

**BANDERA COUNTY RIVER AUTHORITY AND GROUNDWATER DISTRICT**

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February 4, 2014

**DT-AUDIT**

Don Sloan  
President

Karen Ripley  
Vice-President

Jerry Sides  
Secretary-Treasurer

Don Kruckemeyer  
Director

Ernest DeWinne  
Director

Gene Wehmeyer  
Director

Sid Gibson  
Director

Neil Boultinghouse  
Director

Bob Williams  
Director

David Mauk  
General Manager

Texas Commission on Environmental Quality  
Districts Review Team MC 152  
PO Box 13087  
Austin, TX 78711-3087

*Re: Annual Financial Report for Year Ending September 30, 2013*

To Whom It May Concern:

Please find enclosed the Annual Audit for the Fiscal Year Ending September 30, 2013.

If you find you have any questions upon review of the document, please don't hesitate to contact me. Thank you.

Sincerely,

Prari Blair  
Office Manager/Finance Coordinator  
Bandera County River Authority and Groundwater District

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MAR 20 2014  
TCEQ  
CENTRAL FILE ROOM

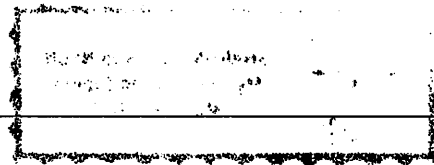
P.O. Box 177  
440 FM 3240  
Bandera, TX 78003

Enclosure

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WATER SUPPLY DIV.  
2014 FEB 4 PM 4 12

**BANDERA COUNTY RIVER AUTHORITY  
AND GROUND WATER DISTRICT  
Annual Financial Report  
For the Year Ended September 30, 2013**

	<u>Page</u>
Table of Contents	
Annual Filing Affidavit	1
Independent Auditor's Report	2 - 3
Management's Discussion and Analysis	4 - 8
Statement of Net Position and Governmental Funds Balance Sheet	10
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances	11-12
Notes to the Financial Statements	13-16
<b>Required Supplementary Information</b>	
Budgetary Comparison Statement - General Fund	19-20
Analysis of Taxes Receivable	21



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TODD  
WATER SUPPLY DIV.  
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ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS X  
COUNTY OF BANDERA X

I, Donald G Sloan of the BANDERA COUNTY RIVER AUTHORITY AND GROUND WATER DISTRICT hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of Directors of the District on the 9th day of January, 2014, its annual audit report for the year ended September 30, 2013 and that copies of the annual report have been filed in the district office located, at BANDERA, TX.

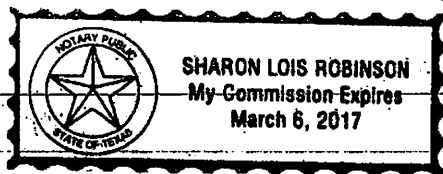
This annual filing affidavit and the attached copy of the annual audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code.

Dated January 31, 2014

By: Donald G. Sloan  
(Signature of District Representative)

DONALD G. SLOAN - PRESIDENT  
(Type Name & Title of above District Representative)

Sworn to and Subscribed to before me this 31 day of January, 2014



Sharon L. Robinson  
(Signature of Notary)

Commission Expires on 3-6-2017

Sharon L. Robinson  
(Print Name of Notary)

Notary Public in and for the State of Texas.

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WATER SUPPLY DIV.  
2014 FEB 4 PM 4 13

# EDE & COMPANY, LLC

Certified Public Accountants

Eric Ede  
Donna Ede Jones

P. O. Box 219  
Knippa, Texas 78870  
Telephone (830) 934-2148  
Fax (830) 934-2799  
Email: edecpa@hotmail.com

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Bandera County River Authority  
and Groundwater District  
P. O. Box 177  
Bandera, Texas 78003

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bandera County River Authority and Groundwater District, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Districts'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. 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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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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 governmental activities, each major fund, and the aggregate remaining fund information of the Bandera County River Authority and Groundwater District, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters


### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 - 8 and 19 - 20 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 Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bandera County River Authority and Groundwater District's basic financial statements. The analysis of taxes receivable is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The analysis of taxes receivable is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the analysis of taxes receivable is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

  
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Ede & Company, LLC  
Certified Public Accountants  
Knippa, Texas

December 30, 2013

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Bandera County River Authority and Ground Water District's annual financial report presents our discussion and analysis of the District's financial performance during the period ended September 30, 2013. Please read it in conjunction with the District's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The District's total combined net position was \$725,044.32 at September 30, 2013.
- During the year, the District's expenses were \$7,104.86 less than the \$514,023.36 generated in taxes, service fees and other revenues for governmental activities.
- The total cost of the District's programs remained the same during the current year.
- The general fund reported a fund balance this year of \$294,976.04.
- The District's net position increased \$7,104.86 which represents a 0.75 percent increase from 2012.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District: The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the district's finances. All of the District's activities are accounted for in the General Fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

#### Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

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- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in assessed values of property within the District.

The government-wide financial statements of the District include the *Governmental activities*. All of the District's basic services are included here, such as property tax revenue, and water permits.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The District's combined net position was \$725.0 thousand at September 30, 2013. (See Table A-1).

**Table A-1**  
**BANDERA COUNTY RIVER AUTHORITY AND**  
**GROUND WATER DISTRICT**

	Governmental Activities		Total Percentage Change 2013 - 2012
	2013	2012	
<b>Current assets:</b>			
Cash and cash equivalents	\$ 294.2	\$ 304.9	-3.51%
Property taxes receivable	35.2	32.5	8.31%
Due from other governments	1.5	1.3	15.38%
Prepayments	2.4	1.7	41.18%
<b>Total current assets</b>	<u>333.3</u>	<u>340.4</u>	<u>-2.09%</u>
<b>Noncurrent assets:</b>			
<b>Capital Assets</b>	510.3	475.5	7.32%
Less accumulated depreciation	(115.5)	(95.3)	21.20%
<b>Total noncurrent assets</b>	<u>394.8</u>	<u>380.2</u>	<u>3.84%</u>
<b>Total Assets</b>	<u>728.1</u>	<u>720.6</u>	<u>1.04%</u>
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	3.1	1.0	210.00%
<b>Total Liabilities</b>	<u>3.1</u>	<u>1.0</u>	<u>210.00%</u>
<b>Net Position:</b>			
Invested in capital assets	394.9	380.2	3.87%
Unrestricted	330.1	339.4	-2.74%
<b>Total Net Position</b>	<u>\$ 725.0</u>	<u>\$ 719.6</u>	<u>0.75%</u>

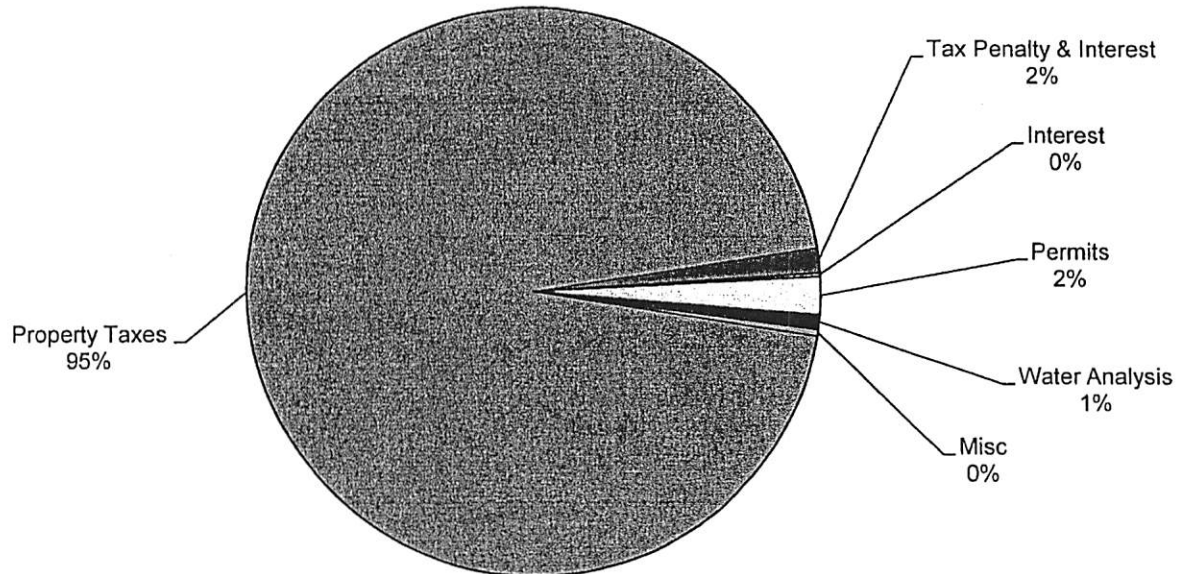
Changes in net position. The District's total revenues were \$514.0 thousand. A significant portion, 95 percent, of the District's revenue comes from property taxes. (See Figure A-3.) and 2% from permits on new wells.

The total cost of all programs and services was \$506.9 thousand; 100 percent of these costs are for General Government.

**Table A-2**  
**Changes in Bandera County River Authority and Groundwater District's Net Position**  
*(In thousands dollars)*

	Governmental Activities		Total Percentage Change 2013-2012
	2013	2012	
General Revenue			
Property Taxes	488.5	451.0	8.31%
Penalty & Interest	7.2	7.5	-4.00%
New Well Applications & Permits	11.0	9.0	22.22%
Other	7.3	7.2	1.39%
Total Revenue	<u>514.0</u>	<u>474.7</u>	<u>8.28%</u>
Program Expenses			
General Government	506.9	415.4	22.03%
Total Expense	<u>506.9</u>	<u>415.4</u>	<u>22.03%</u>
Increase (Decrease) in Net Position	<u>\$ 7.1</u>	<u>\$ 59.3</u>	<u>-88.03%</u>

**2013 Revenue Sources**





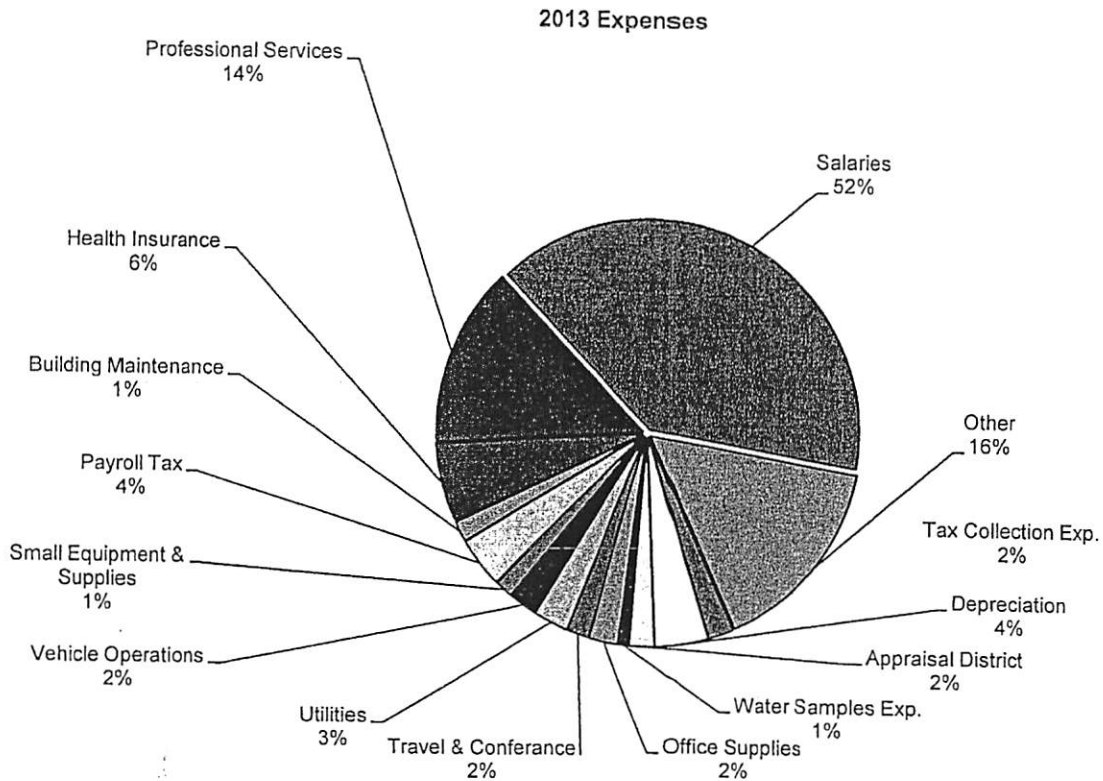


Table A-3 presents the cost of each of the District's largest functions as well as the major administrative categories.

- The cost of all *governmental* activities this year was 506.9 thousand.

**Table A-3**  
Net Cost of Selected District Functions & Major Administrative Categories  
(in thousands of dollars)

	Total Costs of Services		
	2013	2012	Percent Change
Salaries	221.2	201.8	9.61%
Professional Services	70.4	28.8	144.44%
Health Insurance	31.3	30.1	3.99%
Small Equipment & Supplies	7.2	13.7	-47.45%
Vehicle Operations	11.6	11.8	-1.69%
Utilities	13.6	12.8	6.25%
Travel & Conference	8.8	10.0	-12.00%
Office Supplies	11.6	9.2	26.09%
Water Samples Exp.	4.3	5.1	-15.69%
Appraisal District	9.4	8.0	17.50%
Depreciation	20.1	15.8	27.22%
Tax Collection Exp.	9.8	9.1	7.69%

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

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