



# GMD 4 ANNUAL REPORT for FY 2024

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ATTACHMENT: FY 2023 FINANCIAL STATEMENT AND AUDITOR'S REPORT

# 2024 FINANCES

## Income

Cash forward from 2023 (Cash) -----	\$337,293
County Assessments -----	\$435,362
Interest Earned (GMD4) -----	\$2,522
State Grant Income -----	\$0
Miscellaneous Income -----	\$738

2024TOTAL INCOME:       \$775,915

## Expenditures

### 2024 EXPENDITURES:

Postage -----	\$1,831
Printing -----	\$1,063
Dues -----	\$275
Subscriptions -----	\$487
Insurance -----	\$15,233
Telephone -----	\$5,544
Salaries & Benefits -----	\$261,427
Travel -----	\$16,349
Vehicles -----	\$12,336
Contracted Services -----	\$42,277
Publications -----	\$586
Coop/Education Programs -----	\$1,124
Administrative -----	\$12,618
Equipment -----	\$3,600
Facility -----	\$18,810
Reserve for contingency -----	\$38,435
Foundation -----	\$0

TOTAL 2024 EXPENDITURES:       \$431,995

## Assets

	<u>Purchase Cost</u>
<b>Office Building</b>	200,000
<b>Office Equipment</b>	
Computers, printers, TVs, furniture, etc.	28,308
<b>Field Supplies</b>	
Panametrics Ultrasonic Flow Meter	11,781
2020 Yamaha Kodiak 4- Wheeler	5,000
Storage Shed	376
Tablets, GPS, tools, etc.	5,295
<b>Vehicles</b>	
2006 Ford F- 150	17,195
2010 Mercury Mountaineer	Unknown
2014 Dodge Ram 1500	18,340
<b>Total</b>	<b>286,295</b>

## Audit

The audit of the 2024 expenditures will not be available until February or March. The 2023 audit is included as an attachment to this report as it is the most recent.



# BUDGET FOR 2025

	2025 Revised	
<b>110 POSTAGE</b>		<b>\$2,000.00</b>
111 Newsletter		
112 General	\$2,000.00	
<b>120 PRINTING</b>		<b>\$1,500.00</b>
121 Newsletter		
122 Administrative	\$1,500.00	
<b>130 DUES</b>	\$400.00	\$400.00
<b>140 SUBSCRIPTIONS</b>	\$600.00	\$600.00
<b>150 INSURANCE</b>		<b>\$16,500.00</b>
151 Office	\$15,000.00	
152 Public Officials' Liability		
153 Auto		
154 Workmans' Comp.		
155 Inland Marine		
156 Unemployment	\$1,500.00	
<b>160 TELEPHONE</b>	\$6,000.00	\$6,000.00
<b>170 SALARIES AND BENEFITS</b>		<b>\$270,048.00</b>
171 Gross Sal, Kpers, SS, Etc.	\$270,000.00	
172 Health Insurance	\$48.00	
<b>180 TRAVEL</b>		<b>\$20,000.00</b>
181 Board	\$12,000.00	
182 Staff	\$8,000.00	
<b>190 VEHICLES</b>		<b>\$18,000.00</b>
191 Repairs/Maintenance	\$8,000.00	
192 Operation	\$10,000.00	
193 Tags		
194 Purchase/Lease		
<b>200 CONTRACTED SERVICES</b>		<b>\$50,000.00</b>
201 Accounting	\$9,000.00	
202 Legal	\$20,000.00	
203 Misc. Support	\$6,000.00	
204 Legislative Support	\$15,000.00	
205 Drilling		
206 Weather Modification		
<b>210 PUBLICATIONS</b>		<b>\$1,200.00</b>
211 Legal Notices	\$1,200.00	
<b>220 COOP PROGRAMS</b>		<b>\$10,000.00</b>
221 Administrative	\$2,000.00	
222 Equipment	\$3,000.00	
223 Contracted Studies		
224 Education Program	\$5,000.00	
<b>230 ADMINISTRATIVE</b>		<b>\$19,500.00</b>
231 Office Supplies	\$6,000.00	
232 Copy Machine	\$2,500.00	
233 Computer Maint	\$8,000.00	
234 Postage Meter Lease		
235 Bank Charges		
236 Field Supplies	\$3,000.00	

<b>240 NEW EQUIPMENT</b>		<b>\$13,500.00</b>
241 Field	\$3,500.00	
242 Office	\$10,000.00	
<b>250 CONTINGENCY RESERVE</b>		<b>\$346,502.00</b>
<b>260 FACILITY</b>		<b>\$23,000.00</b>
261 Rent		
262 Maintenance	\$15,000.00	
263 Remodel/Purchase		
264 Building Utilities	\$8,000.00	
<b>REIMBURSED EXPENSES</b>		
<b>300 FOUNDATION</b>		<b>\$0.00</b>
305 Foundation Subscriptions		
325 Foundation Telephone		
345 Foundation Accounting		
350 Foundation Legal		
370 Foundation Tech Support		
	<b>\$452,248.00</b>	<b>\$798,750.00</b>

2025 Assessed for 2024	440,608
Carryover	358,142
2025 Budget Cap	798,750

**Assessed:** \$0.05 per acre (2,877,085 acres) = \$143,854

\$0.35 per acre-foot (847,869 acre-feet appropriated) = \$296,754

# ACTIVITIES

## Description of Activities

GMD 4 finished the second year of both the Sheridan 6 LEMA (SD 6) and the GMD 4 LEMA in 2024. SD 6 is on the third five-year renewal of the LEMA and the GMD 4 LEMA is in the second five-year renewal. LEMAs are becoming a way of life in GMD 4 and water users are adapting to more efficient management practices. As GMD 4 enters into year three of both LEMAs, public conversations with producers about struggles, successes and future LEMAs have been the focus.

Much time was spent on public outreach and education. GMD 4 conducted public outreach meetings in each of the four major counties within the district as well as one virtual meeting for those that could not attend in person. These meetings provided updated aquifer information to the attendees but mainly focused on future LEMA planning. Responses from those meetings were provided to the GMD 4 Board of Directors and collaboration with the Division of Water Resources has started in the continuation of both LEMAs.

GMD 4 also assisted in the Airborne Electromagnetic Mapping (AEM) project lead by the Kansas Geological Survey (KGS). The data received from that project has been very informative and prompted a policy change in changes of points of diversion within the district. We continue to work with DWR in finalizing that language in our rules and regulations.

With the help and assistance of the Kansas Water Office we hosted a training event for the local Natural Resources Conservation Service (NRCS), Farm Service Agency (FSA), and Kansas Division of Conservation (DOC) staff to educate them more in water-saving technology being utilized within GMD 4 as well as basic water right information. This is the second event we have held for them and will continue to expand based on their positive feedback.



## **How Expenditures Conserve and Reduce Consumptive Use of Water**

Most of the expenditures presented conserve and reduce consumptive use of water in an indirect way through salaries of three full-time employees and one part-time employee, their assigned duties, and through partnerships with other agencies and entities. Time was spent in 2024 on public outreach and education activities as well as funds dedicated to those efforts through postage, printing, travel, etc. Education and discussion at those meetings provide a flow of information to and from GMD 4 and water users that foster positive attitudes and action toward continuing conservation and reduction of water usage. Collaboration and planning meetings with the DOC and NRCS for the High Plains Aquifer RCPP initiative required a substantive amount of time and travel compared to previous years. The results of those efforts will be as many dollars possible into the hands of producers for water-saving irrigation practices that conserve and reduce consumptive water use.

## **Prevention of Economic Deterioration**

Previous studies have shown that drying up acres in GMD 4 would have a drastic economic deterioration of the region. Ideally, we need continued irrigation with little to no decline of the aquifer. Continued use of public education in a variety of delivery forms is ongoing and continually developed. We learned with the SD 6 LEMA that using less water can be profitable. Adoption of the same concept from water users in other regions takes time and education which we are constantly working to achieve.

## **Stabilization of Agriculture**

The stabilization of agriculture in GMD 4 is also the prevention of economic deterioration. Agriculture is the industry of Northwest Kansas and must be preserved if the region is to prosper economically.

## **Other Activities from Management Program**

The meat of our management program is the development, review, and implementation of LEMAs. In 2024 we redesigned the look of our management program and updated it with recent data and incorporated the renewal of both LEMAs. We are awaiting the formal hearing of the updated GMD 4 Management Program to be conducted on February 19<sup>th</sup>, 2025.



**NORTHWEST KANSAS GROUNDWATER  
MANAGEMENT DISTRICT NO. 4**

Financial Statement  
With Independent Auditors' Report

For the Year Ended December 31, 2023

**NORTHWEST KANSAS GROUNDWATER MANAGEMENT DISTRICT NO. 4**  
Financial Statement With Independent Auditors' Report  
For the Year Ended December 31, 2023

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**Regulatory Basis Fund Type**

**General Fund**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
**Northwest Kansas Groundwater Management District No. 4**  
Colby, Kansas

### Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Northwest Kansas Groundwater Management District No. 4**, as of and for the year ended December 31, 2023 and the related notes to the financial statement.

#### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matters discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2023, or changes in financial position and cash flows thereof for the year then ended.

#### *Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of December 31, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

### Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement 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 adverse and unmodified audit opinions.

#### *Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As discussed in Note 1 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.



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

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, 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.

### **Auditors' Responsibilities for the Audit of the Financial Statement**

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 GAAS 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 statement.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 statement.
- 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.

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget and individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement; however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. 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 statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated February 15, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/municipal-audits>. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.



ADAMSBROWN, LLC  
Certified Public Accountants  
Colby, Kansas

February 21, 2024



**NORTHWEST KANSAS GROUNDWATER MANAGEMENT DISTRICT NO. 4**

Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
Regulatory Basis

For the Year Ended December 31, 2023

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Regulatory Basis Fund Type							
General Fund	\$ 257,100	-	441,078	360,989	337,189	104	337,293
<b>Composition of Cash</b>							
				Checking Accounts		\$	15,200
				Money Market Account			322,093
				<b>Total Primary Government</b>		\$	<b>337,293</b>

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



## NORTHWEST KANSAS GROUNDWATER MANAGEMENT DISTRICT NO. 4

Notes to Financial Statement

December 31, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Northwest Kansas Groundwater Management District No. 4** has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

#### **Financial Reporting Entity**

The District is a municipal corporation governed by an elected eleven-member board. A related municipal entity is an entity established to benefit the District and/or its constituents. The District has no related municipal entities.

#### **Basis of Presentation – Fund Accounting**

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following type of fund comprises the financial activities of the District for the year ended December 31, 2023.

#### **Regulatory Basis Fund Type**

**General Fund** – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

#### **Basis of Accounting**

*Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.* The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

#### **Reimbursements**

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis of accounting.



## NORTHWEST KANSAS GROUNDWATER MANAGEMENT DISTRICT NO. 4

Notes to Financial Statement

December 31, 2023

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### NOTE 2 – BUDGETARY INFORMATION

Kansas statutes require that before any assessment can be made, the District's board must prepare a budget for the upcoming year to the eligible voters of the **Northwest Kansas Groundwater Management District No. 4** at a budget hearing. The budget hearing must be published in the newspaper in the District at least 28 days prior to the meeting. After the budget hearing, the Board will adopt the proposed budget by resolution as well as determine the amount of land assessment or user charge, or both, that will be needed to support the adopted budget.

The Board can increase the originally adopted budget for previously unbudgeted increases in revenue. There was one budget amendment for this year for the General Fund.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

### NOTE 3 – DEPOSITS AND INVESTMENTS

**Northwest Kansas Groundwater Management District No. 4** follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the District in which the District is located, or in an adjoining District if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

#### *Concentration of Credit Risk*

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

#### *Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District does not use "peak periods". All deposits were legally secured at December 31, 2023.



## NORTHWEST KANSAS GROUNDWATER MANAGEMENT DISTRICT NO. 4

### Notes to Financial Statement

December 31, 2023

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At December 31, 2023, the District's carrying amount of deposits was \$337,293 and the bank balance was \$340,249. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and \$90,249 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

#### *Custodial Credit Risk – Investments*

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The District had no investments at December 31, 2023.

#### **NOTE 4 – LITIGATION**

**Northwest Kansas Groundwater Management District No. 4** is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the District.

#### **NOTE 5 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than related to employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

#### **NOTE 6 – DEFINED BENEFIT PENSION PLAN**

##### **General Information about the Pension Plan**

##### *Plan Description*

**Northwest Kansas Groundwater Management District No. 4** participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Annual Comprehensive Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

##### *Contributions*

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.



## NORTHWEST KANSAS GROUNDWATER MANAGEMENT DISTRICT NO. 4

### Notes to Financial Statement

December 31, 2023

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.43% for the fiscal year ended December 31, 2023. Contributions to the pension plan from the District were \$16,909 for the year ended December 31, 2023.

#### Net Pension Liability

At December 31, 2023, the District's proportionate share of the collective net pension liability reported by KPERS was \$194,790. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

#### NOTE 7 – DEATH AND DISABILITY OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A.74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2023.

#### NOTE 8 – COMPENSATED ABSENCES

##### Vacation

Northwest Kansas Groundwater Management District No. 4's policy regarding vacation for full-time employees is as follows:

Years Worked	Amount Earned
0-2	1.00 day/month
2-5	1.25 days/month
5-10	1.50 days/month
10 and over	2.00 days/month

The maximum accrual for vacation shall be no more than 24 days for full-time employees. Upon termination of employment under any circumstances, the employee will be reimbursed for any unused vacation at the employee's pay scale at the time of termination.

##### Sick Leave

The District's policy for sick leave permits a full-time employee to earn sick leave at the rate of one day per calendar month worked with no accumulation limit. Sick leave is not paid upon termination of employment.

##### Discretionary Leave

Two days of discretionary leave is earned per calendar year. There is no carryover allowed.

**NORTHWEST KANSAS GROUNDWATER MANAGEMENT DISTRICT NO. 4**

Regulatory-Required Supplementary Information

## NORTHWEST KANSAS GROUNDWATER MANAGEMENT DISTRICT NO. 4

Summary of Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2023

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
<b>Regulatory Basis Fund Type</b>					
General Fund	\$ 648,273	-	648,273	360,989	(287,284)



## NORTHWEST KANSAS GROUNDWATER MANAGEMENT DISTRICT NO. 4

## General Fund

## Schedule of Receipts and Expenditures - Actual and Budget

## Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year		Variance Over Under
	Actual	Actual	Budget	(Under)
<b>Receipts</b>				
County Assessments	\$ 438,446	438,417	439,109	(692)
Interest Income	712	2,035	-	2,035
Reimbursements	541	626	-	626
<b>Total Receipts</b>	439,699	441,078	439,109	1,969
<b>Expenditures</b>				
Postage	2,941	2,389	4,100	(1,711)
Printing	3,155	1,726	4,000	(2,274)
Dues	1,100	275	1,100	(825)
Subscriptions	791	585	2,000	(1,415)
Insurance	11,150	16,606	11,400	5,206
Telephone	4,915	6,085	5,000	1,085
Salaries and Benefits	227,263	236,533	230,024	6,509
Travel	15,413	11,942	16,000	(4,058)
Vehicles	4,540	6,965	10,165	(3,200)
Contracted Services	39,685	33,069	51,800	(18,731)
Publications	650	1,046	700	346
Co-op Programs	1,210	8,381	2,000	6,381
Administrative	8,667	10,246	9,850	396
New Equipment	15,180	2,990	20,000	(17,010)
Reserve for Contingency	180,000	2,100	257,134	(255,034)
Miscellaneous	30	-	-	-
Facility	17,468	20,051	23,000	(2,949)
<b>Total Expenditures</b>	534,158	360,989	648,273	(287,284)
<b>Receipts Over (Under) Expenditures</b>	(94,459)	80,089		
<b>Unencumbered Cash - Beginning</b>	351,559	257,100		
<b>Unencumbered Cash - Ending</b>	\$ 257,100	337,189		

