have audited the District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended September 30, 2023. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2023.

**Basis for Opinion on Each Major Federal and State Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State of Texas Single Audit Circular*. Our responsibilities under those standards, the Uniform Guidance, and the *State of Texas Single Audit Circular* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

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BUILDING B, SUITE 102  
AUSTIN, TEXAS 78747  
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[www.montemayor.team](http://www.montemayor.team)



### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal and state programs.

### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Texas Single Audit Circular* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Texas Single Audit Circular* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### B. Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over*



*compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of the testing based on the requirements of the Uniform Guidance and the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Montemayor Britton Bender PC

January 4, 2024  
Austin, Texas

**PLUM CREEK CONSERVATION DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED SEPTEMBER 30, 2023**

<u>Federal Agency/Pass-Through/Program Title</u>	<u>Assistance Listing Number</u>	<u>Contract</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
Passed through Texas State Soil and Water Conservation Board			
Watershed Rehabilitation Program	10.916	PLUM10-RHB-FED-001-20	\$2,402,225
Watershed Rehabilitation Program	10.916	PLUM21-RHB-FED-002-20	<u>4,997,909</u>
			<u>\$7,400,134</u>

NOTE: This schedule is prepared using the same accounting policies as the financial statements. See the notes to the financial statements on pages 10-17. The District did not elect to use the 10% de minimis indirect cost rate.

See Independent Auditor's Report



**PLUM CREEK CONSERVATION DISTRICT**

**SCHEDULE OF EXPENDITURES OF STATE AWARDS**

**YEAR ENDED SEPTEMBER 30, 2023**

<u>STATE AGENCY/ PROGRAM TITLE</u>	<u>Contract #</u>	<u>Expenditures</u>
Texas State Soil and Water Conservation District		
Flood Control Program	PLUM2-UG-ESF-537-21; PLUM2-ADD-ST2-025-22	\$4,491,827
Flood Control Program	PLUM10-RHB-ST2-019-21; PLUM10-RHB-ESF-507-20; PLUM10-RHB-ESF-521-21	1,228,831
Flood Control Program	PLUM21-RHB-ESF-530-21	<u>2,556,623</u>
		8,277,281
Flood Control Operations and Maintenance	N/A	<u>78,127</u>
		<u><u>\$8,355,408</u></u>

NOTE: This schedule is prepared using the same accounting policies as the financial statements. See the notes to the financial statements on pages 10-17. The District did not elect to use the 10% de minimis indirect cost rate.

See Independent Auditor's Report

**PLUM CREEK CONSERVATION DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**SEPTEMBER 30, 2023**

**A. SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	None noted
Significant deficiency(ies) identified that are not considered material weakness(es)?	None noted
Noncompliance material to financial statements noted?	None noted

**FEDERAL AND STATE AWARDS**

Internal controls over major programs:	
Material weakness(es) identified?	None noted
Significant deficiency(ies) identified that are not considered material weakness(es)?	None noted
Type of auditor's report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	None noted
Federal major program:	Assistance Listing Number 10.916
State major program:	Flood Control Program
Threshold used to distinguish between Type A and B programs:	\$750,000
Auditee qualified as a low-risk auditee?	No

**B. FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS**

Current year:	None noted
Prior year:	None noted

**C. SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

Federal	None noted
State	None noted

See Independent Auditor's Report