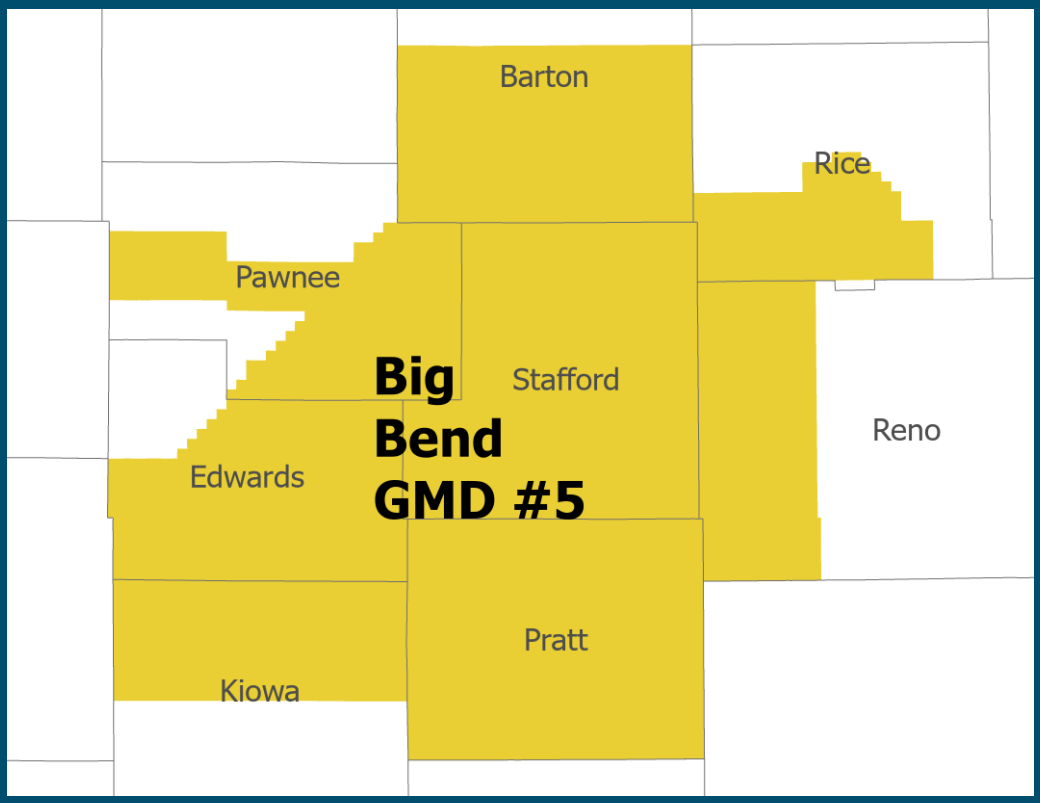


# ANNUAL REPORT 2025

***APPROVED***
***By GMD5 at 9:00 am, Jan 15, 2026***

oferil@gmd5.org
620-234-5352
www.gmd5.org
Stafford, Kansas

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# 2025 FINANCES

## Income

*Table 1 – Itemized Income by Class*

| 2025 ** Income | Administrative | Conservation Programs | Assistance Programs | Education Programs | Research and Investigation | Water Quality Programs | Other Programs | CKWBA | Salary | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|
| **Assessment Revenue** | 1,582,962.92 | - | - | - | - | - | - | - | - | 1,582,962.92 |
| **Grants** | 263,817.43 | - | - | - | - | - | - | - | - | 263,817.43 |
| **Interest Income** | 265,262.01 | - | - | - | - | - | - | - | - | 265,262.01 |
| **Miscellaneous Income** | 83,056.34 | 313.00 | 10,219.52 | - | - | - | - | - | - | 93,588.86 |
| **ITI Reimbursement** | 15,000.00 | 25,000.00 | - | - | - | - | - | - | - | 40,000.00 |
| **Total** | **2,210,098.70** | **25,313.00** | **10,219.52** | **-** | **-** | **-** | **-** | **-** | **-** | **2,245,631.22** |

** Not Yet Audited

# Expenditures

*Table 2 – Itemized Expenditures by Class*

| 2025 ** Expenditures | Administrative | Conservation Programs | Assistance Programs | Education Programs | Research and Investigation | Water Quality Programs | Other Programs | CKWBA | Salary | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|
| Building Expense | 975.93 | - | - | - | - | 298.52 | - | - | - | 1,274.45 |
| Business Dinners | 935.08 | - | - | - | - | - | - | - | - | 935.08 |
| Central Kansas Water Bank | 10,773.40 | - | - | - | - | - | - | 27,496.79 | 35,184.51 | 73,454.70 |
| Dues and Memberships | 775.00 | - | - | - | - | - | - | - | - | 775.00 |
| Field Equipment | - | 5,775.20 | - | - | | 150.95 | - | - | - | 5,926.15 |
| Insurance | 15,332.00 | - | - | - | - | - | - | - | - | 15,332.00 |
| ITI Expenditures | 15,000.00 | 25,000.00 | - | - | - | - | - | - | | 40,000.00 |
| Office Equipment | 1,676.15 | - | - | 433.08 | - | - | - | - | - | 2,109.23 |
| Office Supplies | 3,980.64 | - | - | - | - | - | - | - | - | 3,980.64 |
| Other Expenses | 35.38 | - | - | - | - | - | - | - | - | 35.38 |
| Payroll Expenses | 68,079.92 | - | - | - | - | - | - | - | 302,094.05 | 370,173.97 |
| Postage | 4,115.52 | 14.85 | - | 669.90 | - | 88.05 | - | - | - | 4,888.32 |
| Printing and Publication | 5,058.16 | - | - | 2,978.50 | - | - | - | - | - | 8,036.66 |
| Professional Fees | 39,420.52 | - | - | 153,742.16 | 68,866.72 | - | - | 383.07 | - | 262,412.47 |
| Travel & Conference | - | - | - | 4,769.82 | - | - | - | - | - | 4,769.82 |
| Utilities | 6,284.47 | 600.00 | - | - | - | - | - | - | - | 6,884.47 |
| Water Management | - | 5,334.61 | - | 65,004.00 | 41,967.50 | 8,174.91 | - | - | - | 120,481.02 |
| Watershed Plan | - | - | - | - | 209,466.96 | - | - | - | - | 209,466.96 |
| Weather Stations | - | 11,866.68 | - | - | - | - | - | - | - | 11,866.68 |
| **Total** | **172,442.17** | **48,591.34** | **-** | **227,597.46** | **320,301.18** | **8,712.43** | **-** | **27,879.86** | **337,278.56** | **1,142,803.00** |

** Not Yet Audited

# Generalized Financial Statement

## *Table 3 – Generalized Financial Statement*

| | 2023 Actual | 2024 Actual | 2025 Actual * | 2026 Adopted | 2027 Proposed ** |
|---|---|---|---|---|---|
| **Cash January 1** | 3,839,550.00 | 4,209,449.33 | 5,361,720.31 | 3,223,096.68 | 6,489,010.49 |
| **Assessment Revenue** | *1,627,753.04* | *1,575,986.22* | *1,582,962.92* | *1,583,152.22* | *1,580,205.85* |
| **Interest** | *31,857.00* | *235,100.00* | *260,221.49* | *120,000.00* | *250,000.00* |
| **Reimbursements** | *452,245.46* | *353,828.76* | *374,672.60* | *500,000.00* | *3,700,000.00* |
| **Other** | *104,595.35* | *95,060.00* | *93,588.86* | *90,000.00* | *90,000.00* |
| **Total Revenue** | 6,056,000.85 | 6,469,424.31 | 7,673,166.18 | 5,516,248.90 | 12,109,216.34 |
| *Salaries* | *202,316.77* | *283,036.46* | *317,021.38* | *310,000.00* | *400,000.00* |
| *Employee Benefits* | *42,739.02* | *55,165.31* | *59,184.21* | *62,000.00* | *80,000.00* |
| *Payroll Tax* | *15,405.21* | *21,431.70* | *24,050.89* | *31,000.00* | *40,000.00* |
| **Personnel Services** | 260,461.00 | 332,489.00 | 400,256.48 | 403,000.00 | 520,000.00 |
| *Travel & Conference* | *16,154.00* | *12,805.00* | *4,769.82* | *20,000.00* | *20,000.00* |
| *Printing & Publishing* | *6,253.00* | *6,537.00* | *8,036.66* | *15,000.00* | *15,000.00* |
| *Utilities* | *7,058.00* | *6,448.00* | *6,884.47* | *15,000.00* | *15,000.00* |
| *Field Equipment* | *10,733.00* | *2,589.00* | *5,926.15* | *10,000.00* | *15,000.00* |
| *Building Expense* | *8,673.09* | *2,296.00* | *1,274.45* | *15,000.00* | *15,000.00* |
| *Office Equipment* | *4,559.18* | *5,161.00* | *2,109.23* | *10,000.00* | *10,000.00* |
| *Office Supplies* | *2,550.00* | *6,595.00* | *3,980.64* | *5,000.00* | *5,000.00* |
| **Administration** | 55,980.27 | 42,431.00 | 32,981.42 | 90,000.00 | 95,000.00 |
| *Water Management* | *697,859.00* | *161,414.00* | *120,481.02* | *1,000,000.00* | *1,000,000.00* |
| *Professional Fees* | *348,902.00* | *345,418.00* | *262,052.59* | *500,000.00* | *500,000.00* |
| *Weather Stations* | *17,615.00* | *11,417.00* | *11,866.68* | *22,000.00* | *22,000.00* |
| *Insurance* | *14,903.00* | *15,074.00* | *15,332.00* | *20,000.00* | *23,000.00* |
| *Postage* | *977.00* | *1,350.00* | *4,596.32* | *4,000.00* | *6,000.00* |
| *Business Dinners* | *1,330.00* | *1,754.00* | *935.08* | *2,000.00* | *2,000.00* |
| *Other* | *222.25* | *86.00* | *35.38* | *2,000.00* | *2,000.00* |
| *Dues & Membership* | *1,250.00* | *775.00* | *775.00* | *750.00* | *750.00* |
| **Other Expenses** | 1,083,058.25 | 537,288.00 | 416,074.07 | 1,550,750.00 | 1,555,750.00 |
| *Watershed Planning* | *447,052.00* | *195,496.00* | *209,466.96* | | |
| *Watershed Design/Implem* | - | - | | *750,000.00* | *3,600,000.00* |
| *Misc. Cons. Programs* | - | - | *25,000.00* | *400,000.00* | *400,000.00* |
| *Water Bank* | - | - | *35,953.57* | | |
| **Projects / Grants** | 447,052.00 | 195,496.00 | 270,420.53 | 1,150,000.00 | 4,000,000.00 |
| **Contingency Reserve** | | | | 2,322,498.90 | 5,938,466.34 |
| **Total Expenditures** | 1,846,551.52 | 1,107,704.00 | 1,119,732.50 | 5,516,248.90 | 12,109,216.34 |
| **ASSESSMENT BASE** | | | | | |
| **Land (ac)** | 2,265,764.31 | 2,275,081.14 | 2,277,283.99 | 2,265,764.31 | 2,274,997.05 |
| **Water (AF)** | 734,932.00 | 733,466.00 | 733,466.00 | 734,932.00 | 733,228.00 |
| **ASSESSMENT RATE** | | | | | |
| **Land (per ac)** | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 |
| **Water (per AF)** | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Cash On Hand (Dec. 31) | 4,209,449.33 | 5,361,720.31 | 6,489,010.49 | 2,322,498.90 | 5,938,466.34 |

* Not Yet Audited

** DRAFT

## District Assets

*Table 4 – General List of District Assets*

| Date | Item Description | Price |
|---|---|---|
| July 1984 | 40'x60'x12' Office Building | 100,000.00 |
| February 1994 | Century Geophysical Gamma Probe and Drawworks | 31,000.00 |
| May 2006 | WR File No. 19014 [ 90 AF ] | 54,000.00 |
| May 2006 | WR File No. 35806 [ 195 AF ] | 117,000.00 |
| May 2006 | WR File No. 35807 [ 195 AF ] | 117,000.00 |
| September 2008 | WR File Nos. 29273, 36563, 36564 [ 33 AF ] | 23,100.00 |
| June 2012 | WR File Nos. 16669, 28568 [ 225.5 AF ] | 428,450.00 |
| November 2016 | GE Panametrics PT878 Ultrasonic Flowmeter | 7,730.00 |
| December 2019 | In-Situ LevelTroll 500 Sensors (9) | 13,341.00 |
| February 2020 | S2 N2 SW1/4 11-24S-11W [ 40 ac ] | 49,000.00 |
| February 2020 | S2 NW1/4 03-24S-11W [ 80 ac ] | 116,800.00 |
| January 2021 | 2021 Chevrolet Silverado | 36,243.00 |
| November 2021 | 5 Parcels including WR File No. 45846 [ 15 AF / 640 ac ] | 2,089,500.00 |
| June 2023 | 2023 Chevrolet Silverado | 55,000.00 |
| December 2023 | NW1/4 24-23S-11W [ 156.91 ac ] | 393,840.00 |
| Varies | Campbell Scientific Weather Stations (12) | 50,000.00 |
| March 2024 | Hach HQ440d Multiparameter ISE kit (Chloride & Nitrate) | 4,328.00 |
| December 2024 | Solinst Discrete Interval Sampler | 2,001.74 |
| December 2024 | Hach DR900 Multiparameter Portable Colorimeter | 1,992.40 |
| **Total** | | **3,690,326.14** |

## 2024 Financial Audit

As of the date of this annual report, the 2025 financial statements have not yet been audited in accordance with K.S.A. 75-1120a. However, the 2024 audit report is attached for reference as Attachment A.

# 2026 ADOPTED BUDGET

## BIG BEND GROUNDWATER MANAGEMENT DISTRICT NO. 5

### ADOPTED 2026 BUDGET

| | | | |
|---|---|---|---|
| EXPENDITURES | | | |
| PERSONNEL SERVICES | | | |
| | SALARIES | $ | 310,000.00 |
| | EMPLOYEE BENEFITS | $ | 62,000.00 |
| | PAYROLL TAXES | $ | 31,000.00 |
| ADMINISTRATION | | | |
| | PRINTING & PUBLICATIONS | $ | 15,000.00 |
| | TRAVEL & CONFERENCE | $ | 20,000.00 |
| | UTILITIES | $ | 15,000.00 |
| | FIELD EQUIPMENT | $ | 10,000.00 |
| | BUILDING EXPENSE | $ | 15,000.00 |
| | OFFICE SUPPLIES | $ | 5,000.00 |
| | OFFICE EQUIPMENT | $ | 10,000.00 |
| OTHER EXPENSES | | | |
| | WATER MANAGEMENT | $ | 1,000,000.00 |
| | WATERSHED PLAN | $ | 750,000.00 |
| | PROFESSIONAL FEES | $ | 500,000.00 |
| | CONSERVATION PROGRAMS | $ | 400,000.00 |
| | WEATHER STATION EXPENSE | $ | 22,000.00 |
| | INSURANCE | $ | 20,000.00 |
| | POSTAGE | $ | 4,000.00 |
| | OTHER | $ | 2,000.00 |
| | BUSINESS DINNERS | $ | 2,000.00 |
| | DUES & MEMBERSHIPS | $ | 750.00 |
| | TOTAL BUDGET | $ | 3,193,750.00 |
| ASSESSMENT RATES | | | |
| | PER ACRE | $ | 0.05 |
| | PER ACRE-FOOT | $ | 2.00 |

# ACTIVITIES

## Description of Activities

Throughout FY2025, the District has worked closely with local, state, and federal agencies to develop long-term solutions for a sizable portion of the region. This includes facilitating projects to bring groups together that, at times, have significantly different points of view on issues. Meanwhile, internally, District staff has spent considerable time working with individual water users to identify beneficial conservation programs, troubleshoot problems with diversion works, and providing important datasets for public use. The District relies heavily on data collected by District staff throughout the calendar year. This information is utilized not only by local water users but also state and federal entities in evaluating the health of the local aquifer. The District is actively engaged in several complex priority projects that require large investments of time and resources.

### *Watershed Plan -Environmental Impact Statement Development*

In 2025, the District's contractor (Olsson), in coordination with USDA-NRCS and District staff, conducted dozens of meetings and invested thousands of hours to move the fully funded PL-566 Watershed Plan-Environmental Impact Statement to a finalized plan. The finalized plan encompasses a thorough evaluation of a variety of alternatives for the long-term agricultural water management within the Rattlesnake Creek region and to meaningfully address the Quivira NWR impairment. The plan has undergone initial stakeholder scoping and comments followed by thorough evaluation by state and federal agencies. In 2025, the draft plan was published to the federal register for public input and comment. Over 100 comments were received from agencies, special interest groups, and private landowners. Throughout the summer, Olsson, USDA-NRCS, and the District worked to respond to and address the comments as well as update the draft plan. The federal shutdown did have an impact on the timeline for the plan as meetings could not be held to get further clarification from federal agencies. The Watershed Plan is finalized published to the Federal Register for 30 days. Following the 30-day period, the Record of Decision will be issued in Q1 2026.

### *Short-Term Water Resource Availability for Quivira NWR*

Over the past two years, the District has been an active participant in the stakeholder working group convened by KDA-DWR to put together short-term projects to provide "measurable progress" toward addressing the impairment at Quivira NWR. The group met a few times in 2025 to review the project progress, including pilot augmentation of streamflow, water bank deposit compensation (CAMP), water right offsets and a proposed water conservation area. Based on these efforts by the working group, KDA-DWR determined that broad administration of water rights in the region would not be necessary in 2025 or 2026. In late 2025, the District-owned water rights in the Rattlesnake Creek region were leased to KDA-DWR for the pilot augmentation project.

### *Water User Assistance*

On a daily basis, the District receives calls, visits or other correspondence from area water users requesting assistance from staff for addressing individual concerns. These concerns range from inquiries regarding how much water has been used within the calendar year, water meter compliance, water quality concerns, and further program-specific questions.

### *Hydrologic Data Collection*

Since the District's formation, data collection has been central to its mission. The District owns and maintains a network of weather stations that provide real-time weather data to area water users. This information is used throughout the growing season to support irrigation scheduling, ensuring water is applied to crops only when needed at the most effective times.

Throughout 2025, District staff collected hundreds of groundwater level measurements across the region to maintain a clear understanding of aquifer conditions. A key area of focus this year has been increasing awareness of groundwater quality. For several years, the District has coordinated with Kansas State University researchers to collect water quality data from private wells and to improve understanding of existing conditions within the aquifer.

Building on efforts initiated in 2024, the District further streamlined its water quality laboratory processes to provide rapid assessments of chloride and nitrate concentrations from water samples submitted by the public. The District offers free sample bottles along with clear instructions to ensure proper collection. Once samples are returned to the District's laboratory, staff analyze them and provide results at no cost. This service offers a timely and effective

means of collecting and sharing critical groundwater quality data for the region, and the District intends to continue offering this service in the coming years.

### *Irrigation Technology Initiative*

Following the success of the Conservation Innovation Grant project in Rattlesnake Creek region, the five groundwater management districts partnered with KDA-DOC to launch the Irrigation Technology Initiative (ITI) in Kansas. Funded in-part by the State of Kansas Water Plan, ITI provides system assessments that help producers better understand the efficiency of their irrigation systems. The District's irrigation engineer consultant has completed nearly 20 assessments with several more awaiting field evaluations. In recent weeks, the water users met with the irrigation engineer and District staff to review the evaluation report for their respective irrigation system. In these meetings, the water users were able to glean a deeper understanding of the issues they face and work through potential solutions. When combined with earlier evaluations, the District is now well positioned to offer ITI cost-share opportunities for more than 50 center pivot systems. Interest in the program continues to grow, and the District is actively advocating for ongoing funding to support this initiative.

## How Expenditures Conserve and Reduce Consumptive Use of Water

The District continues to evaluate the effectiveness of its programs in conserving water and reducing consumptive use. In this region of Kansas, however, water conservation differs from approaches used in areas with more limited aquifer supplies. Recent findings from the Kansas Geological Survey indicate that the Great Bend Prairie aquifer is currently within 1.6% of long-term sustainability. This finding does not suggest that action is unnecessary; rather, it underscores the District's responsibility to protect both water quantity and water quality.

That responsibility is further complicated by the District's location within a transition zone between intermittent and perennial streamflows. To address these challenges, the District places a strong emphasis on data collection and analysis related to groundwater quantity and quality. A more detailed understanding of how the aquifer responds to various management decisions enables the District to develop more effective conservation programs and to support the long-term sustainability of the region's water resources.

### *Efficient Water Use & Spatial Water Re-Allocation*

The District utilizes several programs to promote efficient water use, including the Central Kansas Water Bank Association (CKWBA), a weather station network to support irrigation scheduling, and a water flow meter compliance program. Because the District has been closed to new water appropriations for more than thirty years, it has focused on programs that facilitate the movement of water within the region.

The District currently has regulations (K.A.R. 5-25-18 and K.A.R. 5-25-22) and programs, such as the CKWBA, that allow water to be moved over long distances within District boundaries while requiring conservation and accounting for the area's specific hydrologic conditions. The District also coordinates with the Kansas Department of Agriculture–Division of Water Resources (KDA-DWR) on data analysis and evaluations for applications to change the location of water rights over long distances. This data sharing is critical to achieving cohesive and effective management of the region's water resources.

### *Long-Term Water Resource Availability for Quivira NWR*

In the Rattlesnake Creek region, the District is working with its consultant, Olsson, to complete the Watershed Plan-EIS. This plan is evaluating a suite of solutions previously suggested by various stakeholder groups and agencies to put forward a long-term sustainable resolution to the longstanding water resource concerns in the region.

### *Additional Efforts*

Beyond the Watershed Plan-EIS process, the District has expended millions of dollars on retiring water rights and secure lands to conduct site-specific hydrologic studies. These efforts are focused on evaluating the best data available to reduce the water stresses impacting Rattlesnake Creek streamflows and water resource availability at Quivira NWR.

## Prevention of Economic Deterioration and Stabilization of Agriculture

This issue is one of significant consideration in the Rattlesnake Creek region. Over the past several years, there have been plans considered or proposed that, based on recent economic studies, would have a significant impact on the local economy of Stafford County. While politically complicated, the District has been meeting with state and federal officials to determine the appropriate course of action to minimize the impact on the agricultural economy

while providing a reliable and sustainable water resource for the management goals and objectives for Quivira NWR.

## Other Activities from the Management Program

### *District Hydrologic Modeling*

In 2008, the District contracted with Balleau Groundwater Inc. (BGW) to construct a hydrogeologic model for the entire District plus the upstream drainage basins that generate the District supply. Over the following two years, the BGW worked with District staff and a Technical Advisory Committee to develop this hydrogeologic model of the regional aquifer system. The group had two primary tasks:

1. Clarify the relationship between alternative management actions and the resultant hydrologic conditions to the aquifer and streams.

2. Provide a tool capable of addressing questions of watershed management, aquifer sustainability, source-water accounting and conditions of the aquifer and streams.

The District's model has been utilized by several agencies to consider the effects of water management changes on the local aquifer and stream systems. In 2023, the District directed BGW to refine and update the model with up-to-date data and information using the most recent revisions of MODFLOW. The update has been completed and BGW is currently working on a report to document the updates and modifications. The updated model will be available for District use in Q1 2026.

### *Aquifer Water Quality*

The water quality of the Great Bend Prairie aquifer has been monitored and studied for several years. Specifically, the District and the Kansas Geological Survey partnered in the 1970-1990s to get a better understanding of the naturally occurring chloride concentrations in the Eastern half of the District. This area has been referred to as the "Mineral Intrusion Area." The District has regulations in place to monitor this area. In recent years, the District has worked with Kansas State University researchers to collect and analyze water samples for nitrate concentrations. To date, these samples have shown elevated levels of nitrates in the aquifer, but further sampling and assessment is needed to determine a proper course of action. The District has secured water sampling and analysis equipment to assist public and private water

users with determining the water quality from regional water wells. The District is escalating efforts to encourage all water users, public and private to have their water wells tested.

### *Central Kansas Water Bank Association*

Water banking originated out of the Quivira/Rattlesnake Creek Partnership Plan as part of a collective effort to reduce water use in that subbasin. As the program developed, it became apparent that it could be applied in all of the subbasins in the District. The Central Kansas Water Bank Association (CKWBA) is a not-for-profit corporation operated by the same staff but overseen by an independent board of directors. The CKWBA has two distinct programs for providing flexibility to area water users while requiring water conservation. The first program (Savings Account) allows a portion of unused water to be preserved for future use at the same location. The second program (Deposit & Lease) is for the transfer of the historical water use of a water right(s) to other areas within the same subbasin. These programs have gained in popularity and give water users added water use flexibility while conserving water. The CKWBA has adopted a new charter to significantly improve water conservation across the region while providing flexibility for water use. In addition to these efforts, the CKWBA has provided the framework needed to implement the Compensated Allocation Management Program (CAMP) for the working group effort in the Rattlesnake Creek region. CKWBA has facilitated nearly 2,000 acre-feet of streamflow benefit and is the largest contributor to the measurable progress in the working group.

# ACTION PLAN (2026)

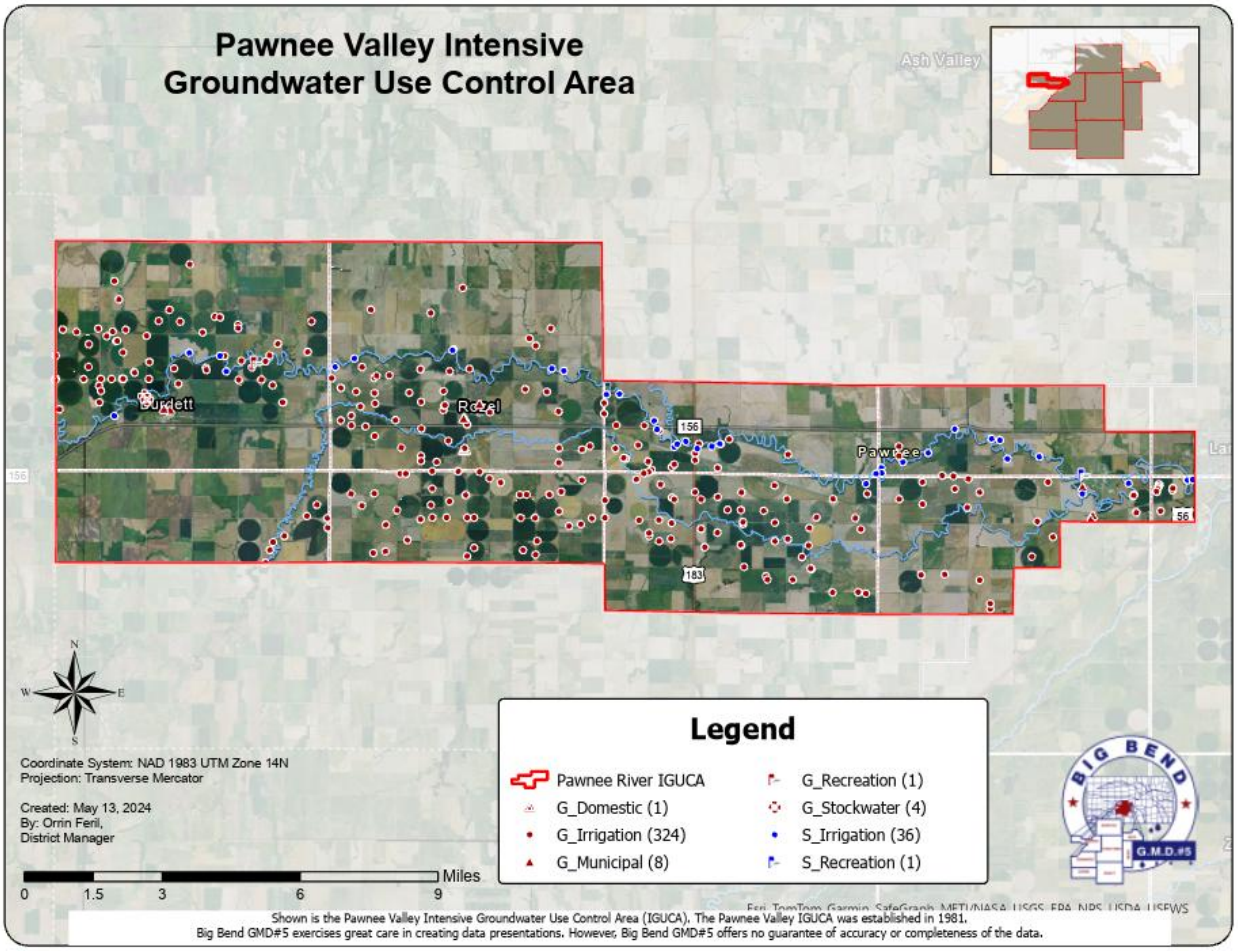
## Summary

The District has implemented a variety of programs to address hydrologic issues throughout the region since the inception of the District in 1976. Early in the District's history this involved the development of the District's management program which resulted in the establishment of several policies and regulations that laid the foundation for the current hydrologic conditions of the region. These included strict monitoring of water use with flow meters, well spacing requirements, discouragement of waste of water and encouragement of the re-used water sources. Recently, the Kansas Geological Survey published a technical publication which indicated the District is within 1.6% from sustainable water level fluctuations (Whittemore, Butler, Jr., & Wilson, 2023). This study looks at the average annual water level fluctuations in comparison to the annual withdrawals from the aquifer through well diversions. This does not, however, indicate that there are no issues to address within the region but rather the goal of long-term sustainability is within reach for the region. As the District works through this process, there are two subsections below: 1) Priority Areas of Concern and 2) Supplemental Areas Under Consideration. These areas have been submitted and accepted by the Chief Engineer per K.S.A. 82a-1044 in July 2024. The areas of concern and supplemental areas are published to the District's website (https://gmd5.org/annual-report) for public outreach.

## Priority Areas of Concern

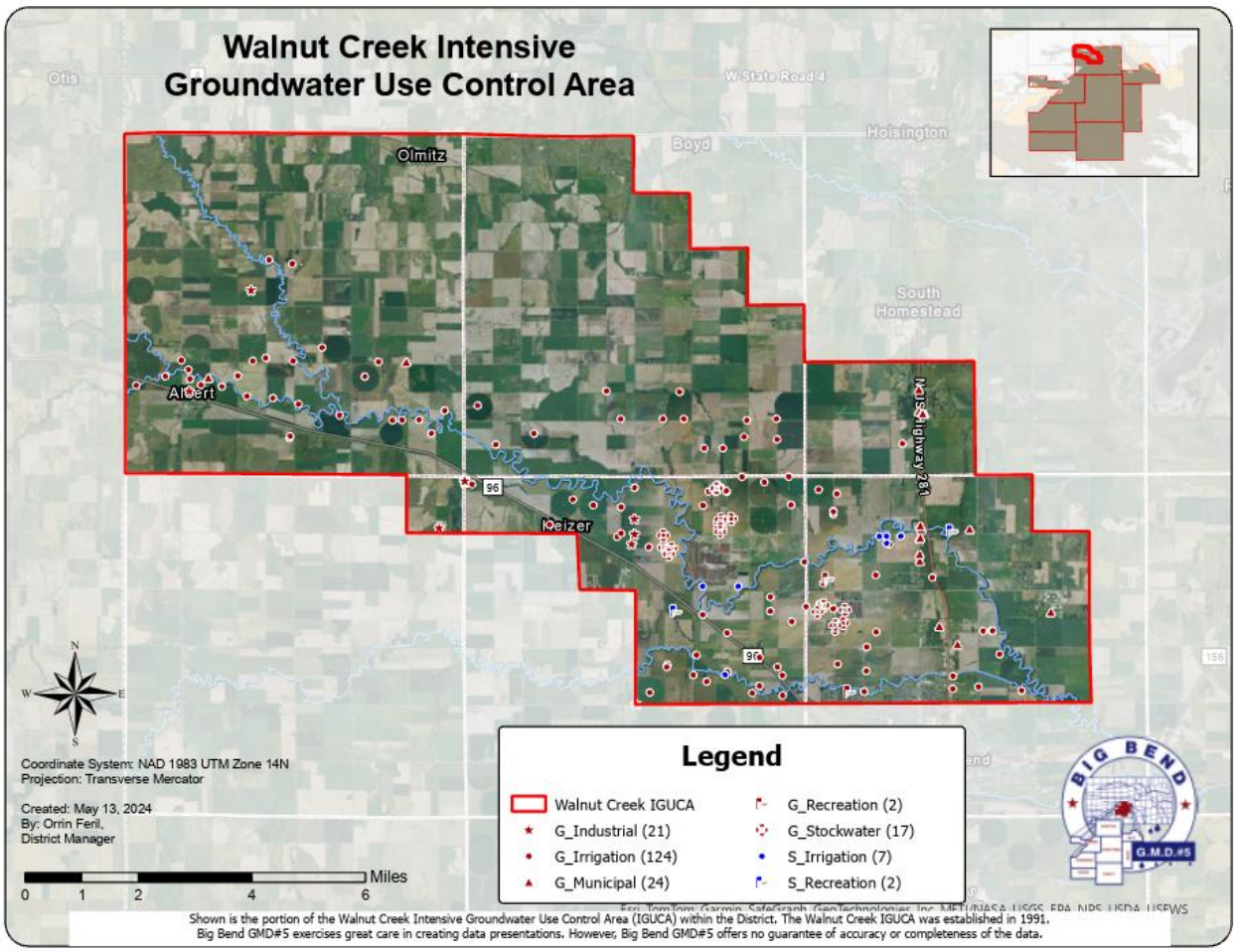
### *Water Quantity*

### *Pawnee Valley Intensive Groundwater Use Control Area*



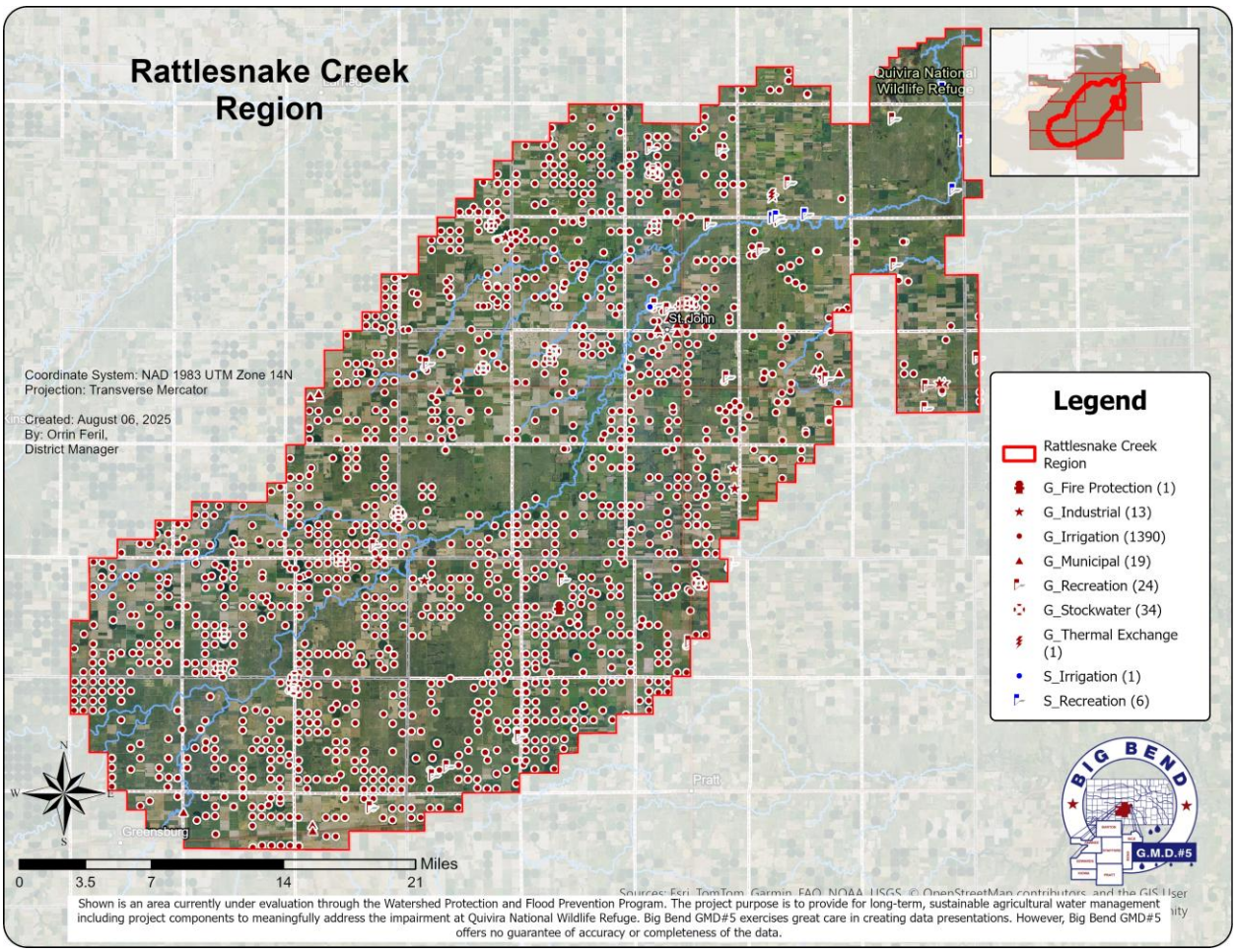

In 1980, the District noted declining water levels in the region upstream from the City of Larned along the Pawnee River. Accordingly, the District requested that the Chief Engineer initiate proceedings for an Intensive Groundwater Use Control Area (IGUCA). Following public hearings in late 1980, the Chief Engineer issued the Pawnee Valley IGUCA order. In the years since its establishment, this order has been amended twice by KDA-DWR at the request of the District. In 2007, the Phase I order was issued to expand the IGUCA to the upstream watershed to the west. However, this expansion has not taken place at this point. The Kansas Department of Agriculture – Division of Water Resources maintains a website with a useful timeline and details regarding the corrective controls and copies of the Pawnee Valley IGUCA orders (Department of Agriculture, 2007).

*Walnut Creek Intensive Groundwater Use Control Area*




In early 1990, in response to reports from KDA-DWR, the Kansas Department of Wildlife and Parks, along with the District, requested the Chief Engineer initiate proceedings for an IGUCA in the watershed upstream of Cheyenne Bottoms Wildlife Area. There were concerns that the water withdrawals from the watershed had negatively impacted the groundwater levels to an extent that Walnut Creek was negatively affected thus limiting the supply of water to Cheyenne Bottoms. Following public input and formal public hearings throughout 1990 and 1991, the Chief Engineer established the Walnut IGUCA in portions of Rush, Ness, and Barton counties. The Kansas Department of Agriculture – Division of Water Resources' website has another useful timeline with details regarding the corrective controls and copies of the Walnut Creek IGUCA orders (Department of Agriculture, 2021).

## *Rattlesnake Creek Region*

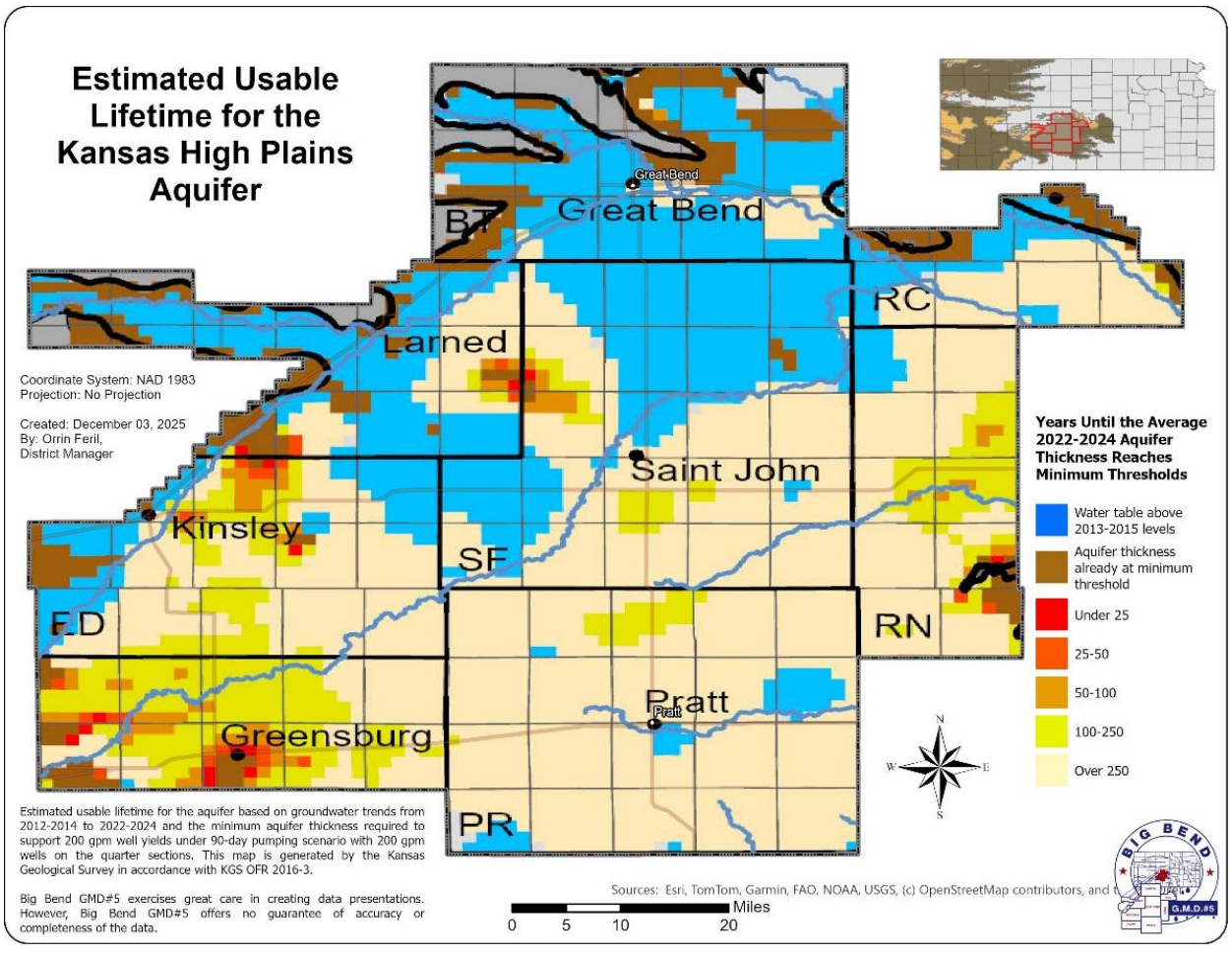



For several years, the District has been working with local, state, and federal agencies to develop a long-term sustainable program to address the water resource needs at Quivira National Wildlife Refuge ("Refuge") in Stafford County. Since 2020 the District has contracted with Olsson to conduct a thorough evaluation of several alternatives for water management issues in the Rattlesnake Creek region. This highly anticipated plan is nearing completion and will provide a long-term sustainable program to the region that is largely funded by USDA-NRCS funds through the Watershed Protection and Flood Prevention Program. Currently the plan is finalized and awaiting record of decision from NRCS. Meanwhile, the Kansas Department of Agriculture - Division of Water Resources has initiated a working group of stakeholder organizations to coordinate efforts to implement short-term projects for providing water use conservation and/or streamflow improvements. The District is involved in this working group effort while finalizing the larger long-term resolution for the region.

## *Estimated Useable Lifetime Evaluation*

The Kansas Geological Survey (KGS) has developed a method to project historic water-level trends into the future and estimate how long the aquifer can continue supplying reliable well yields. By combining the current saturated thickness with the previous ten years of measured water level change, KGS calculates an "Estimated Useable Lifetime" for the aquifer. This process identifies the minimum aquifer saturated thickness needed to consistently produce 200 gallons per minute from a well.

Although, KGS notes that the method is most accurate for the Ogallala portion of the High Plains Aquifer located farther west of the District, it still provides valuable insight into areas that may face reduced well yields over time. The map below is the Estimated Usable Lifetime map as of 2023. Quarter sections shaded brown have already reached the minimum threshold, which in this region typically occurs along aquifer edges or over higher bedrock elevation.

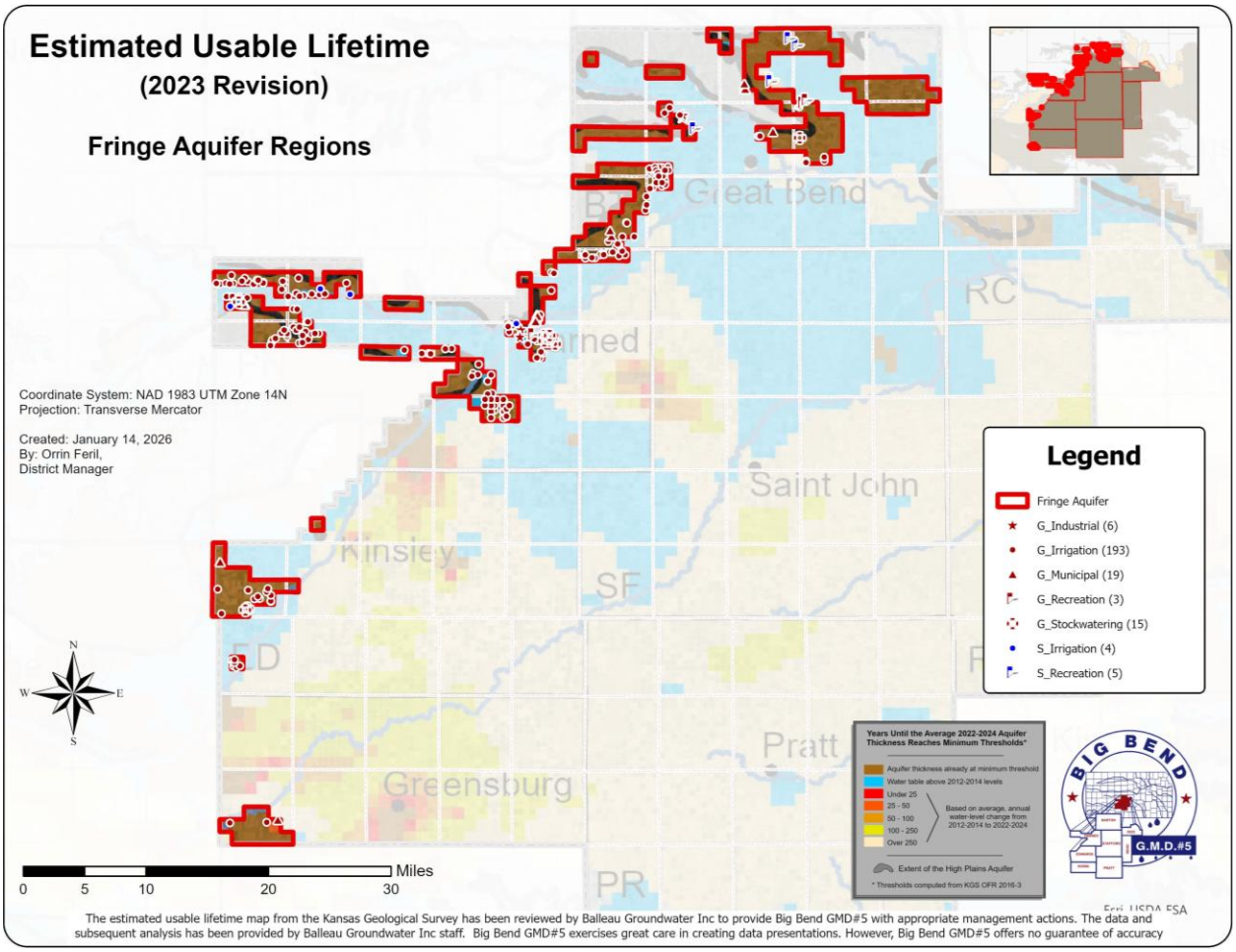


In 2025, the District requested additional analysis by BGW, in coordination with the Kansas Geological Survey (KGS), for specific areas to help determine appropriate management actions. This analysis was completed in December 2025 and presented to the Board of Directors on December 11, 2025.

The analysis indicated that areas identified as having less than 50 years of estimated usable aquifer life were in similar condition prior to large-scale water right development in the region. Specifically, these areas were characterized by thin saturated thickness during what KGS refers to as the predevelopment period (1940s–1950s).

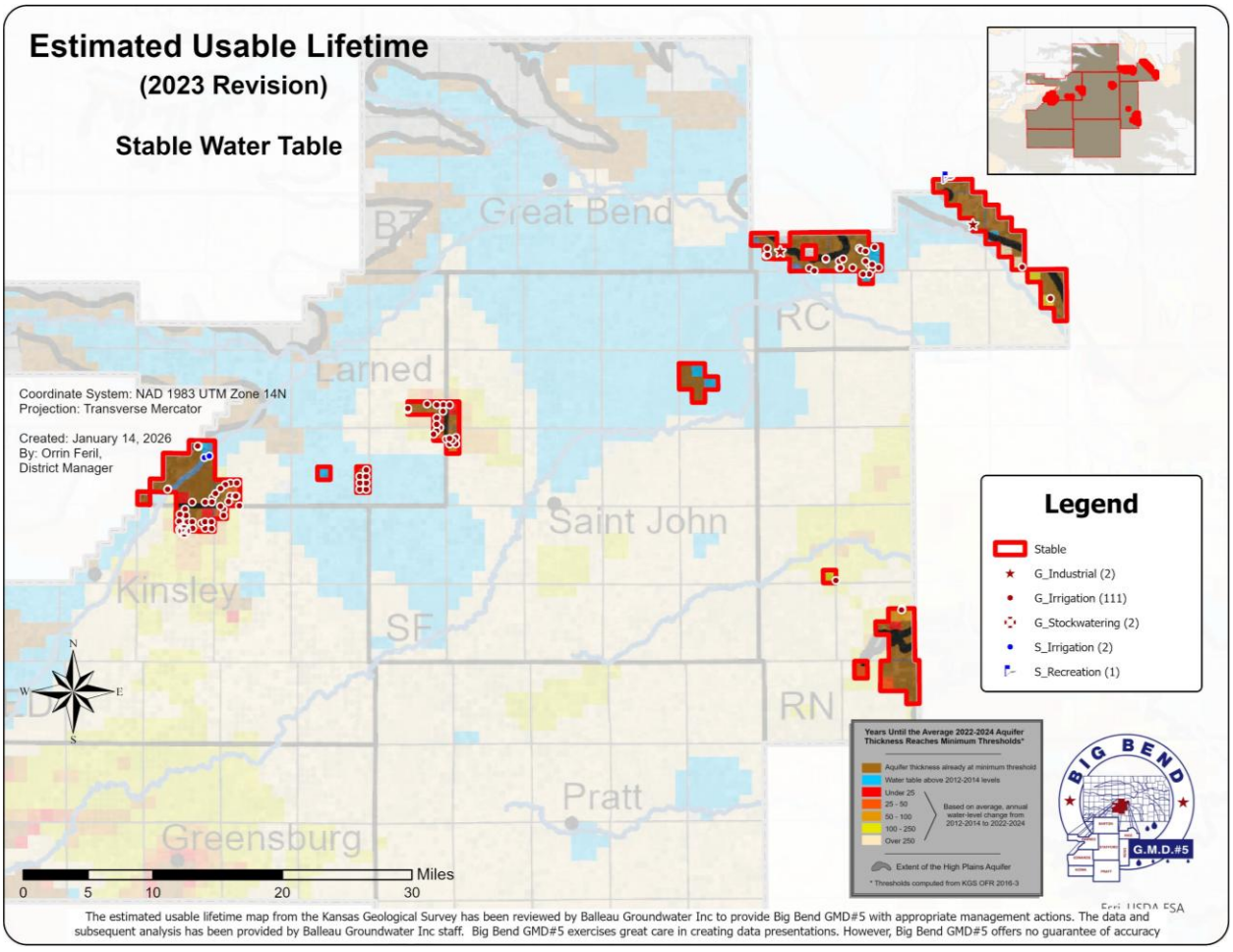
The areas discussed at the December 2025 board meeting are shown in the following maps and have been designated as priority areas of concern. For management and evaluation purposes, they are categorized into three classifications:

(1) Fringe aquifer areas
(2) Areas with stable water levels
(3) Areas with declining water levels




The estimated usable lifetime map from the Kansas Geological Survey has been reviewed by Balleau Groundwater Inc to provide Big Bend GMD#5 with appropriate management actions. The data and subsequent analysis has been provided by Balleau Groundwater Inc staff. Big Bend GMD#5 exercises great care in creating data presentations. However, Big Bend GMD#5 offers no guarantee of accuracy

The red-outlined regions shown on the map represent areas along the margins of the Great Bend Prairie aquifer where the saturated thickness is thin. Available datasets indicate that these areas have exhibited thin saturated thickness for as long as records exist. Approximately 250 points of diversion are located within these 24 regions. Some of the 24 regions are as small as a single section along the edges of the District boundary. Water table levels in these regions do not tend to fluctuate significantly from year to year, indicating limited capacity for improvement through management actions.

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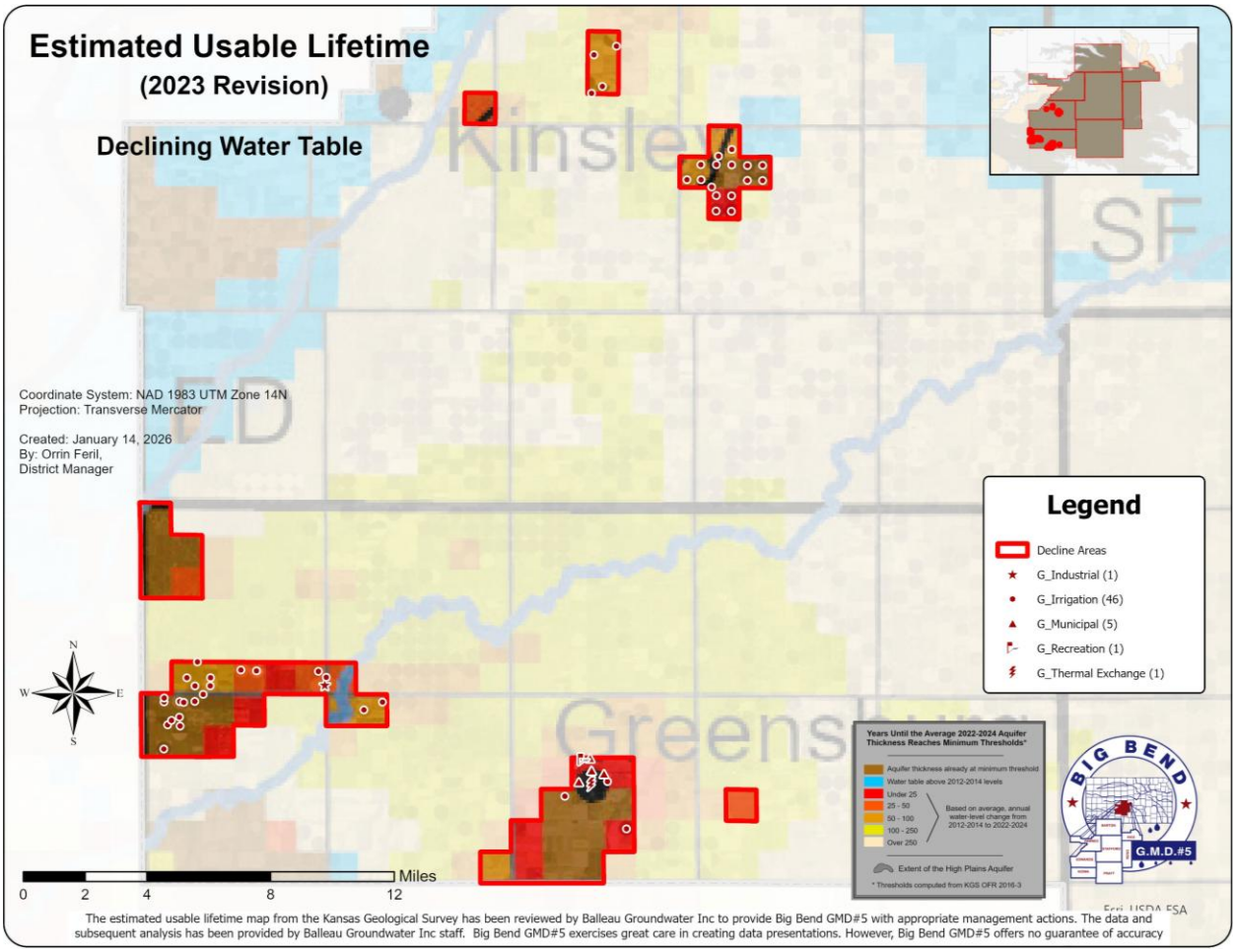
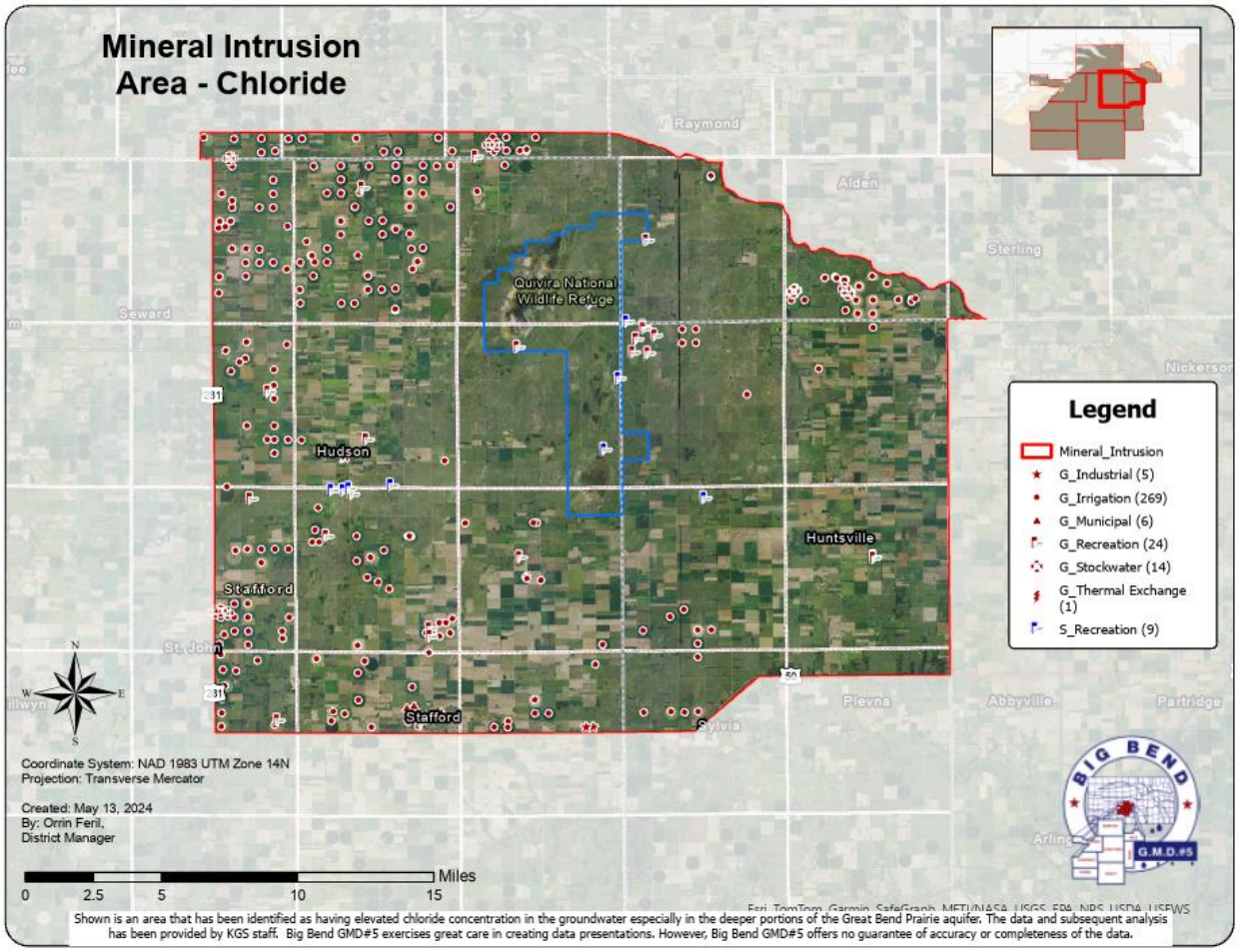
According to analysis by BGW, the water level trends in the red-outlined areas shown on the map have remained generally stable over the past 40 years. Areas not located along the edges of the District boundary represent “bedrock islands,” where the aquifer thickness is thinner than in surrounding areas. In these locations, the water table does fluctuate from year to year in response to recharge events. However, the overall long-term trend remains stable at this point. There are approximately 120 points of diversion within these 12 areas.




The analysis provided by BGW indicated that the regions outlined in red above represent thin portions of the aquifer that have experienced localized water level declines over the past 40 years. These declining trends are generally less than one-quarter foot per year over that period. The water levels do fluctuate in response to water recharge events, indicating potential responsiveness to management actions. Approximately 50 points of diversion are located within these seven regions, including five points of diversion serving the City of Greensburg's public water supply.

## *Water Quality*

### *Chloride*



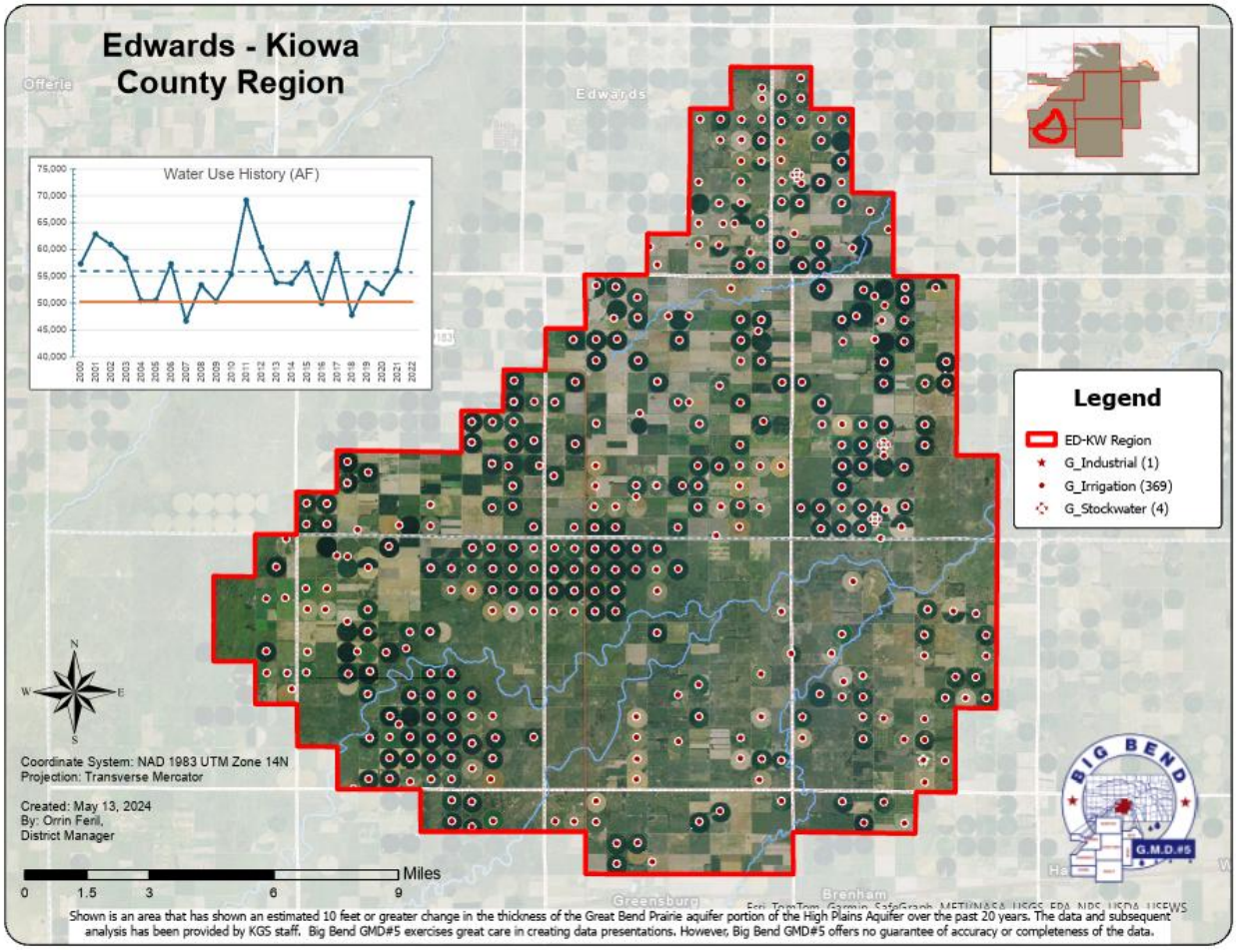

In the late 1970's to the early 1990's, with coordination with KGS staff, the District initiated a significant study of the water quality in the eastern half of the District. Specifically, this study identified the intrusion of saltwater (from the dissolution of salt) in the Permian bedrock into the overlying Great Bend Prairie aquifer (Whittemore D. O., 1993). As a result of this study, the District identified the Mineral Intrusion area and instituted regulations to reduce the up coning of the brackish water into the Great Bend Prairie aquifer through groundwater pumping. The District maintains a network of observation wells throughout the region to collect water samples to track changes in the regional water quality. Each of these observation wells will be sampled in the coming year to reinitiate the water quality testing in this region.

## Supplemental Areas Under Consideration

The District board is in the process of collecting data sets for additional analysis and observation. The District either does not yet have enough data to sufficiently identify the area or considers the area to not currently require action. This does not preclude the District from escalating such areas to Priority Areas of Concern in future revisions of this document. This section will be utilized for identifying active areas being investigated and studied by the District and other partners.

### *Water Quantity*

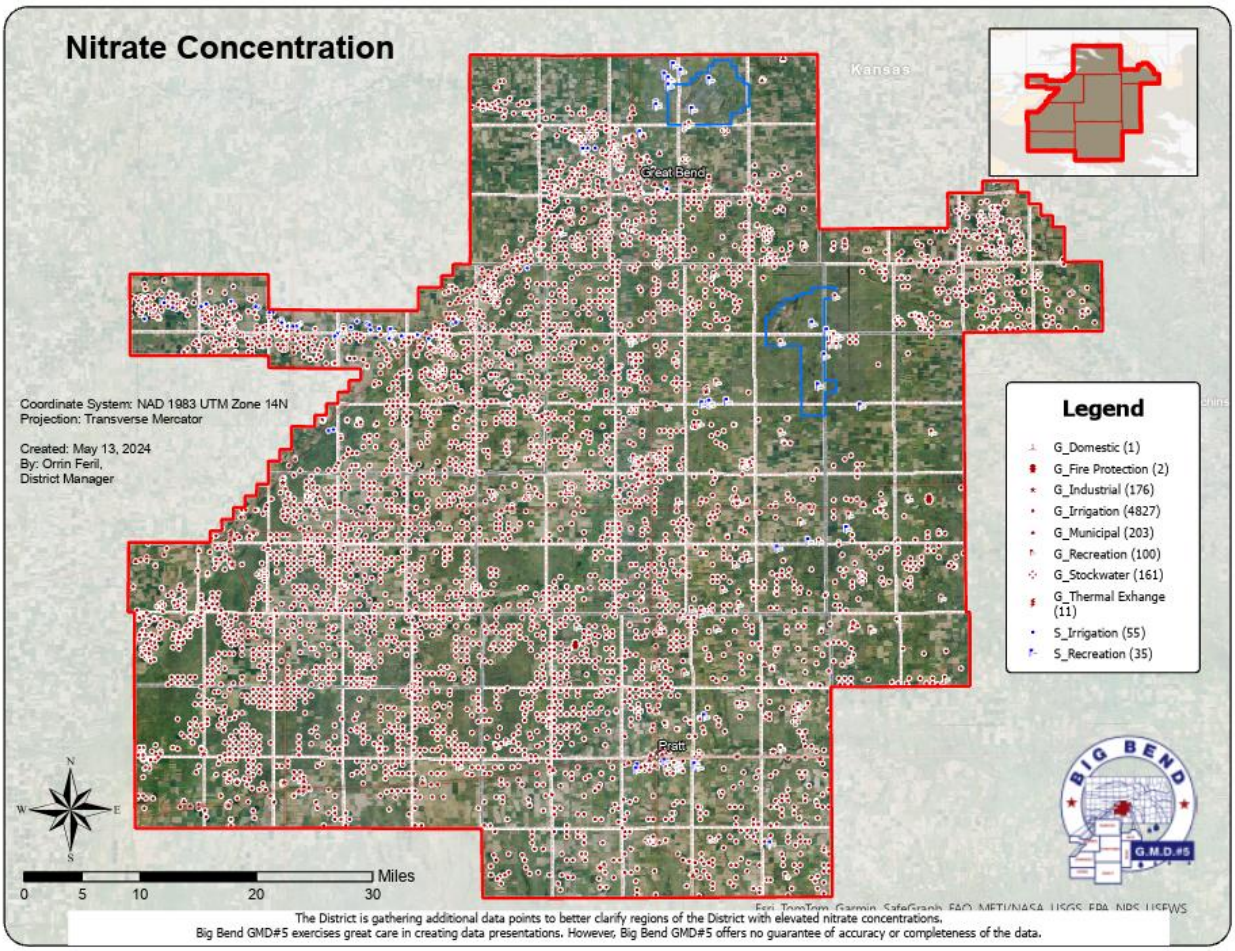
### *Edwards-Kiowa County Region*




In coordination with Kansas Geological Survey ("KGS") staff, the District board has held public meetings in Edwards and Kiowa Counties to present water level trends in this area. The District board has identified an area between these two counties that has, over the past 20 years,

shown a decline of 10 feet cumulatively. KGS analysis has indicated that this area is experiencing approximately 0.5 ft decline annually. Currently, the District is watching this area to determine if this trend is growing due to escalated pumping from the region or long-term climate shifts. A major reason for not elevating this area to a priority area of concern is that approximately half of this area is overlapped by the Rattlesnake Creek Region. When the action plan for the Rattlesnake Creek Region is determined, this region's boundary is likely to be modified. As such for the reasons above, it is premature to identify this as a Priority Area of Concern, but it is being considered by the District.

### *Water Quality*




### *Nitrate*

Early KGS studies have indicated elevated nitrate concentrations in the groundwater of the District (Townsend & Young, 1995). The District is currently gathering additional data points and coordinating with KDHE to better clarify the regions within the District with elevated nitrate concentrations. Until such a time that a narrower area can be identified, the District is

conducting a District-wide effort to inform and encourage all water users to collect and analyze their water wells for nitrate concentrations. The District is providing water bottles for public and private use to bring water samples to the District lab for analysis. The District laboratory is not KDHE-certified, but this provides a quick and economical assessment for the public while allowing the District to collect water quality data from across the District. Once more data is collected, this can be analyzed to determine focused areas impacted by elevated nitrate concentrations. Since the District has not yet received a sufficient number of samples for analysis, effective identification of Priority Areas for nitrate concentrations is not possible. The District is continuing to collect water samples from a variety of sources to track trends in nitrate concentrations over time. In the past two years, the District has collected over 300 water samples throughout the District. The data is currently being compiled into a unified database that will be shared with KGS in an effort to get this information public.

## Activities Related to Priority Areas of Concern

Building on the District's previously established activities, current efforts focus on enhancing or refocusing goals based on today's hydrologic conditions and available programs. The board of directors has discussed this process in several public meetings. In addition, the District hosted a series of outreach meetings in each county to gather input from stakeholders. These meetings were well attended, and KGS staff participated by providing a detailed hydrologic overview to support the discussions. The District plans to hold additional outreach meetings in the coming months to present the draft action plan and gather further feedback. As stated previously, the areas identified as having an estimated useable lifetime of 50 years or less within the District have been further analyzed for appropriate management actions by BGW and KGS. In spring 2026, the District will outline the initial draft action plan for public review and input. This will be done through a series of additional general outreach meetings in each county and focused outreach meetings for industry-specific groups (municipalities, stockwater, etc.). With this input, the District is planning to finalize the action plan in June 2026.

## Action Plan Implementation

This section of the District's annual report is reserved for the action plan that is currently being developed by the District board and staff.

# REFERENCES

Department of Agriculture. (2007). *Pawnee Valley IGUCA*. Retrieved from Kansas Department of Agriculture - Division of Water Resources: https://www.agriculture.ks.gov/divisions-programs/dwr/managing-kansas-water-resources/intensive-groundwater-use-control-areas/pawnee-valley-iguca

Department of Agriculture. (2021). *Walnut Creek IGUCA*. Retrieved from Kansas Department of Agriculture - Division of Water Resources: https://agriculture.ks.gov/divisions-programs/dwr/managing-kansas-water-resources/intensive-groundwater-use-control-areas/walnut-creek-iguca

Townsend, M. A., & Young, D. P. (1995). Factors Affecting Nitrate Concentrations in Ground Water in Stafford County, Kansas. *Current Research in Earth Sciences, no. 238 (January)*, 1-9.

Whittemore, D. O. (1993). *Ground-water Geochemistry in the Mineral Intrusion area of Groundwater Management District No. 5, South-central Kansas.* Lawrence: Kansas Geological Survey.

Whittemore, D. O., Butler, Jr., J. J., & Wilson, B. B. (2023). *2023 Status of the High Plains Aquifer in Kansas.* Lawrence: Kansas Geological Survey.

# ATTACHMENT A

February 20, 2025

To the Board of Directors
**Big Bend Groundwater Management District No. 5, Stafford, Kansas**
Stafford, Kansas

We have audited the financial statement of **Big Bend Groundwater Management District No. 5, Stafford, Kansas** for the year ended December 31, 2024, and have issued our report thereon dated February 20, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 4, 2024. Professional standards also require that we communicate to you the following information related to our audit.

**Significant Audit Matters**

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by **Big Bend Groundwater Management District No. 5, Stafford, Kansas** are described in Note 1 to the financial statement. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2024. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

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

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

*Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

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

*Disagreements with Management*

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

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 20, 2025.

*Management Consultations with Other Independent Accountants*

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

*Other Audit Findings or Issues*

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

We identified the following significant risk of material misstatement as part of our audit. This is in addition to the risks of material misstatements to the financial statement communicated to you in our letter dated January 24, 2025.

- *Unrecorded Interest*: Interest accrued and earned on CDARS accounts that matured February 1, 2024 was not recorded. We designed and performed procedures to address this risk during our audit.

*Other Matters*

We were engaged to report on the supplementary information as outlined in the table of contents, which accompany the financial statement but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statement. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statement or to the financial statement itself.

## INTERNAL CONTROLS

In planning and performing our audit of the financial statement of **Big Bend Groundwater Management District No. 5, Stafford, Kansas** as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District's system of 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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in internal control to be a material weakness:

- All interest earned and received needs to be recorded on the District's books in the correct year. Interest earned on CDARS accounts was applied to the principal balance at maturity on February 1, 2024. Interest earned was not properly recorded for 2024 in the amount of $139,253.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in internal control to be a significant deficiency:

- **Big Bend Groundwater Management District No. 5, Stafford, Kansas** does not have proper segregation of duties necessary to establish a good system of internal control. We understand that the size of the District's accounting and administrative staff and related budget constraints preclude management from hiring additional personnel to achieve proper segregation of duties. However, limited segregation can and should be implemented to reduce the risk of errors or fraud. Where possible, duties should be segregated. Involvement by the Board can also mitigate the risk of errors or fraud. The Board should remain involved in the financial affairs of the District to provide oversight and independent review functions.

We would like to express our appreciation for the opportunity to perform the December 31, 2024 audit for **Big Bend Groundwater Management District No. 5, Stafford, Kansas** and to the employees for the cooperation and assistance given to us during the audit.

*Restriction on Use*

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

AdamsBrown, LLC

**ADAMSBROWN, LLC**
Certified Public Accountants
Larned, Kansas

# BIG BEND GROUNDWATER MANAGEMENT DISTRICT NO. 5, STAFFORD, KANSAS

Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2024

**BIG BEND GROUNDWATER MANAGEMENT DISTRICT NO. 5, STAFFORD, KANSAS**
Financial Statement With Independent Auditors' Report
For the Year Ended December 31, 2024

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# INDEPENDENT AUDITORS' REPORT

To the Board of Directors
**Big Bend Groundwater Management District No. 5, Stafford, Kansas**
Stafford, Kansas

## Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Big Bend Groundwater Management District No. 5, Stafford, Kansas**, as of and for the year ended December 31, 2024 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, 2024, 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, 2024, 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 Auditor's 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, 2023 (not presented herein), and have issued our report thereon February 2, 2024, which contained an unmodified opinion on the basic financial statement. The 2023 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 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2024 (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 2023 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 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 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 2023 basic financial statement or to the 2023 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 2023 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, 2023, on the basis of accounting described in Note 1.

Adams Brown, LLC

**ADAMSBROWN, LLC**
Certified Public Accountants
Larned, Kansas

February 20, 2025

**BIG BEND GROUNDWATER MANAGEMENT DISTRICT NO. 5, STAFFORD, KANSAS**
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2024

| Funds | Beginning Unencumbered Cash Balance | Prior Year Cancelled Encumbrances | Receipts | Expenditures | **Ending Unencumbered Cash Balance** | Add Encumbrances and Accounts Payable | **Ending Cash Balance** |
|---|---|---|---|---|---|---|---|
| **Governmental Type Fund** | | | | | | | |
| **General Fund** | $ 4,209,449 | - | 2,259,975 | 1,107,704 | **5,361,720** | 19,796 | **5,381,516** |

| | | |
|---|---|---|
| **Composition of Cash** | Checking Accounts | $ **1,474** |
| | Money Market | **1,194,843** |
| | Petty Cash | **50** |
| | Certificates of Deposit | **4,185,149** |
| | **Total Reporting Entity** | $ **5,381,516** |

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Big Bend Groundwater Management District No. 5, Stafford, Kansas,** 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 nine-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 types of funds comprise the financial activities of the District for the years ended December 31, 2024.

### Regulatory Basis Fund Types

**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.

## 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 **Big Bend Groundwater Management District No. 5, Stafford, Kansas**, 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 were no budget amendments for this year.

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

**Big Bend Groundwater Management District No. 5, Stafford, Kansas,** 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 county in which the District is located, or in an adjoining county 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 City 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, 2024.

At December 31, 2024, the District's carrying amount of deposits was $5,381,516 and the bank balance was $5,387,607. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $5,387,607 was covered by federal depository insurance.

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 to no investments at December 31, 2024.

## NOTE 4 – LITIGATION

**Big Bend Groundwater Management District No. 5, Stafford, Kansas,** 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

**Big Bend Groundwater Management District No. 5, Stafford, Kansas,** 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 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **Big Bend Groundwater Management District No. 5, Stafford, Kansas,** allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

## NOTE 7 – GRANTS AND SHARED REVENUES

**Big Bend Groundwater Management District No. 5, Stafford, Kansas,** participates in numerous state and federal programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

## NOTE 8 – COMPENSATED ABSENCES

**Annual Leave**
Full time employees accrue leave at the rate of eight hours per month for years of employment one through nine, ten hours per month for years ten through nineteen, and thirteen hours for years twenty and over. Annual leave may accumulate up to fifteen days plus one day for each year of employment. Any leave accumulated over this figure as of January 1 of each year will be lost. Payment of accrued annual leave time will be made at the time of termination providing the employee has been employed for a period of one year or more.

**Sick Leave**
Full time employees receive sick leave of one status day per full working month of employment. Sick leave will be allowed to accumulate to a maximum of 480 hours. Sick leave accrued in excess of 480 hours as of December 31 of each year shall be paid at one-half the hourly rate of an employee's salary for that calendar year. No payment will be made for accrued sick leave upon termination of employment.

**Personal Leave**
Full time employees receive three status days of personal leave annually. Personal leave shall not accumulate. Payment of accrued personal leave time will not be made at the time of termination of employment.

**BIG BEND GROUNDWATER MANAGEMENT DISTRICT NO. 5, STAFFORD, KANSAS**

Regulatory-Required Supplementary Information

**Schedule 1**

**BIG BEND GROUNDWATER MANAGEMENT DISTRICT NO. 5, STAFFORD, KANSAS**
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

| Fund | | Certified Budget | Adjustment for Qualifying Budget Credits | Total Budget for Comparison | **Expenditures Chargeable to Current Year** | Variance Over (Under) |
|---|---|---|---|---|---|---|
| **Governmental Type Fund** | | | | | | |
| General Fund | $ | 1,947,750 | - | 1,947,750 | **1,107,704** | (840,046) |

Schedule 2-1

**BIG BEND GROUNDWATER MANAGEMENT DISTRICT NO. 5, STAFFORD, KANSAS**
**General Fund**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

| | Prior Year Actual | Current Year Actual | Current Year Budget | Current Year Variance Over (Under) |
|---|---|---|---|---|
| **Receipts** | | | | |
| County Assessments | $ 1,627,753 | **1,575,986** | 1,583,152 | (7,166) |
| Interest Income | 31,857 | **235,100** | 182,000 | 53,100 |
| Grants | 452,245 | **353,829** | 300,000 | 53,829 |
| Other | 104,595 | **95,060** | 25,000 | 70,060 |
| **Total Receipts** | 2,216,450 | **2,259,975** | 2,090,152 | 169,823 |
| **Expenditures** | | | | |
| Payroll Expense | 260,461 | **332,489** | 344,500 | (12,011) |
| Building Expense | 8,673 | **2,296** | 8,000 | (5,704) |
| Field Equipment | 10,733 | **2,589** | 10,000 | (7,411) |
| Office Equipment | 4,559 | **5,161** | 5,000 | 161 |
| Office Supplies | 2,550 | **6,595** | 5,000 | 1,595 |
| Printing and Publication | 6,253 | **6,537** | 10,000 | (3,463) |
| Travel and Conference | 16,154 | **12,805** | 15,000 | (2,195) |
| Utilities | 7,058 | **6,448** | 12,000 | (5,552) |
| Weather Station Expense | 17,615 | **11,417** | 17,000 | (5,583) |
| Water Management Programs | 697,859 | **161,414** | 1,000,000 | (838,586) |
| Professional Fees | 348,902 | **345,418** | 500,000 | (154,582) |
| Dues and Memberships | 1,250 | **775** | 750 | 25 |
| Business Dinners | 1,330 | **1,754** | 1,500 | 254 |
| Insurance | 14,903 | **15,074** | 15,000 | 74 |
| Postage | 977 | **1,350** | 2,000 | (650) |
| Watershed Planning | 447,052 | **195,496** | - | 195,496 |
| Other | 222 | **86** | 2,000 | (1,914) |
| **Total Expenditures** | 1,846,551 | **1,107,704** | 1,947,750 | (840,046) |
| **Receipts Over (Under) Expenditures** | 369,899 | **1,152,271** | | |
| **Unencumbered Cash - Beginning** | 3,839,550 | **4,209,449** | | |
| **Unencumbered Cash - Ending** | $ 4,209,449 | **5,361,720** | | |