

BLANCO-PERDERNALES GROUNDWATER

CONSERVATION DISTRICT

Financial Statements

with

Independent Auditor's Report

For the Year Ended September 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Blanco-Perdernaes Groundwater Conservation District

Opinions

We have audited the financial statements of the governmental activities and general fund of Blanco-Perdernaes Groundwater Conservation District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and general fund of Blanco-Perdernaes Groundwater Conservation District, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Blanco-Perdernaes Groundwater Conservation 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 audit opinions.

Prior Period Adjustment

As discussed in Note 12 to the financial statements, the financial statements of the governmental activities reflect a prior period adjustment to beginning net position. Our opinion is not modified with respect to this matter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 statements.

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 statements, 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 statements.
- 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 Blanco-Perdernaes Groundwater Conservation 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 statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Blanco-Perdernaes Groundwater Conservation 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of revenues, expenditures and changes in fund balance - budget and actual, on pages 4 through 6 and 20 respectively, 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.

Seidel Schuch

Brenham, Texas
December 23, 2025

Blanco-Perdernalles Groundwater Conservation District

601 W. Main St.
Johnson City, Texas 78636

Management's Discussion and Analysis for the Year Ended September 30, 2024

Governmental Accounting Standards Board Statement 34 requires that management of the District present an analysis and discussion of the attached financial statement and of the financial activities of the District. Management will attempt to give a brief overview of the District's financial activities for the fiscal year ended September 30, 2024.

Financial Highlights

- Expenses for the year ended September 30, 2024, exceeded revenue by a total of \$3,459.
- The District's assets total \$869,402 as of September 30, 2024.
- The District's liabilities total \$23,829 as of September 30, 2024.
- The District's net position as of September 30, 2024 is \$845,573.

Overview of the Financial Statements

The District's basic financial statements consist of government-wide financial statements, fund financial statements and the notes to the financial statements.

The government-wide financial statements, which are comprised of the Statement of Net Position and the Statement of Activities, include all assets and liabilities using the full accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Condensed Financial Analysis

	2024	2023 (as restated)
Current and other assets	\$ 719,269	\$ 722,349
Capital assets	150,133	142,345
<u>Total Assets</u>	<u>869,402</u>	<u>864,694</u>
Current liabilities	19,769	13,365
Noncurrent liabilities	4,060	1,788
<u>Total Liabilities</u>	<u>23,829</u>	<u>15,153</u>
Deferred Inflows of Resources	-	509
Net Position:		
Invested in capital assets	150,133	142,345
Unrestricted	695,440	706,687
<u>Total Net Position</u>	<u>\$ 845,573</u>	<u>\$ 849,032</u>

	Year Ended September 30, 2024	Year Ended September 30, 2023 (as restated)
Revenues		
Property taxes	\$ 617,817	\$ 571,580
Penalties and interest	6,135	5,216
Registration fees	10,524	16,200
Interest income	35,002	2,313
Other	7,726	396
<u>Total Revenue</u>	<u>677,204</u>	<u>595,705</u>
Expenditures		
Administrative	33,603	18,528
Aquifer research	23,704	20,439
Confrences	9,358	31,870
Insurance	6,532	5,295
Repairs and maintenance	29,663	9,913
Salaries	298,007	328,119
Employee benefits	62,764	126,229
Professional fees	197,208	36,321
Other	8,335	11,499
Depreciation and amortization	11,489	13,757
<u>Total Expenditure</u>	<u>680,663</u>	<u>601,970</u>
Change in Net Position	(3,459)	(6,265)
Net Position, Beginning of Year, as restated	849,032	842,767
Net Position, End of Year	<u>\$ 845,573</u>	<u>\$ 849,032</u>

Financial Analysis

Total assets increased \$4,708 primarily due to the purchase of fixed assets.

Total liabilities increased \$8,676 primarily due to an increase in accounts payable and payroll liabilities at year end.

Revenues increased \$81,499 primarily due to an increase in property tax revenue and interest income. Property valuations increased driving the \$46,237 increase in property tax revenue. Interest rates also increased resulting in an increase of \$32,689 in revenues.

Expenses increased \$78,693 from fiscal year 2023. Administrative expense increased by approximately \$15,075 due to various miscellaneous IT purchases. Repairs and maintenance increased by approximately \$19,750 compared to the prior year due to painting the office, shutter installation, and electrical maintenance work done in the current year. Salaries and employee benefits decreased by approximately \$30,112 and \$63,465 respectively due to employee turnover throughout the year and lower health insurance premiums. Professional fees increased by approximately \$160,887 due to hiring two interim managers because of the turnover.

Budgetary Highlights

The District annually adopts an operating budget. Total actual operating revenues were approximately \$20,964 more than budgeted, with property taxes exceeding expectations during 2024. Total operating expenditures were approximately \$145,386 less than budgeted, primarily due to less administrative expenses, aquifer research, and employee benefits than budgeted.

Capital Assets

The District owns capital assets in the form of land, buildings, structures, vehicles, furniture, and equipment. In 2024, capital assets have a value after depreciation of \$150,133. In 2023, capital assets had a value after depreciation of \$142,345.

In 2024, the District had the following significant capital asset purchases:

- New metal roof on building \$19,277

Currently Known Facts and Summation

The financial report is designed to provide a general overview of Blanco-Perdernaes Groundwater Conservation District finances and to reflect the District's accountability for funds received. If you have questions about this report or need additional information, contact the District at 601 W. Main St., Johnson City, TX 78636.

Blanco-Perdernaes Groundwater Conservation District

Statement of Net Position and
Governmental Funds Balance Sheet
September 30, 2024

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Cash	\$ 691,386	\$ -	\$ 691,386
Taxes receivable	20,545	-	20,545
Deposits	200	-	200
Prepaid expenses	-	7,138	7,138
Capital assets:			
Non-depreciable	-	32,666	32,666
Depreciable, net	-	117,467	117,467
Total Assets	<u>\$ 712,131</u>	<u>\$ 157,271</u>	<u>\$ 869,402</u>
LIABILITIES			
Accounts payable	\$ 12,328	\$ -	\$ 12,328
Accrued expenses	6,341	-	6,341
Refundable deposits	1,100	-	1,100
Noncurrent liabilities			
Compensated absences	-	4,060	4,060
Total Liabilities	<u>19,769</u>	<u>4,060</u>	<u>23,829</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	17,344	(17,344)	-
Total deferred inflows of resources	<u>17,344</u>	<u>(17,344)</u>	<u>-</u>
FUND BALANCE/NET POSITION			
Fund balance:			
Unassigned	72,184	(72,184)	-
Committed	602,834	(602,834)	-
Total fund balance	<u>675,018</u>		
Total liabilities and fund balance	<u>\$ 712,131</u>		
Net position:			
Investment in capital assets		150,133	150,133
Unrestricted		695,440	695,440
Total net position		<u>\$ 845,573</u>	<u>\$ 845,573</u>

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

Blanco-Perdernaes Groundwater Conservation District
 Reconciliation of the Balance Sheet to the Statement of Net Position
 Governmental Funds
 September 30, 2024

Fund Balances - total governmental funds \$ 675,018

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental capital assets	\$ 422,589	
Less accumulated depreciation	<u>(272,456)</u>	150,133

Long term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds. (4,060)

Prepays are not financial resources and are not reported in the general fund. 7,138

Unavailable revenues reported in the governmental funds are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds. 17,344

Net Position of Governmental Activities \$ 845,573

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

Blanco-Perdernaes Groundwater Conservation District
Statement of Activities and
Governmental Fund Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended September 30, 2024

	General Fund	Adjustments	Statement of Activities
Revenue:			
Property taxes	\$ 616,926	\$ 891	\$ 617,817
Penalties and interest	6,135	-	6,135
Registration fees	10,524	-	10,524
Interest income	35,002	-	35,002
Other	7,726	-	7,726
Total revenues	676,313	891	677,204
Expenditures:			
Current:			
Administrative	33,603	-	33,603
Aquifer research	23,704	-	23,704
Conferences	9,358	-	9,358
Insurance	6,532	-	6,532
Repairs and maintenance	29,663	-	29,663
Salaries	295,735	2,272	298,007
Employee benefits	55,548	7,216	62,764
Professional fees	197,758	(550)	197,208
Other	8,335	-	8,335
Depreciation and amortization	-	11,489	11,489
Capital outlay	19,277	(19,277)	-
Total expenditures	679,513	1,150	680,663
Change in fund balance/net position	(3,200)	(259)	(3,459)
Fund balance/net position:			
Beginning of the year, as previously reported	678,218	157,010	835,228
Prior period adjustment (Note 12)	-	13,804	13,804
Beginning of the year, as restated	678,218	170,814	849,032
End of the year	\$ 675,018	\$ 170,555	\$ 845,573

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

Blanco-Perdernaes Groundwater Conservation District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in
 Fund Balance of Governmental Funds to the Statement of Activities
 For the Year Ended September 30, 2024

Net changes in Fund Balances - total governmental funds		\$ (3,200)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of these assets are depreciated over their estimated useful lives:</p>		
Capital outlay	\$ 19,277	
Depreciation expense	<u>(11,489)</u>	7,788
<p>Expenditures reported in the Statement of Activities are expensed once economic performance has occurred. In the Governmental funds expenditures are recognized when they are paid.</p>		
		(8,938)
<p>Deferred inflows for unavailable revenue in the governmental funds are not deferred in the statement of activities</p>		
		891
Change in Net Assets of Governmental Activities		<u><u>\$ (3,459)</u></u>

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

Blanco-Perdernaes Groundwater Conservation District

Notes to Financial Statements

September 30, 2024

1. Summary of significant accounting policies

The basic financial statements of the Blanco-Perdernaes Groundwater Conservation District have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Organization

The Blanco-Perdernaes Groundwater Conservation District is a political subdivision of the State of Texas. On October 11, 2000, the Texas Natural Resources Conservation Commission (TNRCC) in accordance with applicable provisions and requirements of the Texas Water Code, approved a petition for the creation of the District. In a confirmation election held on January 23, 2001, Blanco County voters approved the creation of the District, elected five Directors to the Board of Directors, and approved its authority to assess an ad valorem tax on the Blanco County property owners. As a duly created groundwater district, the District may exercise any and all statutory authority or power conferred under Chapter 36 of the Texas Water Code, including the adoption and enforcement of rules under Section 36.101 Rule Making Power.

B. Reporting Entity

The District has developed criteria to determine if the activities of any outside agencies or organizations should be included within its financial statements. The criteria includes the amount of oversight responsibility exercised by the District over the activities of an agency or organization, the scope of public service of an agency or organization, and the nature of any special financing relationships which may exist between the District and an agency or organization. Oversight responsibility includes financial interdependency, selection of the governing authority, designation of management, the ability to significantly influence operations, and accountability for fiscal matter. The District's financial statements include all funds over which the District exercises oversight responsibility. The District does not exercise oversight responsibility over any other reporting entity. Also, the District is not included as a part of any other reporting entity.

Blanco-Perdernalles Groundwater Conservation District

Notes to Financial Statements

September 30, 2024

C. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental activities and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

Fund Financial Statements

Financial statements of the reporting entity are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, as follows:

General Fund - The District's General Fund accounts for the activities of the District. There are no component units required to be included in the District's reporting entity because of the significance of their operations or financial relationships with the District.

D. Measurement focus and basis of accounting

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Blanco-Perdernalles Groundwater Conservation District

Notes to Financial Statements

September 30, 2024

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable" and "available." Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. Penalties and interest, and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include payments on general long-term debt which are recognized when due.

E. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Risk management

The District is exposed to various risks of loss from torts: theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters.

G. Capital assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets valued at historical cost, except for donated fixed assets which are recorded at their estimated fair value at the time of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful life using the straight-line method of depreciation.

Blanco-Perdernaes Groundwater Conservation District

Notes to Financial Statements

September 30, 2024

The range of estimated useful lives by type of asset is as follows:

Buildings and structures	10-40 years
Vehicles	5 years
Furniture and equipment	5- 7 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

H. Budgets and Budgetary Accounting

Budgets are generally adopted on a basis consistent with GAAP. The legal level of budgetary control is appropriated at the category level. Therefore, a budget amendment is required to increase the appropriations for any category.

The following expenditures exceeded budget: insurance \$1,132, professional fees \$42,758, and capital outlay \$19,277.

I. Compensated absences

Compensated absences are those absences for which employees will be paid, such as vacation leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the District and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or are contingent on a specific event that is outside the control of the District, and its employees are accounted for in the period in which such services are rendered or in which such events take place.

In governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and fund liability in the fund that will pay for the compensated absences. Therefore, a liability for these amounts is recognized only if they have matured, for example, as a result of employee resignations and retirements. In the government-wide financial statements, compensated absences are accrued as incurred.

Blanco-Perdernalles Groundwater Conservation District

Notes to Financial Statements

September 30, 2024

J. Fund equity

Government-wide statements

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund statements

Governmental fund equity is classified as fund balance.

Classification of fund balances

The *nonspendable* fund balance includes the portion of net resources that cannot be spent because of their form or because they must be maintained intact. Resources not in spendable form include supplies inventories and prepaid items.

Some resources are spendable but are legally or contractually required to be maintained intact. Such resources include the principal of an endowment.

The *restricted* fund balance includes net resources that can be spent only for the specific purposes stipulated by constitution, external resource providers (creditors, grantors, contributors), laws and regulations of other governments, or through enabling legislation. The enabling legislation authorizes the District to assess, levy, charge or otherwise mandate payment of resources from external resource providers; those resources can be used only for the specific purposes stipulated in the legislation.

The *committed* fund balance includes spendable net resources that can only be used for specific purposes pursuant to constraints imposed by formal Board actions, no later than the close of the fiscal year. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.

Blanco-Perdemales Groundwater Conservation District

Notes to Financial Statements

September 30, 2024

The *assigned* fund balance includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Such intent should be expressed by the Board or its designated officials to assign amounts to be used for specific purposes, but are neither restricted nor committed. Constraints imposed on the use of assigned amounts can be removed with no formal Board actions. The assigned fund balance is only reported in the General Fund.

The *unassigned* fund balance represents spendable net resources that have not been restricted, committed, or assigned to specific purposes.

Spending Prioritization in Using Available Resources

When both restricted resources and other resources (i.e., committed, assigned, and unassigned) can be used for the same purpose, the District budget considers restricted resources to be spent first.

When committed, assigned, and unassigned resources can be used for the same purpose, the flow assumption in the District's budget is to spend in the sequence of committed resources first, assigned second, and unassigned last.

2. Cash and deposits with financial institutions

Custodial credit risk is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be returned to it. The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank places approved pledged securities for safekeeping and trust with the District's bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. Of the District's bank balances of \$697,191, \$388,730 was covered by FDIC insurance at two institutions and \$308,461 was collateralized with securities held by the pledging financial institutions.

3. Property tax

Property taxes are levied by October 1 of each year for the following calendar year. Taxes are due on receipt of the tax statement and are delinquent if not paid before February 1 of the year following the year of assessment. On January 1 of each year, the District has an enforceable tax lien on property to secure the payment of all taxes and the payment of any penalties and interest ultimately imposed.

Taxes levied for fiscal year ending September 30, 2024, were at the tax rate of \$0.017498 per \$100 valuation. The tax for the 2024 fiscal year was levied in 2023 on property within the District having an assessed valuation of approximately \$3,513,898,565.

Blanco-Perdernaes Groundwater Conservation District

Notes to Financial Statements

September 30, 2024

4. Capital assets

Capital asset activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable:				
Land	\$ 32,666	\$ -	\$ -	\$ 32,666
Depreciable:				
Buildings & structures	200,194	19,277	-	219,471
Furniture and equipment	105,943	-	-	105,943
Vehicles	64,509	-	-	64,509
Total depreciable	370,646	19,277	-	389,923
Total Capital assets	\$ 403,312	\$ 19,277	\$ -	\$ 422,589
Less accumulated depreciation	(260,967)	(11,489)	-	(272,456)
Total capital assets, net	\$ 142,345	\$ 7,788	\$ -	\$ 150,133

Depreciation expense totaled \$11,489 for the year ending September 30, 2024.

5. Long-term liabilities

During the year ended September 30, 2024, the following changes occurred in the long-term liabilities:

	Beginning Balance	Increases/ (Decreases)	Ending Balance	Due Within One-year
Compensated absences	\$ 1,788	\$ 2,272	\$ 4,060	\$ -
	\$ 1,788	\$ 2,272	\$ 4,060	\$ -

6. Retirement plan

As of February 7, 2002, the District established a deferred compensation plan, Employer's 457 Deferred Compensation Plan and Trust under Section 457 of the Internal Revenue Code with International City Management Association Retirement Corporation (ICMA-RC). The plan provides for contributions for all eligible employees (7.5% of covered payroll) and a matching contribution (7.5%) by the District. Since the assets held under this plan are not the District's property and are not subject to the District's control, they have been excluded from the financial statements. The District's total payroll for fiscal year 2024 was \$197,197 and the District's contributions were based on a payroll of \$197,197. Both the District and the covered employees made contributions amounting to \$15,406 for the District and \$15,406 for the employees.

Blanco-Perdernalles Groundwater Conservation District

Notes to Financial Statements

September 30, 2024

7. Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

8. Fees Collected

The District has authorized the collection of fees as adopted by its rules and regulations in accordance with Section 36.025 of the Texas Water Code. The production, application, penalty and other fees are established in a fee schedule adopted by the Board of Directors.

9. Board Committed Fund Balance

As of September 30, 2024, the District's committed fund balance was \$602,834 for the following purposes: office maintenance, data base, employee benefit obligation, vehicle replacement, aquifer research, interest on savings, legal, logging equipment, trailer maintenance, elections, and money management.

As of September 30, 2024, the District had \$72,184 in unassigned fund balance.

10. Commitments

The district has a contract with a company for water project services in the amount of \$22,500. The outstanding commitment is \$5,625 as of September 30, 2024.

11. Related Party

During the year ending September 30, 2024, the District paid approximately \$80,417 to a business owned by a board member.

12. Prior Period Adjustment

During the year ended September 30, 2024, the District determined that certain balances as of September 30, 2023 were misstated on the government wide financial statements. Prepaids were understated by \$13,804 at the government wide level. Beginning net position has been increased by this amount and restated at \$849,032.

Blanco-Perdernaes Groundwater Conservation District

Notes to Financial Statements

September 30, 2024

13. Subsequent Events

In February 2025, the District approved a contract for spatial layering showing subdivision boundaries and well locations within the district for \$14,900.

In April 2025, the District entered into a consulting agreement to enhance the District's groundwater monitoring network not to exceed \$12,500.

In October 2025, the District entered into a contract not to exceed \$18,000 for a production package to track production numbers on permitted wells.

REQUIRED SUPPLEMENTARY INFORMATION

Blanco-Perdernaes Groundwater Conservation District

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Year Ended September 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenue:				
Property taxes	\$ 602,049	\$ 602,049	\$ 616,926	\$ 14,877
Penalties and interest	2,500	2,500	6,135	3,635
Registration fees	20,000	20,000	10,524	(9,476)
Interest income	30,800	30,800	35,002	4,202
Other	-	-	7,726	7,726
Total revenues	<u>655,349</u>	<u>655,349</u>	<u>676,313</u>	<u>20,964</u>
Expenditures:				
Current:				
Administrative	62,000	62,000	33,603	(28,397)
Aquifer research	79,000	79,000	23,704	(55,296)
Conferences	10,000	10,000	9,358	(642)
Insurance	5,400	5,400	6,532	1,132
Repairs and maintenance	46,500	46,500	29,663	(16,837)
Salaries	253,703	304,673	295,735	(8,938)
Employee benefits	150,376	150,376	55,548	(94,828)
Professional fees	155,000	155,000	197,758	42,758
Other	63,370	12,400	8,335	(4,065)
Capital outlay	-	-	19,277	19,277
Total expenditures	<u>825,349</u>	<u>825,349</u>	<u>679,513</u>	<u>(145,836)</u>
Excess (deficiency) of revenues over (under) expenditures	(170,000)	(170,000)	(3,200)	166,800
Fund balance, beginning of year	<u>678,218</u>	<u>678,218</u>	<u>678,218</u>	-
Ending fund balance	<u>\$ 508,218</u>	<u>\$ 508,218</u>	<u>\$ 675,018</u>	<u>\$ 166,800</u>