

**Bandera County River Authority  
and Groundwater District**

**Annual Financial Report  
For the Year Ended September 30, 2016**

*Ede & Company, LLC*  
*Certified Public Accountants*



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AND GROUND WATER DISTRICT  
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ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS X
COUNTY OF BANDERA X

I, \_\_\_\_\_ 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 12th day of January, 2017, its annual audit report for the year ended September 30, 2016 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 \_\_\_\_\_, 2017

By: \_\_\_\_\_ (Signature of District Representative)

\_\_\_\_\_ (Type Name & Title of above District Representative)

Sworn to and Subscribed to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2017

\_\_\_\_\_ (Signature of Notary)

Commission Expires on \_\_\_\_\_

\_\_\_\_\_ (Print Name of Notary)

Notary Public in and for the State of Texas.

**EDE & COMPANY, LLC**  
Certified Public Accountants

Eric Ede  
Donna Ede Jones

P. O. Box 219  
Knippa, Texas 78870  
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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, 2016 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. 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.

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, 2016, 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 as listed in the table of contents, 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.

  
\_\_\_\_\_  
Ede & Company, LLC  
Certified Public Accountants  
Knippa, Texas

January 5, 2017



## 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, 2016. 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 \$608,586.09 at September 30, 2016.
- During the year, the District's expenses were \$32,486.18 more than the \$735,354.24 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 \$174,780.15
- The District's net position decreased \$32,486.18 which represents a 5.22 percent decrease from 2015.

### 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.
- 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 \$608.6 thousand at September 30, 2016. (See Table A-1).

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

	Governmental Activities		Total Percentage Change
	2016	2015	2016 - 2015
<b>Current assets:</b>			
Cash and cash equivalents	\$ 177.5	\$ 193.1	-8.08%
Property taxes receivable	43.7	45.3	-3.53%
Due from other governments	3.3	1.6	106.25%
Prepayments	4.3	3.5	22.86%
Total current assets	<u>228.8</u>	<u>243.5</u>	<u>-6.04%</u>
<b>Noncurrent assets:</b>			
Capital Assets	591.0	571.9	3.34%
Less accumulated depreciation	(200.8)	(172.0)	16.74%
Total noncurrent assets	<u>390.2</u>	<u>399.9</u>	<u>-2.43%</u>
Total Assets	<u>619.0</u>	<u>643.4</u>	<u>-3.79%</u>
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	3.0	1.3	130.77%
Legal trust fee	7.4	-	100.00%
Total Liabilities	<u>10.4</u>	<u>1.3</u>	<u>700.00%</u>
<b>Net Position:</b>			
Invested in capital assets	390.2	399.9	-2.43%
Unrestricted	<u>218.4</u>	<u>242.2</u>	<u>-9.83%</u>
Total Net Position	<u>\$ 608.6</u>	<u>\$ 642.1</u>	<u>-5.22%</u>

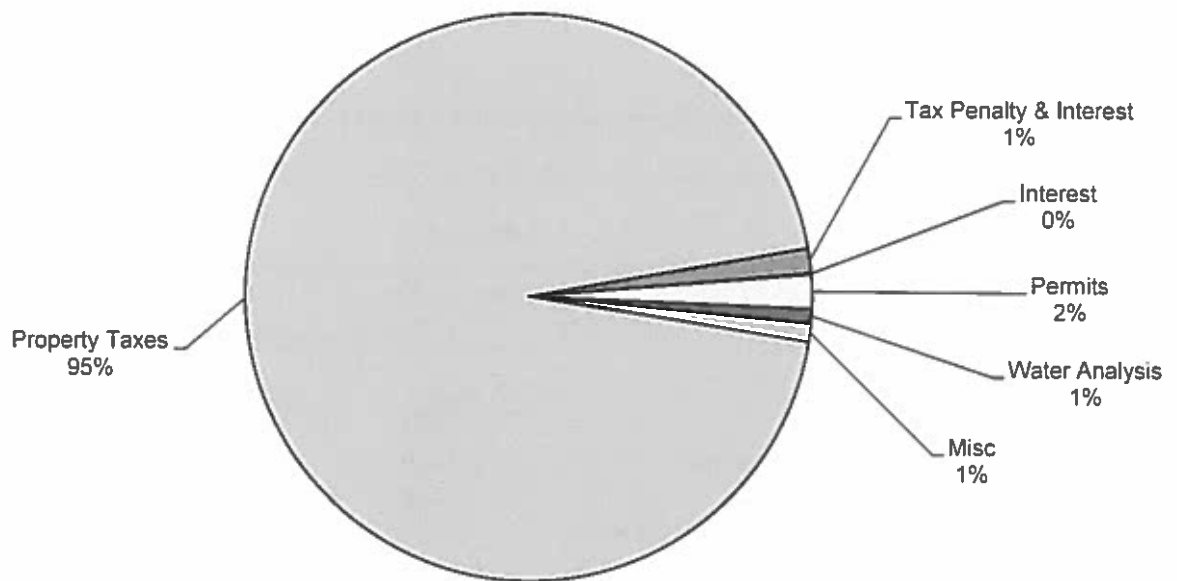
Changes in net position. The District's total revenues were \$735.4 thousand. A significant portion, 95 percent, of the District's revenue comes from property taxes. (See Figure A-3.) and 2% from permits on new wells.

The total cost of all programs and services was \$767.8 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
	2016	2015	2016-2015
<b>General Revenue</b>			
Property Taxes	696.6	579.9	20.12%
Penalty & Interest	10.2	7.6	34.21%
New Well Applications & Permits	14.0	11.2	25.00%
Other	14.6	18.5	-21.08%
<b>Total Revenue</b>	<b>735.4</b>	<b>617.2</b>	<b>19.15%</b>
<b>Program Expenses</b>			
General Government	767.9	647.4	18.61%
<b>Total Expense</b>	<b>767.9</b>	<b>647.4</b>	<b>18.61%</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ (32.5)</b>	<b>\$ (30.2)</b>	<b>7.62%</b>

**2016 Revenue Sources**



### 2016 Expenses

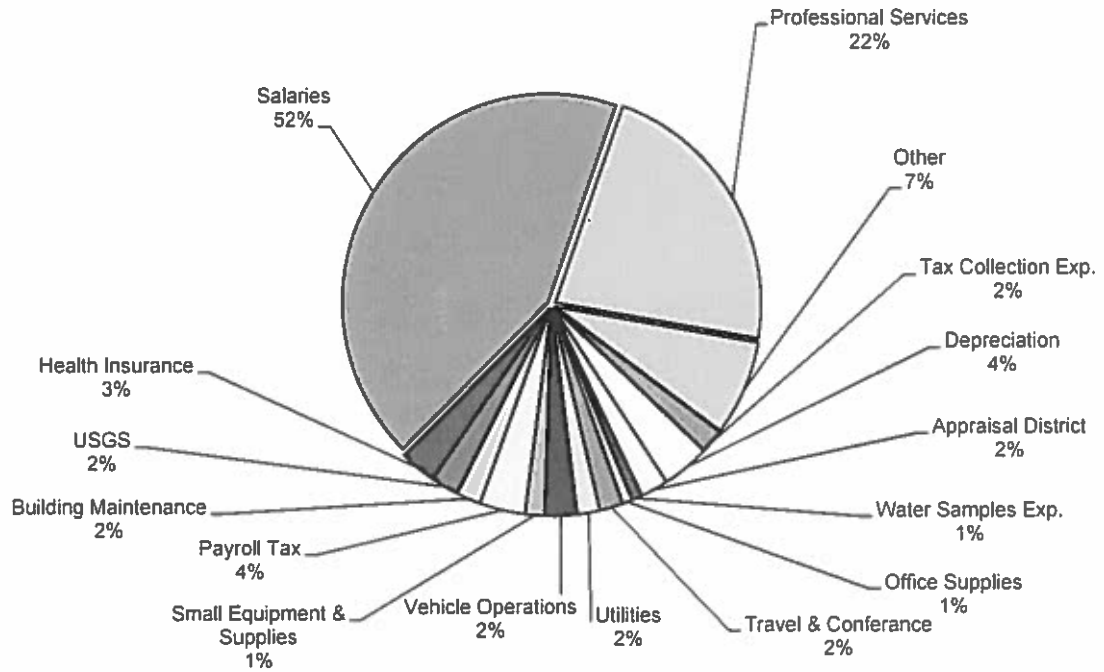


Table A-3 presents the cost of each of the District's largest functions as well as the major administrative categories.

- The cost of all *governmental* activities this year was 675.1 thousand.

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

	Total Costs of Services		
	2016	2015	Percent Change
Salaries	329.4	319.3	3.16%
Professional Services	172.0	115.6	48.79%
Health Insurance	21.9	27.5	-20.36%
Small Equipment & Supplies	11.3	8.9	26.97%
Vehicle Operations	19.2	14.1	36.17%
Utilities	13.3	14.2	-6.34%
Travel & Conferance	14.1	12.5	12.80%
Office Supplies	5.8	10.1	-42.57%
Water Samples Exp.	6.2	5.9	5.08%
Appraisal District	16.5	12.9	27.91%
Depreciation	28.7	27.7	3.61%
Tax Collection Exp.	14.2	11.8	20.34%

**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.

## Basic Financial Statements

**BANDERA COUNTY RIVER AUTHORITY  
AND GROUND WATER DISTRICT**  
**Statement of Net Position and Governmental Funds Balance Sheet**  
**September 30, 2016**

	General Fund	Adjustments	Statement of Net Position
<b>ASSETS</b>			
Cash and investments	\$ 177,489.41	\$ -	\$ 177,489.41
Accounts receivable	80.00	-	80.00
Taxes receivable	43,587.54	-	43,587.54
Due from other governments	3,325.24	-	3,325.24
Prepayments	4,318.64	-	4,318.64
Capital assets (net of accumulated depreciation)			-
Land		150,000.00	150,000.00
Building		141,968.63	141,968.63
Monitoring wells & equipment		63,614.12	63,614.12
Vehicles	-	34,635.65	34,635.65
Total assets	\$ 228,800.83	390,218.40	619,019.23
<b>LIABILITIES</b>			
Accounts payable	\$ 3,001.14	-	3,001.14
Legal trust fee	7,432.00	-	7,432.00
Payroll taxes payable	-	-	-
Total liabilities	10,433.14	-	10,433.14
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable Revenue- Property Taxes	43,587.54	(45,287.52)	-
Total Deferred Inflows of Resources	43,587.54	(45,287.52)	-
<b>FUND BALANCES/NET POSITION</b>			
Fund balances:			
Committed	51,799.00	(51,799.00)	-
Unassigned	122,981.15	(122,981.15)	-
Total Fund Balance	174,780.15	(174,780.15)	-
Total liabilities deferred inflows and fund balances	\$ 228,800.83	(220,067.67)	10,433.14
Net Position:			
Invested in capital assets, net of related debt		390,218.40	390,218.40
Unrestricted		218,367.69	218,367.69
Total net position		\$ 608,586.09	\$ 608,586.09

The accompanying notes are an integral part of this statement.

**BANDERA COUNTY RIVER AUTHORITY  
AND GROUND WATER DISTRICT**  
**Statement of Activities and Governmental Funds**  
**Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended September 30, 2016**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues:</b>			
Property taxes	\$ 697,341.24	\$ (742.84)	\$ 696,598.40
Property taxes penalty & interest	10,220.01	-	10,220.01
Interest income	781.61	-	781.61
Permits and deposits	14,000.00	-	14,000.00
Non Compliance Penalties	-	-	-
USGS Gauge Station	6,800.00	-	6,800.00
Water analysis	6,159.72	-	6,159.72
Misc	794.50	-	794.50
Total revenues	<u>736,097.08</u>	<u>(742.84)</u>	<u>735,354.24</u>
<b>Expenditures/expenses:</b>			
<b>Service operations:</b>			
Appraisal District	16,453.81	-	16,453.81
Bonds & Insurance	6,205.00	-	6,205.00
Building Maintenance	14,364.29	-	14,364.29
Dues & Subscriptions	3,796.17	-	3,796.17
Education	9,683.85	-	9,683.85
Computer Software and Support	5,087.58	-	5,087.58
Small Equipment & Supplies	15,570.55	(4,275.47)	11,295.08
Furniture	496.53	-	496.53
Public Relations	3,056.89	-	3,056.89
Health Insurance	21,941.99	-	21,941.99
Website	76.62	-	76.62
Monitoring Units	300.00	-	300.00
Office Supplies	5,773.27	-	5,773.27
Office Rent	3,600.00	-	3,600.00
Payroll Tax	26,908.44	-	26,908.44
Postage	613.98	-	613.98
Professional Services	171,993.03	-	171,993.03
Salaries	329,431.27	-	329,431.27
Tax Collection Exp.	14,159.90	-	14,159.90
GMA Expense	2,198.25	-	2,198.25
Travel & Conferences	14,080.34	-	14,080.34
Employee Training	6,457.95	-	6,457.95
Utilities	13,337.60	-	13,337.60
USGS	16,580.00	-	16,580.00



**BANDERA COUNTY RIVER AUTHORITY  
AND GROUND WATER DISTRICT**  
**Statement of Activities and Governmental Funds**  
**Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended September 30, 2016**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Expenditures/expenses: (Continued)</b>			
Vehicle Operations	19,171.99	-	19,171.99
Water Quality Project	6,083.20	-	6,083.20
Water Samples Exp.	6,159.45	-	6,159.45
Well Plugging	-	-	-
Illegal Dumping Litter Abatement	698.78	-	698.78
Medina River Cleanup	501.99	-	501.99
Brush Control	3,500.00	-	3,500.00
Well Logging Equip	4,757.58	-	4,757.58
Capital Outlay	14,796.76	(14,796.76)	-
Miscellaneous	349.90	-	349.90
Depreciation		28,725.69	28,725.69
Total expenditures/expenses	<u>758,186.96</u>	<u>9,653.46</u>	<u>767,840.42</u>
Excess (deficiency) of revenues over expenditures	(22,089.88)	(10,396.30)	(32,486.18)
Change in net position			
<b>Fund balance/net position:</b>			
Beginning of the year	196,870.03	444,202.24	641,072.27
End of the year	<u>\$ 174,780.15</u>	<u>\$ 433,805.94</u>	<u>\$ 608,586.09</u>

The accompanying notes are an integral part of this statement.

**Bandera County River Authority and  
Ground Water District  
Notes to the Financial Statements  
For the Year Ended September 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Bandera County River Authority was created by Acts of the 71<sup>st</sup> Legislature of the State of Texas. The District was established as a conservation and reclamation district. The authority of the Bandera County River Authority was incorporated into the Springhills Water Management District through enabling legislation appearing as Act of June 17, 1989, Ch. 654, 1989, Tex. Gen. Laws 2155 (Vernon) The Springhills Water Management District, continued all of the programs and activities initiated by the River Authority, and implemented the programs required of a ground water conservation district. On April 10, 2003 the TCEQ authorized changing the District's name to the Bandera County River Authority and Ground Water District.

The District's Board of Directors, a nine member group, has governance responsibilities over all activities related to the District's operations within the jurisdiction of Bandera County River Authority and Ground Water District. Because members of the Board of Directors are elected by the public, they have the primary accountability for fiscal matters. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial reporting Standards.

The District receives no funding from local, state, or federal sources.

**B. Government –wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers who goods or services provided by a given function or segment. Other items not properly included among program revenues are reported instead as general revenues. Since the District chooses to report all of its activities in the general fund, no individual fund statements are presented.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The general fund column of the government-wide financial statements is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty-one days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only uses governmental funds.

**Bandera County River Authority and  
Ground Water District  
Notes to the Financial Statements  
For the Year Ended September 30, 2016**

**Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources.

Expendable assets are assigned to the various governmental funds according to the purpose for which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources of the District except those required to the accounted for in another fund.

**D. Capital Assets**

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the statement of net position column of the government-wide statement of net position but are not reported in the general fund column.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$5,000 for equipment, and all additions to infrastructure are capitalized. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not.

**E. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**F. Reconciliation of Government-wide and General Fund Financial Statements**

**Reconciliation of General Fund Balance to  
Net Position of Governmental Activities  
September 30, 2016**

<b>Total General Fund Balance</b>		\$ 174,780.15
<b>Amounts reported in governmental activities in the statement of net position are different because:</b>		
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.		418,944.09
Accumulated depreciation has not been included in the general fund financial statements.		(28,725.69)
Revenue reported as deferred revenue in the general fund was recorded as revenue in the government-wide financial statements.		43,587.54
<b>Net Position of Governmental Activities</b>		<b>\$ 608,586.09</b>

**Bandera County River Authority and  
Groundwater District  
Notes to the Financial Statements  
September 30, 2016**

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities**

Net Change in Governmental Fund Balances	\$	(22,089.88)
 <b>Amounts reported for the governmental activities in the statement of activities are different because:</b>		
 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis		
		(742.84)
 Governmental funds report capital outlays as expenditures. However, they are reported as increases in capital assets in the government-wide financial statements.		
		19,072.23
 Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of the current year's depreciation is to decrease net position.		
		<u>(28,725.69)</u>
 Change in Net Position of Governmental Activities	 \$	 <u><u>(32,486.18)</u></u>

**NOTE 2 – DEPOSITS, SECURITIES AND INVESTMENTS**

**District Policies and Legal and Contractual Provisions Governing Deposits**

**Custodial Credit Risk for Deposits** State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial credit risk for deposits.

**Foreign Currency Risk** The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by not participating in foreign currency transactions.

**District Policies and Legal and Contractual Provisions Governing Investments**

**Compliance with the Public Funds Investment Act**

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

**Bandera County River Authority and  
Groundwater District**  
**Notes to the Financial Statements**  
**September 30, 2016**

Statutes authorize the entity to invest in (1) obligations of U.S. Treasury, certain U.S. agencies, and the State of Texas. (2) certificates of deposit, (3) certain municipal securities. (4) money market savings accounts, (5) repurchase agreements. (6) bankers acceptances. (7) mutual funds. (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

Additional polices and contractual provisions governing deposits and investments are specified below:

Credit Risk To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments to depository bank certificates of deposits and state sponsored investment pools.

Custodial Credit Risk for Investments To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. All of the securities are in the District's name and held by the District or its agent.

Concentration of Credit Risk To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District investments in both depository bank certificates of deposits and state sponsored investment pools.

Interest Rate Risk To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires the investment portfolio to have maturities of less than one year on a weighted average maturity basis.

Foreign Currency Risk for investments The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment by not investing in foreign currencies.

**NOTE 3 – DUE FROM OTHER GOVERNMENTS**

This balance represents taxes and penalty and interest that were collected by the Tax Assessor-Collector, before September 30, 2016, but not remitted to the District.

**NOTE 4 – PENSION PLAN OBLIGATIONS**

The District's employees do not participate in a public retirement system, but are covered by Social Security.

**Bandera County River Authority and  
Groundwater District  
Notes to the Financial Statements  
September 30, 2016**

**NOTE 5 – CAPITAL ASSET ACTIVITY**

Capital asset activity for the twelve months ended September 30, 2016, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<i>Governmental activities:</i>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 150,000	\$ -	\$ -	\$ 150,000
Total capital assets not being depreciated	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	172,083	-	-	172,083
Vehicles	99,504	14,797	-	114,301
Monitoring Wells & Equipment	150,326	4,275	-	154,602
Total capital assets being depreciated	<u>421,914</u>	<u>19,072</u>	<u>-</u>	<u>440,986</u>
Less accumulated depreciation for:				
Buildings and Improvements	25,812	4,302	-	30,115
Vehicles	71,262	8,403	-	79,665
Monitoring Wells & Equipment	74,967	16,020	-	90,988
Total accumulated depreciation	<u>172,042</u>	<u>28,726</u>	<u>-</u>	<u>200,767</u>
Total capital assets being depreciated, net	<u>249,872</u>	<u>(9,653)</u>	<u>-</u>	<u>240,218</u>
Governmental activities capital assets, net	<u>\$ 399,872</u>	<u>\$ (9,653)</u>	<u>\$ -</u>	<u>\$ 390,218</u>

Required Supplementary Information

**BANDERA COUNTY RIVER AUTHORITY  
AND GROUND WATER DISTRICT  
Budgetary Comparison Statement - General Fund  
For Year Ended September 30, 2016**

	Actual	Original Budget	Final Amended Budget	Variance Positive (Negative)
<b>Revenues:</b>				
Property taxes	\$ 697,341.24	\$ 699,000.00	\$ 699,000.00	\$ (1,658.76)
Property taxes penalty & interest	10,220.01	-	-	10,220.01
Interest income	781.61	600.00	600.00	181.61
Permits and deposits	14,000.00	9,500.00	9,500.00	4,500.00
Non Compliance Penalties	-	-	-	-
USGS Gauge Station	6,800.00	6,800.00	6,800.00	-
Water analysis	6,159.72	3,500.00	3,500.00	2,659.72
Misc	794.50	4,000.00	4,000.00	(3,205.50)
Total revenues	<u>736,097.08</u>	<u>723,400.00</u>	<u>723,400.00</u>	<u>12,697.08</u>
<b>Expenditures:</b>				
<b>Service operations:</b>				
Appraisal District	16,453.81	14,800.00	17,300.00	846.19
Bonds & Insurance	6,205.00	6,860.00	7,090.00	885.00
Building Maintenance	14,364.29	15,000.00	15,000.00	635.71
Dues & Subscriptions	3,796.17	4,000.00	4,000.00	203.83
Education	9,683.85	10,000.00	10,000.00	316.15
Computer Software and Support	5,087.58	5,700.00	5,700.00	612.42
Small Equipment & Supplies	15,570.55	15,000.00	16,000.00	429.45
Furniture	496.53	500.00	500.00	3.47
Public Relations	3,056.89	4,000.00	4,000.00	943.11
Health Insurance	21,941.99	25,000.00	25,000.00	3,058.01
Website	76.62	600.00	600.00	523.38
Monitoring Units	300.00	500.00	500.00	200.00
Office Supplies	5,773.27	5,500.00	5,500.00	(273.27)
Office Rent	3,600.00	3,600.00	3,600.00	-
Payroll Tax	26,908.44	30,000.00	30,000.00	3,091.56
Postage	613.98	750.00	750.00	136.02
Professional Services	171,993.03	128,800.00	193,570.00	21,576.97
Salaries	329,431.27	345,410.00	345,410.00	15,978.73
Tax Collection Exp.	14,159.90	-	-	(14,159.90)
GMA Expense	2,198.25	5,000.00	5,000.00	2,801.75
Travel & Conferences	14,080.34	15,500.00	17,500.00	3,419.66
Employee Training	6,457.95	6,500.00	6,500.00	42.05
Utilities	13,337.60	14,000.00	14,000.00	662.40
USGS	16,580.00	16,580.00	16,580.00	-



**BANDERA COUNTY RIVER AUTHORITY  
AND GROUND WATER DISTRICT**  
**Budgetary Comparison Statement - General Fund**  
**For Year Ended September 30, 2016**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures: (Continued)</b>				
Vehicle Operations	19,171.99	14,000.00	20,000.00	828.01
Water Quality Project	6,083.20	6,500.00	6,500.00	416.80
Water Samples Exp.	6,159.45	6,500.00	6,500.00	340.55
Well Plugging	-	2,500.00	2,500.00	2,500.00
Illegal Dumping Litter Abatement	698.78	7,500.00	7,500.00	6,801.22
Medina River Cleanup	501.99	1,000.00	1,000.00	498.01
Brush Control	3,500.00	3,500.00	3,500.00	-
Well Logging Equip	4,757.58	1,250.00	4,250.00	(507.58)
Capital Outlay	14,796.76	-	15,000.00	203.24
Miscellaneous	349.90	1,400.00	1,400.00	1,050.10
ASR & Water Catchment Projects	-	1,250.00	1,250.00	1,250.00
Flood Awareness - Rainfall Project	-	4,400.00	4,400.00	4,400.00
	<u>758,186.96</u>	<u>723,400.00</u>	<u>817,900.00</u>	<u>59,713.04</u>
Excess (deficiency) of revenues over expenditures	(22,089.88)	-	(94,500.00)	72,410.12
Change in fund balance				
<b>Fund balance:</b>				
Beginning of the year	196,870.03	196,870.03	196,870.03	-
End of the year	<u>\$ 174,780.15</u>	<u>\$ 196,870.03</u>	<u>\$ 102,370.03</u>	<u>\$ 72,410.12</u>

**BANDERA COUNTY RIVER AUTHORITY  
AND GROUND WATER DISTRICT  
Schedule of Delinquent Taxes Receivable  
For the Year Ended September 30, 2016**

LAST TEN YEARS ENDED SEPTEMBER 30,	TAX RATE	ASSESSED VALUE FOR TAX PURPOSES (in thousands)	BEGINNING BALANCE 10/1/15	CURRENT YEAR TOTAL LEVY	ENTIRE YEAR'S ADJUSTMENTS	TOTAL COLLECTIONS	BALANCE 9/30/16
2006 & Prior	Var	Var	\$ 6,095.86		\$ (38.41)	\$ 387.80	\$ 5,669.65
2007	.029307	1,192,778	1,222.16		(4.42)	101.17	1,116.57
2008	.029	1,369,933	1,349.75		(4.55)	167.30	1,177.90
2009	.026849	1,544,243	1,696.51		(4.58)	180.14	1,511.79
2010	.024000	1,683,008	2,595.20		(286.53)	704.66	1,604.01
2011	.023414	1,796,477	3,593.50		(222.72)	1,266.86	2,103.92
2012	.024474	1,842,781	5,512.61		(171.70)	2,643.11	2,697.80
2013	.026001	1,878,945	8,564.55		(222.15)	3,998.74	4,343.66
2014	.028058	1,903,192	14,657.38		(2.08)	7,022.25	7,633.05
Current	.034739	2,015,732		700,245.27	(3,646.87)	680,869.21	15,729.19
			<u>\$ 45,287.52</u>	<u>\$ 700,245.27</u>	<u>\$ (4,604.01)</u>	<u>\$ 697,341.24</u>	<u>\$ 43,587.54</u>