

LOST PINES GROUNDWATER
CONSERVATION DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2020



SINGLETON, CLARK
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS

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LOST PINES GROUNDWATER CONSERVATION DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

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FINANCIAL SECTION

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Independent Auditor's Report

To the Board of Directors of
Lost Pines Groundwater Conservation District

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Lost Pines Groundwater Conservation District (the "District") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of December 31, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2021 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 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 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.

Singleton, Clark & Company, PC

Singleton, Clark & Company, PC
Cedar Park, Texas

April 9, 2021

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LOST PINES GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

As management of the Lost Pines Groundwater Conservation District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2020.

Financial Highlights

- As of year-end, the District's net position was \$3,592,145 which reflects a \$612,277 increase from the prior year. Of this ending amount, \$3,561,987 represents unrestricted net position which is available to meet the District's obligations.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of two components: 1) fund financial statements and 2) the notes to financial statements. This report also includes other information intended to furnish additional detail to support the basic financial statements themselves.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Proprietary Funds. The District uses an enterprise fund to account for groundwater conservation operations. The proprietary fund financial statements provide information for the groundwater conservation operation which is considered the only fund of the District.

The basic proprietary fund financial statements can be found on pages 10-13 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the fund financial statements.

The notes to the financial statements can be found on pages 17-21 of this report.

Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$3,592,145 at the close of the most recent fiscal year.

A small portion of District's net position, about 1%, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt (if applicable) that was used to acquire those assets. As of year-end the District had \$30,158 of land. Accordingly, these assets are not available for future spending.

The remaining balance of \$3,561,987 is unrestricted and may be used to meet the District's ongoing obligations. At the end of the current fiscal year, the District is able to report positive balances in all reported categories of net position for business-type activities.

LOST PINES GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

**Lost Pines Groundwater Conservation District's
Net Position**

	Business- Type Activities 2020	Business- Type Activities 2019	Change
Current & other assets	\$ 3,616,736	\$ 3,046,691	\$ 570,045
Capital assets	30,158	30,158	-
Total assets	3,646,894	3,076,849	570,045
Current liabilities	54,749	96,981	(42,232)
Total liabilities	54,749	96,981	(42,232)
Net position			
Net investment in capital assets	30,158	30,158	-
Unrestricted	3,561,987	2,949,710	612,277
Total net position	\$ 3,592,145	\$ 2,979,868	\$ 612,277

The District's overall net position increased by \$612,277 from the prior fiscal year. The reasons for this overall increase are discussed in the following section for Proprietary Fund.

**Lost Pines Groundwater Conservation District's
Changes in Net Position**

	Business- Type Activities 2020	Business- Type Activities 2019	Change
Revenues:			
Program revenues:			
Charges for services	\$ 1,312,700	\$ 1,295,387	\$ 17,313
Other	16,116	62,705	(46,589)
Total revenue	1,328,816	1,358,092	(29,276)
Expenses:			
Personnel services	275,627	261,841	13,786
Purchased professional and technical services	377,643	540,153	(162,510)
Other operating expenses	63,269	72,526	(9,257)
Total expenses	716,539	874,520	(157,981)
Increase (decrease) in net position	612,277	483,572	128,705
Net position - beginning	2,979,868	2,496,296	483,572
Net position - ending	\$ 3,592,145	\$ 2,979,868	\$ 612,277

LOST PINES GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Financial Analysis of Proprietary Fund

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Proprietary Fund

Unrestricted net position of the District at the end of the year was \$3,561,987. The total change in net position for the fund was an increase of \$612,277. The increase resulted primarily from lower than budgeted expenses and higher than expected revenues for the year.

Capital Assets and Debt Administration

Capital Assets. The District's investment in capital assets for its business-type activities as of December 31, 2020, amounts to \$30,158 net of accumulated depreciation. This investment in capital assets consists of land.

	Business-type Activities 2020	Business-type Activities 2019	Change
Land	\$ 30,158	\$ 30,158	\$ -
Furniture and Equipment	10,904	10,904	-
Total	41,062	41,062	-
Less Accumulated Depreciation	(10,904)	(10,904)	-
Total Assets	<u>\$ 30,158</u>	<u>\$ 30,158</u>	<u>\$ -</u>

Additional information on the District's capital assets can be found in Note III.C on page 21 of this report.

Long-term Debt. At the end of the current fiscal year, the District did not have any outstanding debt.

Economic Factors and Next Year's Budgets and Rates

There are no significant changes planned to the operations of the District for next year. The adopted budget for the District for fiscal year 2021 is approximately \$1.3 million.

Requests for Information

This financial report is designed to provide a general overview of the Lost Pines Groundwater Conservation District finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Lost Pines Groundwater Conservation District, 908 N. East Loop 230, Smithville, Texas 78957, or by calling (512) 360-5088.

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PROPRIETARY FUND FINANCIAL STATEMENTS

LOST PINES GROUNDWATER CONSERVATION DISTRICT
 STATEMENT OF NET POSITION
 PROPRIETARY FUND
 DECEMBER 31, 2020

	Business-Type Activities
	Operating Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 409,564
Investments	3,207,172
Total current assets	3,616,736
Noncurrent assets:	
Land	30,158
Furniture and Equipment	10,904
Accumulated depreciation	(10,904)
Total noncurrent assets	30,158
Total assets	3,646,894
LIABILITIES	
Current liabilities:	
Accounts payable	16,549
Permit deposits	38,200
Total liabilities	54,749
NET POSITION	
Investment in capital assets	30,158
Unrestricted	3,561,987
Total net position	\$ 3,592,145

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

LOST PINES GROUNDWATER CONSERVATION DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-Type Activities
	Operating Fund
Operating revenues:	
Charges for services:	
Pumping charges	\$ 1,312,700 ✓
Total operating revenues	1,312,700
Operating expenses:	
Personnel services	275,627
Purchased professional and technical services	377,643
Other operating expenses	63,269
Total operating expenses	716,539
Operating income (loss)	596,161
Nonoperating revenues (expenses)	
Investment earnings	16,116 ✓
Total nonoperating revenues (expenses)	16,116
Change in net position	612,277
Net position-beginning	2,979,868
Net position-ending	\$ 3,592,145

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

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LOST PINES GROUNDWATER CONSERVATION DISTRICT
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Business-Type Activities</u>
	<u>Operating Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from user charges	\$ 1,339,839
Payments to suppliers and service providers	(483,144)
Payments to employees for salaries and benefits	(275,627)
Net cash provided by (used for) operating activities	581,068
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(594,250)
Interest on investments	16,116
Net cash provided by investing activities	(578,134)
Net increase (decrease) in cash and cash equivalents	2,934
Cash and cash equivalents-beginning	406,630
Cash and cash equivalents-ending	\$ 409,564
Reconciliation of operating income (loss) to net cash provided (used for) operating activities:	
Operating income (loss)	\$ 596,161
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
(Increase) decrease in accounts receivable	27,139
(Decrease) increase in accounts payable	(42,432)
(Decrease) increase in customer deposits	200
Total adjustments	(15,093)
Net cash provided by (used for) operating activities	\$ 581,068

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

LOST PINES GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

The budget is adopted by a majority vote of the board of directors. The general manager may at any time transfer any unused appropriation balance or portion thereof between general classifications of expenses. Therefore, expenses should not exceed appropriations. The directors may transfer any unencumbered appropriation balance or portion thereof through formal budget amendments. Unencumbered appropriations lapse at year-end.

Budget amounts are as originally adopted prior to the beginning of the year or as amended by the board of directors during the year. Annual budgets are prepared for the proprietary fund on the generally accepted accounting principles basis.

E. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

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

2. Investments

Investments for the government are reported at fair value (generally based on quoted market prices) except for positions in local government investment pools when applicable. In accordance with state law, these investment pools operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the pools qualify as 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The pools are subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

3. Inventories and prepaid items

The District does not have any inventory or prepaids as of year-end.

4. Capital assets

Capital assets (which include property, plant, equipment, and infrastructure assets e.g. roads, bridges, sidewalks, and similar items) are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year.

As the District constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the estimated useful lives. The District does not have any depreciable asset as of year-end.

LOST PINES GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

5. Net position flow assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

F. Revenues and expenses/expenses

1. Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Operating Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. Stewardship, compliance and accountability

A. Violations of legal or contractual provisions

There were no expenses reported in excess of appropriations for the year ended December 31, 2020.

B. Deficit net position

For the year ended December 31, 2020, the District did not report deficit net position.

III. Detailed notes on all activities and funds

A. Cash deposits with financial institutions

Custodial credit risk-deposits. 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. For the year ended December 31, 2020, the District did not have a cash balance that exceeded its coverage (FDIC and/or pledged collateral).

LOST PINES GROUNDWATER CONSERVATION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

III. Detailed notes on all activities and funds (continued)

B. Investments

The state treasurer’s investment pool (the “Pool”) operates in accordance with state law, which requires it to meet all of the requirements of Rule 2a-7 of the Securities and Exchange Commission. See note I.E.2, *Investments*, for a discussion of how the shares in the Pool are valued. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. The Pool invests in a high quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state. The government utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the state treasurer’s investment pool.

As of December 31, 2020, the District had the following investments:

Investment Type	Maturity Time in Years			
	Less than 1	1-5	6-10	More Than 10
TexPool Investment Pool	\$3,207,172	\$ -	\$ -	\$ -
Total Investments	\$3,207,172	\$ -	\$ -	\$ -

Interest rate risk. In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than ten months.

Credit risk. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the District’s policy to limit its investments in these investment types to the top rating issued by NRSROs. As of December 31, 2020, the District’s investment in the TexPool Investment Pool was rated AAAM by Standard & Poor’s.

Concentration of credit risk. The District’s investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the government’s total investments. This restriction however does not apply to government investment pools due to the low risk nature of this type of investment.

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

LOST PINES GROUNDWATER CONSERVATION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

III. Detailed notes on all activities and funds (continued)

C. Capital Assets

Capital assets activity for the year ended December 31, 2020, was as follows:

Business-Type Activities:

	Balance 1/1/20	Increases	Decreases	Balance 12/31/20
Capital assets, not being depreciated:				
Land	\$ 30,158	\$ -	\$ -	\$ 30,158
Total capital assets, not being depreciated	30,158	-	-	30,158
Capital assets, being depreciated:				
Furniture and Equipment	10,904	-	-	10,904
Total capital assets, being depreciated	10,904	-	-	10,904
Less accumulated depreciation for:				
Furniture and Equipment	(10,904)	-	-	(10,904)
Total accumulated depreciation	(10,904)	-	-	(10,904)
Total capital assets being depreciated, net	-	-	-	-
Business-type activities capital assets	\$ 30,158	\$ -	\$ -	\$ 30,158

D. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage, or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the year, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

E. Commitments and Contingencies

The District was not involved in any litigation at year end which would require recording/ disclosure.

F. Subsequent Events

The District has evaluated subsequent events through April 9, 2021 which represents the date this report was available to be issued; and as a result, no events were noted which require recording and/or disclosure.

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OTHER REPORTING

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LOST PINES GROUNDWATER CONSERVATION DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL – PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Operating revenues:				
Pumping charges	\$ 1,323,243	\$ 1,323,243	\$ 1,312,700	\$ (10,543)
Total operating revenues	1,323,243	1,323,243	1,312,700	(10,543)
Operating expenses:				
Current:				
Personnel services	284,854	298,854	275,627	23,227
Purchased professional and technical services	812,000	812,000	377,643	434,357
Other operating expenses	226,389	212,389	63,269	149,120
Total expenditures	1,323,243	1,323,243	716,539	606,704
Excess (deficiency) of revenues over expenditures	-	-	596,161	596,161
Nonoperating revenues (expenses)				
Investment earnings	-	-	16,116	16,116
Total non-operating revenue (expenses)	-	-	16,116	16,116
Net change in net position	-	-	612,277	612,277
Net position - beginning	2,979,868	2,979,868	2,979,868	-
Net position - ending	\$ 2,979,868	\$ 2,979,868	\$ 3,592,145	\$ 612,277

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SINGLETON, CLARK
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors of
Lost Pines Groundwater Conservation District:

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 business-type activities of Lost Pines Groundwater Conservation District (the "District"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 9, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Singleton, Clark & Company, PC

Singleton, Clark & Company, PC
Cedar Park, Texas

April 9, 2021

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LOST PINES GROUNDWATER CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

FEDERAL AWARDS

Under the guidelines of federal Uniform Guidance, a Single Audit was not required due to expenses of federal awards being below \$750,000.

SECTION II – FINANCIAL STATEMENT FINDINGS

Findings Related to Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards:

No findings or questioned costs required to be reported in accordance with *Government Auditing Standards* for the years ended December 31, 2020 and 2019.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Findings Related to Federal Awards Which are Required to be Reported in Accordance with Federal Uniform Guidance:

Not Applicable.

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