

Guadalupe-Blanco River Authority of Texas
Comprehensive Annual Financial Report
Fiscal Year Ended August 31, 2015 and 2014

Photos &





Rivers



Guadalupe-Blanco
River Authority
of Texas

Annual Financial
Report

Fiscal Years
Ended August 31,
2015 and 2014



Financial information compiled by the GBRA Accounting Department. Introductory Section, Year in Review and story narratives compiled by the Communications and Education Department.

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Guadalupe-Blanco River Authority of Texas



Established by the Texas Legislature

GBRA was created in 1933 as the Guadalupe River Authority under Section 59, Article 16 of the Constitution of Texas as a water conservation and reclamation district and a public corporation. It was reauthorized in 1935 as the Guadalupe-Blanco River Authority by an act of the Texas Legislature (VCS Art. 8280-106).

Sound Management and Administration

GBRA is governed by a board of nine directors who are appointed by the Governor and confirmed by the Texas Senate. Directors serve six-year terms, with three directors appointed or reappointed every two years. Board committees meet prior to each monthly meeting to recommend and review policies, programs and actions for consideration. Management and administrative duties are carried out by the general manager and staff in accordance with policies established by the board.

Planning for the Basin and Texas

GBRA's primary responsibilities are to develop, conserve and protect the water resources within its 10-county statutory district, which begins near the headwaters of the Guadalupe and Blanco Rivers, ends at San Antonio Bay, and includes Kendall, Comal, Hays, Caldwell, Guadalupe, Gonzales, DeWitt, Victoria, Calhoun and Refugio counties. Planning and resource development efforts for the Guadalupe River basin are carefully coordinated within the broader consideration of regional and statewide water needs.

Self-Supporting Operations

GBRA cannot levy or collect taxes, assessments, or pledge the general credit of the State of Texas. Funding for special projects comes from state and federal grants. All other revenues for maintenance and operation are obtained from the products and services GBRA provides to customers throughout the basin.

Vision

The Guadalupe-Blanco River Authority is a widely recognized leader in managing water resources that benefit both people and the environment.

Mission

The mission of GBRA is to protect, conserve, reclaim and steward the resources of the district, and provide leadership in regional cooperation, in order to enhance quality of life for those we serve.

GBRA

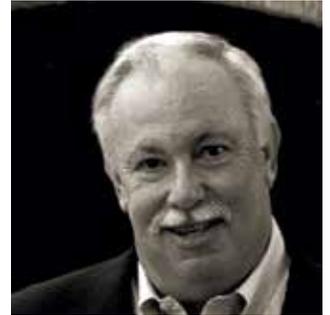
Board of Directors



Tommy Mathews, Chair
Kendall County
Appointed 2011, Gov. Rick Perry



Rusty Brockman, Vice Chair
Comal County
Appointed 2011, Gov. Rick Perry



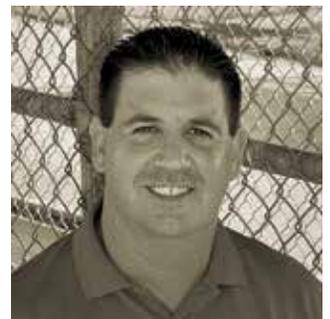
Dennis L. Patillo, Secretary-Treasurer
Victoria County
Appointed: 2011, Gov. Rick Perry



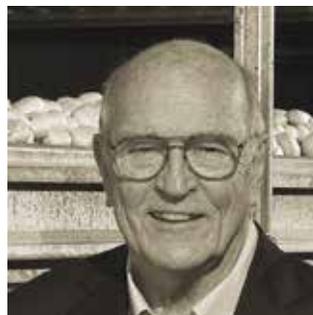
Oscar H. Fogle, Director
Caldwell County
Reappointed 2011, Gov. Rick Perry



Kenneth Motl, Director
Calhoun County
Appointed: 2013, Gov. Rick Perry



William R. Carbonara, Director
DeWitt County
Appointed: 2013, Gov. Rick Perry



Darrell McLain, Director
Gonzales County
Appointed: 2013, Gov. Rick Perry



Grace G. Kunde, Director
Guadalupe County
Reappointed: 2009, Gov. Rick Perry



Don B. Meador, Director
Hays County
Appointed: 2013, Gov. Rick Perry



GBRA is governed by nine directors, appointed by the Governor of the State of Texas and confirmed by the Senate. The 10 counties in GBRA's statutory district are represented on a rotating basis. Each director serves a six-year term with three directors appointed or re-appointed every two years.

Operations

1. Canyon Park Estates Wastewater Treatment Plant
2. Canyon Dam and Reservoir and Canyon Hydroelectric Plant
3. Cordillera Ranch Water Distribution System and Wastewater Treatment Plant
4. Comal Trace Water Distribution System and Johnson Ranch Water Distribution System and Wastewater Treatment Plant
5. Western Canyon Water Treatment Plant
6. Buda Wastewater Treatment Plant
7. Shadow Creek Wastewater Treatment Plant
8. Sunfield Wastewater Treatment Plant
9. San Marcos Water Treatment Plant and IH-35 Treated Water Delivery System
10. Northcliffe Wastewater Treatment Plant
11. Guadalupe Power Partners Raw Water Delivery System
12. Dunlap Wastewater Treatment Plant
13. Lake Dunlap (TP-1) Hydroelectric Plant and Regional Raw Water Delivery System
14. Lake McQueeney (TP-3) Hydroelectric Plant
15. Lake Placid (TP-4) Hydroelectric Plant
16. GBRA Main Office and Regional Laboratory
17. Lake Nolte (TP-5) Hydroelectric Plant and Nolte Island Park
18. Springs Hill Wastewater Treatment Plant
19. Lockhart Wastewater Treatment Plant #1
20. Lockhart Wastewater Treatment Plant #2
21. Lockhart Water Treatment Facility
22. Luling Water Treatment Plant and Luling to Lockhart Treated Water Delivery System
23. Lake Gonzales (H-4) Hydroelectric Power Plant
24. Lake Wood Park (H-5) Hydroelectric Power Plant
25. Coledo Creek Park and Reservoir
26. Diversion Dam and Salt Water Barrier
27. Crestview Subdivision Wastewater Treatment Plant
28. Port Lavaca Water Treatment Plant and Calhoun County Rural Water and Canal System Division



Basin
in
Map

GBRA Operational Chart



GBRA Year in Review

(September 1, 2014 – August 31, 2015)

September 2014

- GBRA officials treated the Guadalupe River a mile downstream of FM 1117 the week of Sept. 15-19 with an herbicide, Nautique, to control the aquatic plant hydrilla. The plant growth reached a level that was affecting the accuracy of the flow gauge located downstream of Seguin.

October 2014

- Mike Urrutia was selected from within GBRA's ranks to take the helm as GBRA's new Director of Water Quality. He worked his way up over a period of 27 years of employment with the river authority. Urrutia began his new responsibilities through an internal search when Debbie Magin announced her retirement after 38 years of employment with GBRA. Jorge E. Rojas, experienced in water and wastewater operations management and formerly Chief Operator for the Western Canyon Water Treatment Plant, was promoted to Division Manager for Comal/Kendall Counties.

- GDF SUEZ Energy North America donated a 238-acre easement valued at about \$1 million to the GBRA and GBR Trust. The property features hiking trails, basic camping facilities, an active Bald Eagle's nest, and many outdoor and wildlife opportunities. The property is adjacent to the 3,100-acre Coletto Creek Park and Reservoir where about 300,000 people visit annually.



- Charles Schons, a Victoria-area Texas Parks and Wildlife Department (TPWD) volunteer kids fishing education instructor, donated all of his fishing instruction gear to the Coletto Creek Park in October because of his impending retirement.

November 2014

- Myrna Patterson McLeroy died Sunday, Nov. 30, in Gonzales, Texas. She had served on GBRA's Board of Directors for 13 years, having been appointed first by Governor George W. Bush and then Governor Rick Perry. She served as board chair in 2006 and 2008. A private internment was held at the Waelder Cemetery in Waelder, and a celebration of Myrna's life was held at the First United Methodist Church in Gonzales Dec. 4.

December 2014

- After 38 years of employment with GBRA, Debbie Magin announced her retirement effective Dec. 31. She began employment on July 6, 1976, initially serving as a Laboratory Analyst for the Regional Laboratory Division. She took the reigns as Director of Water Quality Services in March 1999.

- The United States Court of Appeals for the Fifth Circuit on Monday, Dec. 15, denied a Petition for Rehearing En Banc in The Aransas Project (TAP) v. Shaw in which a three-judge panel of the Fifth Circuit reversed a judgment of the U.S. District Court for the Southern District of Texas. In a June 30 decision, the Fifth Circuit panel agreed with defendants that the plaintiff failed to prove its case that diversions of water for use by Texans had led to multiple deaths of federally protected whooping cranes in the winter of 2008.

- The Guadalupe-Blanco River Authority (GBRA) Board of Directors elected board officers for 2015 during its meeting Wednesday, Dec. 15, 2014. Tommy Mathews of Kendall County was elected chair, Rusty Brockman of Comal County elected vice-chair, and Dennis Patillo of Victoria County elected secretary/treasurer.



January 2015

- Stage I "Mild Water Shortage Condition" measures for its Lower Basin customers were rescinded. GBRA's Calhoun County Rural Water System and customers of the Port Lavaca Water Treatment Plant, including the City of Port Lavaca and the Port O'Connor Improvement District were requested to implement voluntary conservation measures as a planned response to the ongoing drought.

February 2015

- GBRA officials reduced drought measures for the hydroelectric lakes from Stage III to Stage II and rescinded drought measures for residents who live in the Cordillera Ranch and Comal Trace subdivisions.

- The KIDFISH Foundation stocked several hundred pounds of channel catfish into the GBRA Lake Wood Recreation Area in Gonzales County for children to catch in February. Bait, tackle and loaner rods were provided to children who did not have fishing equipment. Sponsors of KIDFISH for the Gonzales community include GBRA and Lake Wood Park, Venturing Crew #51, Schertz Boy Scouts Troop 51, Gonzales Young Farmers, VFW Post 4817 and Auxiliary, Gonzales FFA, H.E.B., Joe Solansky of Capitol Monument Company, and Stanley Hahn and family. The Gonzales VFW Post 4817 and Auxiliary provided hot dogs.



March 2015

- The annual Guadalupe River Basin Steering Committee meeting for the Clean Rivers Program (CRP) met at 1 p.m. Thursday, March 26, 2015, at the Guadalupe-Blanco River Authority (GBRA) River Annex. The agenda included review of the 2014 CRP basin activities, a report from the Texas Commission on Environmental Quality on stream assessments, watershed action planning and water quality standards, and status reports on the watershed protection activities going on in the basin.

- In March, aquatic herbicides “Sinkerball” and “Trycera” were applied in selected cove areas of Coletto Creek Park and in the Perdido Creek arm of Coletto Creek Reservoir at the Coletto Creek Power Plant intake to help control Eurasian Watermilfoil as part of the GBRA ongoing Coletto Creek Reservoir Aquatic Plant Management Program.

April 2015

- GBRA employees and family members made improvements to the McMahan Women’s Club for their volunteer project in April.
- On April 29, GBRA officials briefed area constituents about recent log jam work on the Guadalupe River and explained some of the permitting and funding challenges that are faced in working log jams. That meeting resulted in GBRA officials pledging to develop partnerships with local, state and federal entities as well as private landowners to tackle the jam on the San Antonio River. Funding partners that GBRA is contacting include the San Antonio River Authority, Union Pacific Railroad, area county officials, the U.S. Fish and Wildlife Service (USFWS) and the U.S. Army Corps of Engineers (USACE).

May 2015

- The San Antonio Bay Foundation awarded \$31,000 to the Friends of Aransas and Matagorda Island (FAMI) Water for Wildlife Project. The project entails converting and rehabilitating old dysfunctional windmill powered water wells to solar powered pumps. The maintenance of these freshwater drinking sources is critical for wildlife on the remote Matagorda Island. Funds were made available to the San Antonio Bay Foundation pursuant to a settlement agreement with the Texas General Land Office and Kirby Inland Marine.

- Hydroelectric staff performed a washout and inspection of all three spill gates at Lake Dunlap and both spill gates at Lake Placid in May.



2015 FLOOD



- Mary Newman joined GBRA's Business Development Resource Management area as its new project coordinator in May. Before taking on her position with GBRA, Newman was the endowment coordinator in the Development Department at U.T. Medical Branch in Galveston.

- With 38 years of service to his credit, Michael "Mike" Gerdes celebrated his retirement with co-workers, friends and other retirees in May. He began his employment with GBRA on Nov. 1, 1976.

- The massive surge of the Blanco River that occurred on a holiday weekend May 23 not only took lives and destroyed property, powerful floodwaters washed away important streamflow gauges, some of them in place since the 1920s. Scientists determined that the water eventually reached a height of about 44 feet and flowed at a rate of about 170,000 cubic feet per second.

- Texans who struggle with the dilemma of ensuring a reliable water supply for a booming state can add a shiny new piece to their toolbox. House Bill 2031, which the 84th Legislature passed in May, created a framework for permitting the diversion and use of ocean water from the Gulf of Mexico into water that people can drink – as well as use for many purposes.



June 2015

- The United States Supreme Court on Monday, June 22, denied review in *The Aransas Project (TAP) v. Shaw*. The Supreme Court denial came in response to a petition by attorneys for TAP after the U.S. Court of Appeals for the Fifth Circuit denied a Petition for Rehearing En Banc last December, following a three-judge panel of the Fifth Circuit's reversal of a judgment of the U.S. District Court for the Southern District of Texas.

- After significant rainfall in the Guadalupe River Basin, GBRA officials on Thursday, June 4, announced all drought measures were being rescinded on area hydroelectric lakes in Comal, Guadalupe and Gonzales counties.

July 2015

- The U.S. Army Corps of Engineers (USACE) granted a seasonal pool deviation of one foot at Canyon Reservoir at GBRA's request. The normal conservation pool elevation for Canyon Reservoir is 909 mean sea level (msl), which is the level at which GBRA begins to control releases for water supply purposes. With the seasonal pool deviation, GBRA will control releases from Canyon at 910 msl.

- GBRA officials awarded three \$2,000 academic scholarships and two \$1,000 academic scholarships to area students within GBRA's 10-county district. The scholarships, presented annually, are part of GBRA's Employee Volunteer Program. Recipients included Sarah Hakimuddin of Cibolo, Sohmer Peterson of Geronimo, Thomas Jimenez of Seguin, Brittany Walker of Gonzales and Sara Guice of Port Lavaca.

- Connie Rothe spent more than 31 years adding that "special touch" to GBRA's publications, events board relations and activities. Hired Dec. 1, 1983, as a secretary in the General Division, she worked her last day with GBRA in July.

August 2015

- GBRA temporarily substituted chlorine as the disinfecting agent in the drinking water treatment process in place of its regularly used chlorine/ammonia compound (chloramines) at the GBRA Port Lavaca Water Treatment Plant in August. The substitution of chlorine alone on a periodic basis is recommended by the Texas Commission on Environmental Quality (TCEQ) in order to provide more stability to the disinfecting process and to remove any excess ammonia that might accumulate in the distribution systems over time.

Our River Heritage

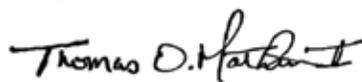
A Tour of Early Texas



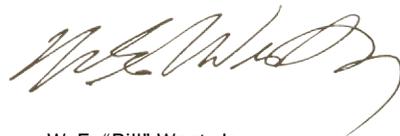
Here you will find these tales:

- Cibolo Nature Center in Boerne is a wild treasure within the borders of a city. Find out what a cypress gallery looks like.
- Cuero, a small city, boasts four museums. Each of them is dedicated to the unique history of the area.
- Gonzales is known for the slogan “Come and Take It!” What is the story behind these belligerent words?
- Luling has oil, sausage, museums, watermelons--and killer whales. And yes, all of these things, no matter how odd they appear together, belong in this story.
- In New Braunfels, all roads lead to Landa Park.
- Near Port Lavaca, in Matagorda Bay, stands a statue honoring a colorful explorer from France. Who was this man?
- Refugio was the site of many early battles and the last mission constructed in Texas.
- San Marcos, a university city, has built a library devoted to LBJ’s college years. This is not to be confused with his official presidential library in Austin--but it is the library of a president, nevertheless.
- Seguin’s Max Starcke Park was once a pecan orchard. It opened during the city’s centennial celebration and served as a model for other parks.
- Victoria’s early fort was really not a fort, but a temporary colony that helped shape the city’s rich tapestry and reputation as one of the oldest cities in Texas.

Consider this report a helpful guide to your own personal exploration of Texas, where the stories are big, always colorful, often unbelievable, and mostly true.



Thomas O. Mathews II
Chair, Board of Directors



W. E. “Bill” West, Jr.
General Manager



Roots & Rivers



O

One of Texas' vital resources is water. Its power is crucial to life, a fact early settlers knew instinctively. They made their homes near the fresh water of creeks and rivers, often entering this new land by sea. Water sustained and protected them, nourished their crops, helped provide electricity and recreation--and also created grave dangers that destroyed property and lives.

The GBRA River Heritage Tour tells the story of water, people, and early Texas. In main cities in each of the 10 counties where GBRA is present, we have installed public story booths that offer the details of early Texas through videos and a website. The short videos cover broad swaths of history and territory. Anyone planning a tour of one of these counties will discover important information to guide them on their journey.





It's just fine to bring your backpack and your dog when you visit this gem of nature made up of hiking trails, the constant flow of Cibolo Creek, thousands of woody and marsh critters, and giant cypress trees baring their knees in the stream. This forest of water-loving trees is called "the cypress gallery" by Cibolo Nature Center founder and executive director Carolyn Chipman Evans. And the trees really do have knees.

The center is like no other public place in the Hill Country, and it is right in the heart of Boerne. Privately funded by memberships, educational programs, foundations and corporations, the CNC offers nature education for children and adults.



Boerne: Cibolo Nature Center & Farm

160 acres of treasure

Cibolo Nature Center 140 City Park Road

Herff Farm 33 Herff Road

In the 1960s, the City of Boerne bought the land along Cypress Creek that is now the CNC. Over the years the area had devolved into a vacant lot filled with debris, its native vegetation and creek neglected and abused. Evans and other volunteers approached the city in 1988 with big plans of creating something else.

The city agreed, the volunteers launched a cleanup effort, and by the 1990s, the CNC, on city-leased land, was born: 100 acres with four distinct ecosystems and a place for learning about and loving nature. Now the nature preserve is open to the public for hiking and exploration seven days a week year-round, and the Visitor Center is open almost as often.

The 62-acre Herff Farm became part of the CNC in 2007. Restoration of historic buildings and other work is ongoing. The farm is the site for Farmers Market at the Cibolo on Saturday mornings from March through December, and is listed on the National Register of Historic Places.

If you are re-energized after your hike and visit to the farm, follow City Park Road to the swimming pool and tennis courts that are part of the Boerne City Park system, and enjoy a different kind of outdoor fun.

Boerne tidbits and other points of interest:

Ludwig Boerne, a German writer given to satire who inspired the name of Boerne, never visited the town.

- A mile is a mile is a mile, except in Boerne, where "The Hill Country Mile" measures 1.1-mile and is the other moniker for Main Street. Walking shoes, please.
- The Cave Without a Name manages just fine no matter what you call it, at a constant 66 degrees. Inside, lights and music.



Less than 10,000 people, one grocery store, four museums. Wait. Shouldn't that be four grocery stores and one museum? People have to eat, right?

Yes, and people here eat well. But the four museums define a multi-faceted culture in this small town which used to be a mere dot on the open range of the Chisholm Trail.

Cuero's four museums include:

1. Chisholm Trail Heritage Museum, 302 North Esplanade St: The history of the American cowboy and tales about the Chisholm Trail era can be found here, in this former Knights of Pythias Hall. The museum, opened in 2013, offers a permanent exhibit titled "Ranching Heritage of the Guadalupe River Valley" and a display of cowboy artifacts.

2. Cuero Heritage Museum, 124 East Church St. This 1915 building was Cuero's first Post Office, then the federal building. When all the federal offices moved elsewhere, the city took it over. The price: \$1, as long as the city used it for educational purposes. Find out more about Cuero's football, military and turkey history, and listen to the oral histories being developed.

3. DeWitt County Historical Museum, 312 East Broadway St. A house museum, this repository of day-to-day life in old Cuero was first built in Indianola, felled by the same hurricane that destroyed Indianola in 1886, then brought by rail to Cuero and rebuilt at its current spot. Here the structure has stayed for more than a century, first as a private home and now as a place to visit the past.

Cuero: cowboys, cattle, turkeys, medicine— and a museum for each

4. Pharmacy and Medical Museum of Texas, 114 East Main St., a branch of the Cuero Heritage Museum with a focus on pharmacy and medical history. The museum was founded by pharmacist Joe Reuss and his wife Wanda in the old 1889 Heaton Brothers Building, and, fittingly, was always a pharmacy. Plans are being developed to renovate the second floor as funds become available. Cuero tidbits and other points of interest:

- DeWitt County Courthouse. This imposing 1886 building would be quickly identified as a courthouse even without the identifying cornerstone. Its Richardsonian Romanesque style graces Gonzales Street.
- Cuero Municipal Park and Golf Course, the site for fishing, volleyball, basketball, and of course, golf. The park was built in the 1930s by the CCC and WPA.

Cuero's turkey heritage dates to 1912, but only later did it become known as the Turkey Capital of the World. Now it vies for the title with Worthington, Minn., and for the Traveling Turkey Trophy of Tumultuous Triumph.



B

Before Texas had 254 counties and almost 200 years before Texas became the 28th state in 1845, a French colony rose up on or near Garcitas Creek.

The settlers built the first structures in what eventually became Victoria County, today's "crossroads of South Texas."

The year of this settlement was 1685, and the French pioneers who landed here survived only about three years. Stories call the place Fort St. Louis, but some say the man who led the expedition called it by another name.

That leader was René Robert Cavellier, Sieur de la Salle, immortalized in the granite statue on the western edge of Matagorda Bay. His name for the encampment was "the habitation on the rivière aux Boeufs (Buffalo River) near the baye Saint-Louis," according to the Texas State Historical Association's Handbook of Texas. The events that actually occurred died with the explorers, but some reports attribute the name "Fort St. Louis" to an account written by La Salle's brother, Jean Cavellier.



Victoria: from ancient 'fort' to the 'crossroads of South Texas'



Records also say the settlement was not a fort in any traditional sense. It did not have walls and the structures were simple. Fortifications included eight cannons that could not be fired because they had no projectiles that would work in them. And although La Salle originally set out with more than 300 people, the expedition lost ships and travelers to disease, destruction and disenchantment.

The encampment was meant to be temporary. But when the last ship was wrecked, the people remaining in the colony were stranded. Here they died, the last ones killed in an attack by the Karankawa Indians at the end of 1688. And the settlement that some call Fort St. Louis was destroyed.

Modern-day Victoria, with a rich history, is the second-oldest city in Texas with a nickname of "the crossroads of South Texas" because of where major roads of Texas converge within its boundaries. Victory County tidbits and other points of interest:

- Seven of the eight cannons brought to Texas by the La Salle expedition, once buried, are on display in the Museum of the Coastal Bend, 2200 East Red River. The eighth cannon is on exhibit at the State History Museum in Austin.
- Victoria's Historic Driving Tour begins at DeLeon Plaza, a public square platted in the original survey of the town in 1824, and includes 80 properties listed on the National Register of Historic Places.
- People say Fossati's Deli, 302 South Main St., is Texas' oldest delicatessen. It was established in 1882 by Frank Napoleon Fossati, a stonecutter from Italy.

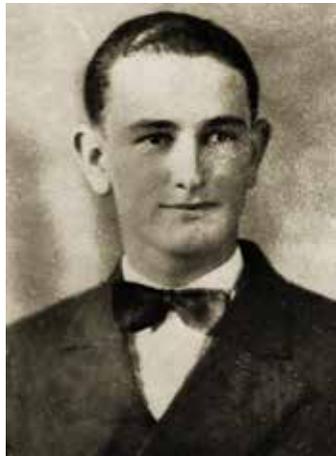
W

When Lyndon Baines Johnson, the 36th president of the United States, enrolled in college in San Marcos, the institution was then called Texas State Teachers College. That was not its first name, and the university has changed its name and broadened its educational scope in the years since, attracting students worldwide who are interested in many disciplines.

But one fact has not changed: although LBJ is not the only U.S. president to claim Texas as his home state, he is the only president that a Texas university can claim as an alumnus.

So the timing seemed right in the late 1990s when San Marcos leaders recommended that the city of San Marcos create a museum dedicated to the years LBJ spent at the institution now called Texas State University.

Located in a former movie theater on the courthouse square, the LBJ Museum opened in 2006 with public and private support. Among the exhibits are speeches and special programs, and a permanent exhibit detailing LBJ's life. Also a part of the exhibits is a collection of pens used to sign legislation. One of these LBJ used to sign the Higher Education Act of 1965, a law governing federal student aid programs.



San Marcos claims its president

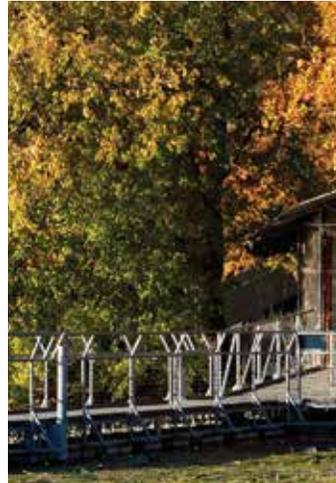
LBJ Museum

131 N. Guadalupe Street

LBJ's attitude toward the necessity and wisdom of public education was influenced by his year of teaching at the Welhausen School in Cotulla, Texas, a poor town of 3,000 mostly Latino residents. Johnson, 20 at the time and still a university student, served as principal and taught fifth, sixth and seventh grades from September 1928 until the end of the school term. Years later, he linked the Higher Education Act to the year he spent in Cotulla. The act supported a principle he emphasized as president: advancing social and economic progress.

San Marcos tidbits and other points of interest:

- The Meadows Center for Water and the Environment, 601 University Drive, was once known as Aquarena Springs. Although there are no longer shows featuring Ralph the Swimming Pig, the center still offers glass-bottom boat tours. The center is a part of Texas State University and emphasizes environmental education.
- Wonder Cave in San Marcos, the oldest commercially operated cave in Texas, was formed along one of the many faults within the Balcones Fault zone.
- Southwestern Writers Collection, part of the larger Wittliff Collections in the Alkek Library at Texas State University, collects the work of writers, filmmakers and musicians of the region.



T

The forerunner to the present-day city of Refugio was the last mission founded in Texas by the Franciscans, a religious order whose purpose in establishing Texas missions was to convert indigenous natives to Christianity and expand the influence of Spain. By the time they finished building, they had established 26 missions in the New World.

First built on Goff Bayou in 1793 in what is today Calhoun County, the location of Mission Nuestra Señora del Refugio was chosen by the Karankawa Indians because of its nearness to their coastal homelands. Mission Refugio was to move twice more for security reasons before the friars abandoned it in 1830.

In its place now is Our Lady of Refuge Catholic Church, 1008 South Alamo St.

Part of the reason for the failure of the mission's purpose was the independent, nomadic nature of the Karankawas. The friars attempted to influence politics and culture in addition to religion, importing their language as well as livestock, plants, tools and medicine from their own world. To the indigenous natives, the highly regimented mission life was only a temporary stopping place, not a year-round home. Although some Native Americans converted to Christianity, most showed little interest. By 1830, friars departed and by 1846, the former mission was the site of a series of major battles between Mexican and Texan forces.



Refugio: the Texas mission that moved three times



When Irish settlers moved into the area, they camped on the outskirts of the abandoned mission, and many residents used the stones of the collapsing structure to help build their own homes. In time, the last Spanish mission in Texas disappeared.

The current sanctuary of Our Lady of Refuge Catholic Church was in use by 1901. Notable in the church are stained glass windows telling the story of Christ; a statue depicting Mary in mourning over Jesus' body, circa 1911; and statues of St. Bridget, St. Patrick, Our Lady of Lourdes, and the Sacred Heart.

Refugio tidbits and other points of interest:

- A ranch near Refugio is where Texas artist Kermit Oliver, well-known for his designs on collectible Hermès scarves, grew up.
- The private Fennessey Ranch is a 4,000-acre paradise bounded on three sides by the Mission River and populated with armadillos, coyotes, bobcats, cougars, skunks, raccoons, javelinas, Russian boar, snakes, and a variety of birds.

Give the “g” an “h” sound when you say the town’s name. “Refugio” is a Spanish word that means “shelter” in English.

Port Lavaca, the Gulf gem discovered by mistake

The beginnings of Port Lavaca and Indianola include tales of adventure, discovery, misadventure, destruction and murder, and are melded with the explorations of Alonzo Álvarez de Pineda and René Robert Cavelier, Sieur de la Salle.

La Salle was a Frenchman and is immortalized in the granite statue that stands near Matagorda Bay. In his 20s, he studied for the priesthood but decided he preferred exploration instead. After several excursions to what is now the United States, during which he claimed land for the French king, Louis XIV, he ended up by accident at Matagorda Bay in summer 1685. This was the same area that Pineda is believed to have explored more than a century before, his map calling the area “Bay Espíritu Santo.”

This was not where La Salle intended to land. He was headed for the mouth of the Mississippi and was about 500 miles off course. Although his original intent failed—he lost many colonists and ships, and got lost on later excursions out of the settlement—he established a colony at Matagorda Bay before he was murdered by one of his own men.



Two centuries later, Port Lavaca and the nearby port of Indianola were rivals for shipping interests as well as the claim to the county seat. The port at Indianola was deeper and ship owners favored it over Port Lavaca. Many early Texas colonists from Germany, who settled inland, entered this wild new world at Indianola.

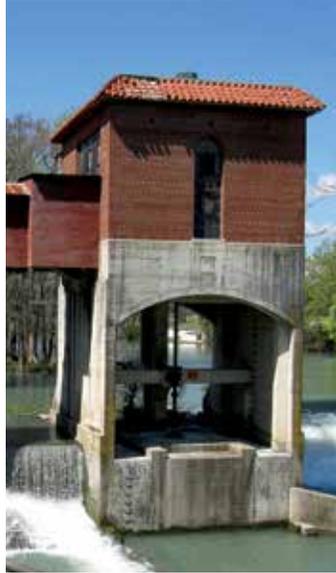
Hurricanes in 1875 and 1886 demolished Indianola, however, and that settled the competition. Port Lavaca, the seat of government in Calhoun County, is now a popular tourist spot in the Gulf of Mexico despite or perhaps because of its remoteness.

In the late 1930s, the Indianola Settlers Association established the La Salle Monument to give credit to the explorer and to greet visitors. A previous monument to La Salle, crafted by Nora Sweetland in 1928, was erected near Indianola Cemetery. Because of storms and vandals, that monument was reduced over the years to a pair of boots.

Port Lavaca tidbits and other points of interest:

- A Navy ship brought camels into the port at Indianola from Turkey and Egypt for the U.S. Army Camel Corps.
- The 92-foot-tall Matagorda Island Lighthouse is made of iron and is listed on the National Register of Historic Places. You can get to the island by boat and then to the lighthouse by bicycle.

The Calhoun County Museum, 301 South Ann St., features exhibits detailing the history of the area.



A model park opens on Seguin's 100th birthday

Max Starcke Park

1400 S. Guadalupe St.



W

When Max Starcke Park was formally opened in May 1938, it served as a model for other municipal parks.

An editorial in the June 17, 1938, edition of the Hearne Democrat, in an effort to encourage support for a similar project in that city, reprinted parts of a feature story about Seguin and Starcke Park from Parade Magazine. The newspaper asked its own readers, "Is there a way?"

The Parade story detailed a lush park on the banks of the Guadalupe River with a swimming pool, nine-hole golf course, picnic spots and other gathering places. Pecan trees populated the 227-acre park, formerly a pecan orchard.

The story also praised Seguin for its hydroelectric plant, which the city bought from a private developer named Henry Troell in 1907. The plant made Seguin one of the few cities in the South that owned such a property. Also noted by Parade were the city's sewer and water plants, good lighting, and 16 miles of paved streets for a population of 7,000.



The dedication of Starcke Park gave extra punch to the city's centennial celebration, which included four bands, speeches and a barbecue. The celebration continued for a week.

Today the park, which was built by both the Works Progress Administration and the National Youth Administration, has popular regulation 18-hole golf course. Also part of the park is a 15,000-square-foot wave pool inside Seguin Aquatic Center, a fishing area, and paddling and hiking trails. In addition to tennis courts, there are volleyball and basketball areas and a Little League baseball-softball complex. Picnic areas can be found throughout the park.



The park is named for Maximilian Hugo Starcke, a former alderman and mayor of Seguin.

Seguin tidbits and other points of interest:

- Seguin was once known as Walnut Springs, changing its name in 1938 to honor Juan N. Seguin, a valiant Texian fighter during the Texas Revolution. Seguin, who was born in San Antonio, was later betrayed, harassed and accused of treason. He died in Nuevo Laredo, just across the border from the land he once defended.
- Texas Lutheran University, founded in 1891, educates a student body of about 1,400 students.

The pecan is celebrated in Seguin; the trees that bear pecans grow well here. See a tribute to the pecan in the form of a big nut on the north side of the Guadalupe County Courthouse, 211 West Court St.

S

Stories differ on what happened to the Gonzales Cannon, a weapon that Texian forces first obtained from the Mexican government to defend themselves from Indians. One tale says the cannon was rediscovered and is now on display in Gonzales. Another says the Mexican forces that finally retrieved the weapon had it melted, along with other arms, into a random mass of metal. No matter which tale a person believes, the cannon symbolizes the fierce independence of early Texans, who requested defensive armaments in 1831 and got the cannon.

When the Mexican government demanded its return in 1835, the Texians refused and hid it from the Mexicans by burying it in a peach orchard. Little trust existed between the armies, and the Texians believed the demand for the cannon's return was prologue to a demand to surrender all arms.

When Mexican forces came to the banks of the Guadalupe River to fetch the cannon, which they claimed had been a loan instead of a gift, they found no way to get across the rain-swollen river. Defenders of the cannon had spirited away all watercraft to prevent crossing.

Meanwhile, they were amassing other forces to help defend their cannon and, they believed, their freedom and lives. In darkness and fog, they crossed the Guadalupe River themselves to confront the Mexican forces. By this time, they had dug up the cannon from the orchard and took it with them, after loading it with shrapnel. In the end, the Mexicans did not get the cannon that day, and retreated. And each year during the first weekend in October, the town of Gonzales celebrates the skirmish that marked the first battle of the Texas Revolution on Oct. 2, 1835.

Gonzales: from peach orchard hideaway to museum piece?



So: Is the cannon in the Gonzales Memorial Museum THE cannon that sparked all the fighting? It would be folly to proclaim that here. But a trip to the museum might be in order to discover more about this colorful Texas town.

Gonzales tidbits and other points of interest:

- History credits Sara Seely DeWitt of Gonzales with sewing the first battle flag of Texas, pieced together from her daughter's wedding dress. The flag showed the cannon mentioned above as well as star and the words, "COME AND TAKE IT"
- Gonzales Memorial Museum and Amphitheatre, 414 Smith St., exhibits artifacts from early Gonzales.

Palmetto State Park, 78 Park Road 11, gets its name from the dwarf palmettos (*Sabal minor*) that populate watery areas. The park opened in 1936, thanks to construction efforts of the Civilian Conservation Corps.





Where do oil, sausage, killer whales and watermelons have in common?

Luling Oil Museum 421 East Davis St.

Luling Foundation Farm 523 South Mulberry

P People used to think mainly about oil when they thought of the little oil town of Luling, about an hour south of the state capital city of Austin, so it's natural that the county would have a museum dedicated to the topic. The oil reputation developed after Luling's unofficial designation as "the toughest town in Texas" because of the outlaws who used to drop in.

In the 1920s, Massachusetts native Edgar B. Davis, who had already made and given away one fortune, discovered oil near Stairtown after managing and later buying the leases that his brother, Oscar, had purchased. Edgar almost went broke trying to find the oil that he knew in his heart existed. Then the Rafael Rios No. 1 gusher poured forth in August 1922 near Stairtown. By 1924, Caldwell County boasted 400 pumping wells; the 12-mile-long, 2-mile-wide field in Stairtown produced 43,000 barrels daily.

Today the county has a reported 9,000 producing wells. The tools and technology that made Luling famous are on display in the Luling Oil Museum, founded in 1990. The old store that houses the museum, the Walker Brothers Building, is an artifact itself, dating from the 1880s.

For a crop of a different kind, the town has the Luling Foundation Farm, established in 1927, also by former oilman Davis. A philanthropist, Davis wanted to transform this part of Texas from what he believed to be an over-reliance on cotton. Thus the farm was developed to demonstrate diversity in agriculture and help farmers and ranchers in Caldwell, Gonzales, and Guadalupe counties.

Each year a free public field day operates at the Demonstration Barn. In 2015, attendees learned about honey production, agriculture drones, food safety and pasture management. You can also visit the farm's Facebook page and find out what fresh produce is available for sale.

Luling tidbits and other points of interest:

- Look for colorful cows, sharks, watermelons and killer whales on Luling's pumpjacks, stretching from one end of the oil town to the other.
- No visit to Luling is complete without a trip to City Market, 633 East Davis St. Load up on the sausage, brisket and ribs that make the barbecue joint famous.

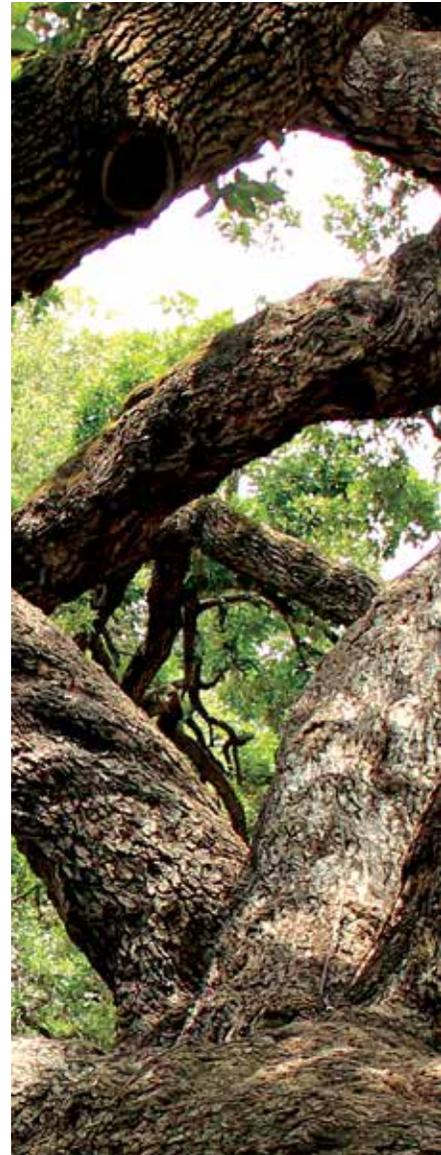
Visit Zedler Mill, 1170 South Laurel, an 1874 water-wheel grist mill, and other historic buildings.



In New Braunfels, rivers were grist for the mill

Landa Park is the New Braunfels landmark where people have gone to play for decades, but almost two centuries ago, the rivers and springs that made the park possible also helped create a city of bustling industry.

The area that carries the Landa name was first developed by a Virginian, a plantation owner and mill lover named William Hunter Meriwether. In 1847, he moved from Virginia--where he had owned mills--to Texas. He bought almost 500 acres in New Braunfels and decided to dam the springs on the property to create another mill. Meriwether brought slaves to Texas to dig a millrace canal—a canal in which water flows to and from a mill wheel. From the resulting water pressure, he created a grist mill, cotton mill and sawmill, before selling to Landa in 1859. He left New Braunfels and died only two years later.





Landa used the river to create Landa Industries: Landa Roller Mills, Landa Cotton Oil Factory, a power plant and an ice plant. The properties worked in concert with each other and the family holdings included a ranch where the family raised cattle.

The Landas irrigated their gardens, from which developed Landa Park. In the book, “A Twentieth History of Southwest Texas,” the garden was described as “the pride of the estate” and was about 100 acres at one time.

Harry Landa, the son of Joseph and his wife, Helena, opened Landa’s Park as a tourist site in 1898. The Landa family sold all of its holdings in 1927, and much of the property was neglected. The park was closed in 1933.

The city purchased the property in the late 1930s and reopened it to the public, adding to its acreage and creating other features where people go to swim, picnic, play golf and enjoy the river. New Braunfels tidbits and other points of interest:

- Can a tree be a witness to history? Texas A&M Forest Service believes so, and as such has established a list and history of “Famous Trees of Texas”—including New Braunfels’ Founders’ Oak, in—where else?—Landa Park. The tree is a backdrop for many historical pictures.
- There are festivals and there are festivals, but Wurstfest honors the sausage of New Braunfels. This festival began in 1961 and lasts 10 days.

Historians claim that, thanks to what Meriwether started, New Braunfels was once the fourth largest city in Texas by 1850—just five years after the village was established.





*Photos by Janet Thome, Barbara Elmore,
LaMarriol Smith, Erich Schlage,
Charles Hickman, Texas Parks and Wildlife,
Connie Rothe and archives*

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**Guadalupe-Blanco River Authority
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emer".

Executive Director/CEO



December 16, 2015

The Honorable Tommy Mathews, Chair
and Members of the Board of Directors

Dear Chair Mathews and Directors,

The Comprehensive Annual Financial Report (CAFR) of the Guadalupe-Blanco River Authority (GBRA) for the fiscal year ended August 31, 2015, is hereby submitted. Responsibility for both the accuracy of the data, as well as the completeness and fairness of the presentation, including all disclosures, rests with GBRA. One of the principal foundations of GBRA's financial recording and reporting system is a framework of internal controls designed to better assure the appropriate use of all GBRA assets and the timely recording of each financial transaction. As a result of these controls, it is GBRA's belief that the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds (divisions) of GBRA. All disclosures necessary to enable the reader to gain an understanding of GBRA's financial activities have also been included.

One of the important components of the CAFR is the Management Discussion and Analysis (MD&A) report included immediately following the Independent Auditor's Report. The MD&A provides an overview or executive summary of the information contained in the CAFR. As such it is an easily readable and easily understandable source of information related to GBRA's financial activities for fiscal year 2015. Furthermore, the MD&A information is presented in comparison to the two previous years thereby providing the CAFR reader a near term historical perspective of financial results. GBRA encourages all users of this CAFR to read the information contained in the MD&A.

PROFILE OF THE GUADALUPE-BLANCO RIVER AUTHORITY

The Texas Legislature created GBRA in 1935 as a political subdivision of the State of Texas with the mandate to develop, conserve and protect the water resources of the Guadalupe River Basin and to make those waters available for beneficial use. While there have been many milestones during GBRA's eighty years of existence, perhaps none are more important than working with the U.S. Army Corps of Engineers in the creation of Canyon Reservoir during the 1950's and 1960's. GBRA now holds a Texas Commission on Environmental Quality permit to 90,000 acre-feet of water per year from Canyon Reservoir for use within the river basin. GBRA's permit to this water facilitates operations such as hydroelectric generation; water and wastewater treatment; treated water distribution; municipal, industrial and agricultural raw water supply; laboratory analyses; and recreation operations. These operations are accounted for in the following divisions.

The *General Division*, located in the general business office in Seguin, consists of technical, accounting, administrative and support staff working under the direction of the General Manager. Revenues are derived from interest earnings on investments as well as administrative and general charges that are paid by GBRA's operating divisions.

The *Guadalupe Valley Hydroelectric Division* operates six “low head” hydroelectric plants in Guadalupe and Gonzales counties capable of producing 16 megawatts. All electricity produced by the division is delivered to the Guadalupe Valley Electric Cooperative (GVEC) for consumption principally within the river basin. The charge for the power delivered to GVEC includes a fixed monthly charge of \$125,000 and an energy charge of 3.14¢ per kilowatt hour of energy produced. GV Hydro Division personnel are responsible for the operation and maintenance of the generating stations as well as the associated dams, lakes, ancillary equipment and adjacent properties.

The *Rural Utilities Division* operates and maintains six wastewater treatment plants in Comal, Hays and Guadalupe counties. These small plants serve rural areas where septic tanks do not provide proper or safe wastewater disposal and the extension of wastewater services from nearby municipalities is not cost effective. The six wastewater plants include Canyon Park, Dunlap, Springs Hill, Northcliffe, Shadow Creek and Sunfield. The most recent of these wastewater treatment plant operations is the Sunfield Municipal Utility District’s (MUD) Wastewater Treatment Plant. GBRA began operating this plant in Fiscal Year 2009 utilizing personnel from the nearby City of Buda and Shadow Creek wastewater plants that are also operated by GBRA. GBRA’s operation of the Buda, Shadow Creek and Sunfield plants using the same personnel provides a cost effective means for GBRA to safely and properly meet their wastewater treatment needs of both the City and two MUDs.

The development and operation of water supply sources and raw water delivery systems is the responsibility of the *Water Resource Division*. The division contracts with municipal, industrial and agricultural users throughout the river basin to provide a dependable supply of surface water. This division is anchored in the upper reaches of the river basin by Canyon Reservoir and in the lower reaches of the basin by the Guadalupe River Diversion Dam and Salt Water Barrier. Additionally, this division is responsible for GBRA’s water quality program as well as the operation of a regional water quality laboratory located at the general office in Seguin. The regional water quality laboratory provides services to GBRA’s other operations as well as to individuals, municipalities, industries and private entities throughout the region. Other operations recognized within the Water Resource Division are the Calhoun Canal System, the City of San Marcos Water Treatment Plant, the City of Buda Wastewater Treatment Plant, the Western Canyon Water Treatment Plant, and treated water delivery and wastewater treatment systems in Comal County. Included within these Comal County operations are the Comal Trace, Johnson Ranch, and Cordillera real estate developments and starting in FY 2015, the Singing Hills Wastewater Plant on behalf of the City of Bulverde.

GBRA’s *Port Lavaca Water Treatment Plant Division* operates and maintains a water treatment plant that supplies treated water to the City of Port Lavaca, the Calhoun County Rural Water Supply System, and the Port O’Connor Improvement District (ID). The division, which commenced operation in 1969, receives raw water from the Guadalupe River delivered through 20 miles of canals. GBRA then treats and disinfects the water to drinking water standards before delivering it to the City, Rural Water System, and ID.

The *Calhoun County Rural Water Supply Division* began in 1974 and currently operates and maintains a treated water distribution system to supply approximately 1,407 homes and businesses located throughout a large portion of the unincorporated areas of Calhoun County.

The *Coletto Creek Division* operates and maintains the Coletto Creek Reservoir located thirteen miles southwest of Victoria just off State Highway 59. The reservoir, which was completed and filled in 1981, serves as a cooling pond for a coal-fired electric generating plant owned by Coletto Creek Power, LP. This division also operates and maintains recreation facilities that provide grounds for camping and picnicking as well as public access to the lake for fishing, swimming, and boating.

Surface water from the San Marcos River is treated by the *Luling Water Treatment Plant Division* and delivered to the City of Luling and the City of Lockhart for distribution. The plant was constructed in 1978 and has a treatment capacity of 2.5 MGD.

The *Canyon Hydroelectric Division* operates the electric generating plant located at Canyon Dam in Comal County. All power generated by the plant is sold to New Braunfels Utilities for the benefit of the City of New Braunfels. The plant, completed in 1989 with a capacity of 6 megawatts, provides a beneficial use of waters passed through the dam without interfering with the reservoir's primary purposes of flood control and water supply.

GBRA added the *Lockhart Division* to its list of operations on October 1, 1994. After signing a contract with the City of Lockhart during 1994, GBRA assumed the operation of the City's 1.1 million-gallon per day (MGD) wastewater treatment plant and began construction of a new 1.5 MGD plant that became fully operational in February 1999. On October 1, 2000, the Lockhart Division was expanded further when GBRA assumed operation of the City's water well system and water treatment plant.

ECONOMIC CONDITION AND OUTLOOK

The Texas Economy. The economy of the State of Texas is as diverse as it is dynamic. Perhaps that should surprise no one given the State's physical size; its location adjacent to Mexico; the oil and gas deposits that abound in the State; the large trading, transportation, and educational metropolises that are scattered throughout the State; and the deep water ports located along the Texas Gulf Coast.

Consistent with this dynamism, the State has maintained its position as the "Top Exporter" among all states of the United States according to the Dallas Federal Reserve Bank (Fed). The Fed indicates that as Top Exporter, the Texas Economy benefits from considerable foreign capital being invested in Texas and further results in the State has becoming the "third most" globalized among all states. Since 2002 when Texas passed California as the Top Exporter, the State's inflation adjusted exports have increased an average of 7% compared to a national average of only 4%. The products that have contributed most to the growth in Texas exports are petroleum and coal projects, computers and electronics, and chemicals. While Texas' position as a leading exporter of petroleum products is not surprising, particularly with the advent of the relatively new explorations of the shale formations, the Fed also notes that Texas has increased its competitiveness in heavy machinery and transportation equipment.

Reports and data produced by Texas State Comptroller Glenn Hegar show similarly positive economic results and projections. Comptroller Hegar's Fiscal Notes Report for October 2015 lists the Texas unemployment rate at 1.0% less than last year compared to the country's 0.7% reduction. Certainly a part of that reduction is the 3.4% year-over-year increase in Nonfarm Employment within the State compared to an average increase of only 1.5% for the four other most populous states in the country. Undoubtedly one of the continuing reasons that Texas enjoys results that exceed various national economic averages is because of the business climate available within the State. In fact, the annual CNBC "Top States for Business" survey ranks Texas behind only Minnesota as the most business friendly and competitive.

One economic factor that has not been positive for the State over the last couple of years has been the decline in the global price of oil. This has resulted in significantly fewer "rigs" actively exploring for oil and gas and with a drop in rig count, comes a drop in oil field workers and oil field payrolls. This has had a profound impact upon some of the smaller communities that had previously witnessed incredible growth as a result of the "shale plays" such as the Eagle Ford of south Texas. These communities had substantially built up their service industries such as hotels, motels, restaurants, and dry goods stores at the peak of the exploration but now are struggling with the declining number of oil field workers. Fortunately for the State as a whole, due to economic diversification over the last 2 – 3 decades, the impact of the oil slump has not been nearly as profound. Even the Houston area, which has been whipsawed by previous oil booms and busts, has seen positive economic growth due to diversification of its economy.

Over the last couple of years, GBRA has also reported the exceptional drought that started in 2011 as an additional unfortunate aspect of the Texas economic story. During 2011, for all practical purposes the drought covered the western two-thirds of the State and rainfall records were in many cases the lowest in recorded history. Then in calendar years 2012, 2013 and 2014, rainfall became more plentiful and ground moisture had recovered to some degree, however rainfall had not changed the low conversation storage in the State's water supply reservoirs. Several reservoirs, principally in West Texas, had less than 5% of capacity remaining behind the dam. This caused agricultural losses which when coupled with losses in agricultural support industries were in the billions of dollars. Fortunately, due to the effects of El Nino, rainfall during the latter part of 2015 has been plentiful for most of the State. At least in the eastern half of the State, groundwater tables and reservoir levels have returned to normal or near-normal levels. While this is a welcome change, the State as well as various regional water providers, have recognized the need to continue investing in the additional supplies identified in the State's regional water planning process.

The Local Economy. GBRA's service area is geographically part of south central Texas. It stretches from the Texas Hill Country through the IH-35, IH10, and State Tollway 130 Corridors and onto the Texas Gulf Coast. This geographic diversity provides economic diversity with a unique combination of agriculture, oil and gas, defense, high tech, higher education centers, tourism, seawater ports, and heavy industry. This diversity allows the local economy to be among the State's growth leaders and outpace the national economy. The State Comptroller divides the GBRA service area into three principal areas for reporting purposes with the Alamo Region being the largest and including the counties surrounding the City of San Antonio. The other regions include the Capital Region being the counties surrounding the City of Austin, and the Coastal Bend Region being the counties surrounding the Cities of Corpus Christi and Victoria.

The northern region of the GBRA district is sandwiched between the Austin and San Antonio MSAs. This location and the vibrant economies of these two cities have correspondingly elevated the economy of the northern Guadalupe River Basin over the last several decades. Both of these cities are ranked in the top twenty nationally when judged on job growth and this will obviously float the economic possibilities of the surrounding areas of the GBRA district along with them. Also within the Austin – San Antonio corridor lies the City of San Marcos. Consistent with the exceptional growth of its larger neighbors, the City of San Marcos has been named by the U.S. Census Bureau as the “Fastest Growing City in the United States” with a population over 50,000. This exceptional growth could not happen without an economic base to support the added populous. Another noteworthy growth factor for the local economy has been the oil and gas exploration boom related to the Eagle Ford Shale discovery. This formation stretches across 23 Texas counties and two of those counties are located in the middle stretch of the GBRA district. The impact of this discovery is still evident but due to the drop in global oil prices, the \$61 billion per year economic impact this discovery has produced in previous years has diminished somewhat. Nevertheless, the economic ripple effects can be seen in new housing, new hotel/motel construction, expanding automobile dealerships, and growth in agricultural related business to name a few. Just north of Gonzales and DeWitt Counties lies Guadalupe County. This is another county within the GBRA district that is experiencing considerable job growth. In an August 13, 2013 article of Money Magazine, this job growth is attributed to the construction of several new manufacturing and distribution centers including Caterpillar, Amazon, and Continental Automotive which in the aggregate have invested \$459 million and brought in over 2,000 jobs. Further south in GBRA's district lies the City of Victoria. With its location near the Texas Gulf Coast, the Eagle Ford oil discovery, and a number of large petrochemical plants within a 30 mile radius, the City of Victoria is an economic standout. In fact, according to the Milken Institute's 2014 report entitled “2014 Best Performing Cities: Where America's Jobs Are Created and Sustained”, the City of Victoria was ranked number three in the country. To continue these results and economic positioning for years into the future, it is GBRA's mission and role to assist the area's economy and population growth by providing high quality water and wastewater treatment while also seeking future water supplies in order to better assure the district's continued economic vitality.

MAJOR INITIATIVES

For the Year. GBRA's major initiative for Fiscal Year 2015 and for that matter every year, is the provision of adequate water resources for the Guadalupe River Basin along with the planning that is necessary to permit, finance, construct and commit these additional, future supplies of water. This initiative was evident in GBRA's work with committees and stakeholder groups established by the Texas Legislature related to instream surface water flows, fresh water flows for bays and estuaries, future desalination of seawater, future desired conditions for Texas groundwater aquifers, and the proper regulation of the Edwards Aquifer. Because of the Guadalupe River's dependency upon water emanating from the Edwards Aquifer's Comal and San Marcos springs, GBRA helped in recent years to establish a Recovery Implementation Plan (RIP) for the aquifer. During the past year, GBRA continued to work with various stakeholder groups in implementing the provisions of a Habitat Conservation Plan (HCP) which was an outgrowth of the RIP and which was subsequently approved by the United States Fish and Wildlife Service. It will be important for years to come that GBRA diligently monitor the use of water from the Edwards Aquifer to insure that the goals of the HCP are met. Another major water and environmental related study project that GBRA participated in during recent years was the Senate Bill 3 – Bays and Basin Area Stakeholder Group. The principal focus of this stakeholder effort was the determination of the range of water volumes in the Guadalupe River Basin that are necessary under various seasonal and other events to support environmental needs. This stakeholder group has completed its work and submitted a report to the Texas Commission on Environmental Quality. The TCEQ subsequently approved the stakeholder groups "flow" recommendations along with amendments suggested by GBRA. Throughout Fiscal Year 2015, GBRA's staff and consultants were actively exploring future water supply projects including both groundwater and surface water sources as well as desalination of seawater. GBRA's principal effort on this front included the continuation of a feasibility study related to the conjunctive use of Guadalupe River surface water and groundwater in the Gonzales County stretch of the river. If such a project can be brought to fruition, it has the potential to make available as much as 75,000 – 85,000 acre-feet of new water supplies for Guadalupe River basin constituents.

Still another major initiative that GBRA participated in during Fiscal Year 2015 was a whooping crane endangered species lawsuit filed against the Texas Commission on Environmental Quality (TCEQ) by a group of parties located along the Texas Gulf Coast. Since many of GBRA's water rights might be affected by this suit, GBRA sought and was granted intervention into the suit on the side of the TCEQ. The case went to trial in the Corpus Christi Federal Court in December 2012. The trial court judge rendered her opinion for the Plaintiff and against the TCEQ. Subsequently, TCEQ and GBRA filed an appeal with the Federal Fifth Circuit Court of Appeals and after a hearing by that Court, the trial court decision was reversed in favor of the TCEQ. Thereafter, the plaintiffs filed an appeal with the United States Supreme Court; however that Court refused to hear the case leaving the Fifth Circuit decision in favor of TCEQ and GBRA in place. The State of Texas, TCEQ, and GBRA certainly believe that decision is the correct one for many reasons not the least of which is the fact that the current number of whooping cranes is at its highest level since recovery efforts began fifty years ago.

From an operational perspective, in many respects Fiscal Year 2015 was reasonably routine. No major hurricanes impacted the Texas Gulf Coast although the Guadalupe River Basin did experience some flooding during 2015 including record flooding along the Blanco River during May. While substantive damage was sustained by residents living along the banks of the Blanco River and further downstream on the San Marcos River, GBRA did not suffer appreciable infrastructure damage since very little GBRA property exists along these stretches of river. The absence of any emergency conditions along the more heavily developed Guadalupe River resulted in minimal overtime and call out hours and allowed for the completion of numerous maintenance and repair projects. As noted above, the latter part of Fiscal Year 2015 saw a return to normal river flow conditions in the basin and a return of Canyon Reservoir to its normal elevation of 909 feet msl at fiscal year-end.

For the Future. As noted above, GBRA's efforts to insure adequate water supplies have complemented the work of the Texas State Legislature. Emanating from the 1997 legislative session was a new State Water Policy labeled Senate Bill One (SB1). One of the principal provisions of that new water plan is the establishment of regional water planning areas and the development of "updated" water plans every five years. GBRA has been actively involved in and helps to underwrite the administrative costs of the South Central Texas Regional Water Planning Group which is charged with developing an updated water plan for this area of Texas. While a new water plan has been completed and approved by the Texas Water Development Board for the current cycle, the regional planning groups continues to update projected future water demands and the water supply projects that are anticipated to meet those demands. The current plan includes several major water supply projects within the Guadalupe River Basin that will require GBRA's future participation.

While much of GBRA's water supply planning has traditionally focused on developing additional surface water supplies within the Guadalupe River Basin, GBRA's focus in recent years has been on committing existing surface water supplies that are currently not fully utilized. Consistent with this focus, GBRA has worked with a number of entities and potential water customers to determine how GBRA's run-of-river water rights located near the mouth of the river may be beneficially used. GBRA has also begun to look at other possible water supply alternatives including the use of groundwater. Principal among these possibilities is the development of groundwater from the Carrizo Aquifer in the Gonzales County area of GBRA's district and the eventual desalination of seawater. It is incumbent on both GBRA and the SB1 regional water planning group to continue to study and ultimately implement various water supply projects in order to meet the water demands of the rapidly growing Guadalupe River Basin.

In addition to the effort focused on future water supply alternatives, GBRA also worked to insure existing water supplies are used efficiently and wisely. GBRA actively worked with water users and local governments located within the Basin to educate them on water conservation efforts. GBRA also worked closely with the Edwards Aquifer Authority, Guadalupe Basin Coalition, and the Edwards Aquifer Recovery Implementation Group to insure the aquifer was managed effectively and in accordance with state law thereby insuring adequate springflow into the Guadalupe and San Marcos Rivers.

FINANCIAL INFORMATION

Management of GBRA is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of GBRA are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As demonstrated by the statements and schedules included in the financial section of this report as well as the Management Discussion and Analysis on pages 46 through 50, GBRA continues to meet its responsibility for sound financial management. GBRA recommends readers closely read each section of this report including the oversight review provided by the management discussion and analysis in order to have a thorough understanding of GBRA, its activities, financial position and results of operations.

In addition to other internal controls, GBRA also maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with contractual provisions and to properly manage resources. Since GBRA does not have the power of taxation, there is no appropriated budget or encumbrance accounting system nor any legal requirement to include comparative budget to actual expenditure statements in this report. Nevertheless, the GBRA staff diligently prepares the Annual Work Plan and Budget to assure projects are prioritized and the use of funds is effective and efficient.

GBRA's financial policies and the resulting rates and financial structure provide support to the management and decision making of the organization. Since GBRA is not a taxing district, it must rely

solely upon the service rates that are adopted and the customer revenue that is generated to support GBRA's projects and operations. One strategy that GBRA has adopted through the years to mitigate the volatility of its revenue stream is to diversify operations. One group of operations are "rate-based" and these operations are structured in such a way that financial gains and losses may result. A second group of operations are "contract-based" and these operations are structured to yield an exact cost of service to customers with no corresponding financial gain or loss to GBRA. This strategy has allowed GBRA to expand its operations through the years, meet its legislative mandate of providing water and wastewater services, mitigate financial risk, while still accumulating the financial reserves important to any viable organization. Another rate strategy that GBRA has employed is the requirement of a debt coverage factor on all bond issues that are of a regional, multi-customer nature. This coverage factor has allowed GBRA to expand its financial reserves and position the organization to assimilate the monetary impacts of natural disasters, unscheduled repair projects, and customer defaults while also providing funds for new project start up. These strategies have been particularly useful this past year in dealing with the effects of the drought, recently concluded whooping crane lawsuit, and studies to determine the most appropriate new water supply project.

OTHER INFORMATION

Independent Audit. Section 50.371 of the Texas Water Code requires an annual audit of the GBRA's accounting records by the state auditor or by an independent certified public accountant selected by the Board of Directors. The firm of Alonzo, Bacarisse, Irvine & Palmer P.C. (ABIP) was selected by the Board for the 2015 fiscal year. We appreciate their professionalism, timeliness and assistance in completing this report. Copies of this report will be filed with the TCEQ, State Comptroller, State Auditor, the county clerk of each county within the GBRA district as well as many other information repositories located throughout the State.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to GBRA for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended August 31, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. GBRA has received a Certificate for the last 41 consecutive fiscal years (1973-2014). We believe our current report continues to conform to the Certificate of Achievement program requirements.

Acknowledgments. We congratulate our employees for another successful year of operation. Without their dedication and professionalism, we could not have provided the high level of service to the residents of the GBRA service area. The preparation of the CAFR on a timely basis was made possible by the dedicated efforts of the accounting department and public communications department. Each member has our sincere appreciation for the contributions made in the preparation of this report. In closing, we would be remiss to not recognize the leadership and support each GBRA Director has provided to the staff and this organization. Without that leadership, another successful year and the preparation of this report would not have been possible. We thank you for your dedicated public service.

Sincerely,



W.E. West, Jr.
General Manager



Alvin Schuerg
Executive Mgr of Finance and Administration

Financial Section



Independent Auditor's Report

To the Board of Directors
Guadalupe–Blanco River Authority

We have audited the accompanying financial statements of Guadalupe–Blanco River Authority as of and for the years ended August 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Guadalupe–Blanco River Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 Guadalupe–Blanco River Authority, as of August 31, 2015 and 2014, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America

Emphasis of Matter

As described in Note I. E to the financial statements, in 2015, Guadalupe–Blanco River Authority adopted new accounting guidance, GASB Statement No. 68, *Accounting and Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the net pension liability and related ratios, and schedule of employer contributions on pages 46–50 and 77 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 Guadalupe–Blanco River Authority's basic financial statements. The introductory section, other supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental schedules are 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 other supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2015, on our consideration of Guadalupe–Blanco River Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Guadalupe–Blanco River Authority's internal control over financial reporting and compliance.

A.B.I.P., P.C.

Certified Public Accountants
San Antonio, Texas
December 16, 2015

Management Discussion and Analysis

The Guadalupe-Blanco River Authority's (GBRA) financial statements are presented within the financial section of this Comprehensive Annual Financial Report (CAFR). The components of the basic financial statements include this Management Discussion and Analysis (MD&A), the Basic Financial Statements, and Other Supplementary Information.

The MD&A, as Required Supplemental Information, introduces the basic financial statements and provides an analytical overview of GBRA's financial activities. GBRA implemented the provisions of the Government Accounting Standards Board Statement Number 34 (GASB 34) in 2002 and as such, the MD&A that follows presents a comparison of each of the last three years.

Overview of the Basic Financial Statements

GBRA was created in 1935 as a political subdivision of the State of Texas and structured as a conservation and reclamation district under Article 16, Section 59 of the Texas Constitution. GBRA's principal functions are to control, store, preserve, and distribute the waters of the Guadalupe River Basin for all useful purposes within the ten county district that GBRA serves. In meeting these principal functions, GBRA does not have the power of taxation and instead must rely upon user fees to provide these services.

GBRA's financial statements consist entirely of one enterprise fund because of the nature of GBRA's activities, the reliance upon user fees, and the fact that GBRA does not have any separate component units to report. The major features of enterprise fund reporting are:

- **Scope** – All GBRA activities are included in the enterprise fund, the reporting format of which is similar to private businesses.
- **Required Financial Statements** – The financial statements prepared for the enterprise fund include a Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position; and Statement of Cash Flows.
- **Accounting Basis and Measurement Focus** – Accrual accounting and economic resources focus are utilized.
- **Type of Asset/Liability Information** – The enterprise fund reports all current and long-term assets and liabilities, both financial and capital.
- **Type of Inflow/Outflow Information** – The enterprise fund records all revenues and expenses during the year, regardless of when the cash is received from the revenue or when the cash is paid for the expense.

The remaining information that is included within GBRA's basic financial statements are the Notes to the Financial Statements. These Notes are included to provide additional information to assist the readers of the CAFR attain a more complete understanding of GBRA's financial position.

Condensed Financial Information

The financial statements are designed to provide readers with a broad overview of GBRA's financial position. The Statement of Net Position presents information on all of GBRA's Assets and Deferred Outflows of Resources as well as GBRA's Liabilities and Deferred Inflows of Resources. The difference between these two groups of accounts is then reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of GBRA is improving or deteriorating. In Fiscal Years 2015, 2014 and 2013 respectively, Assets and Deferred Outflows of Resources exceeded Liabilities and Deferred Inflows of Resources by \$74,519,264; \$77,327,958; and \$71,706,938. Between August 31, 2013 and August 31, 2015, Net Position amounts have increased \$2,812,326 which indicates a continued improvement in GBRA's financial position. The single most significant reason for this increase in Net Position is positive operating results manifested in an increase of \$5,420,790 in Cash, Cash Equivalents, and Investments during the period. This Cash and Investment

increase is reflected in the 2013 – 2015 increase in Unrestricted Current Assets of \$6,402,029. One factor that at the very least confuses traditional financial statement analysis is the inclusion this year of the recognition of GASB Statement 68 related to Pension Plan Accounting. GBRA and most other government organizations are required to recognize in their financial statements for calendar year 2015 and beyond the provisions of Statement 68. In prior years, GBRA recognized a Pension Plan Asset due to excess plan contributions. Under Statement 68, that recognition is no longer proper. Instead, GBRA is recognizing amounts generally related to the Plan's Unfunded Actuarial Accrued Liability and various actuarial computations associated with that amount. The net result of these new Plan accounting provisions include recording in FY 2015 Deferred Outflows of Resources of \$2,205,011, a Net Pension Liability of \$4,320,626, and a "restatement" of Net Position of \$7,598,645 between FY 2014 and 2015. Disclosure requirements of GASB 68 are found in Footnote C. GBRA emphasizes that despite the financial statement consequences of these new Pension Plan accounting requirements, GBRA's operations and their financial statement impacts has been positive over the period herein presented as previously stated. The following table presents a Condensed Statement of Net Position for August 31, 2015, 2014 and 2013:

GUADALUPE-BLANCO RIVER AUTHORITY			
STATEMENT OF NET POSITION			
AUGUST 31, 2015, 2014, AND 2013			
ASSETS	2015	2014	2013
Current Assets			
Unrestricted Assets	\$ 20,117,330	\$ 19,238,562	\$ 13,715,301
Restricted Assets	6,413,173	8,844,443	8,364,650
Long-Term Assets			
Restricted Assets	3,936,693	1,457,881	2,990,160
Capital Assets	169,048,256	173,439,744	178,176,969
Other Assets	15,217,372	18,093,797	18,698,237
Total Assets	214,732,824	221,074,427	221,945,317
DEFERRED OUTFLOWS OF RESOURCES	2,323,333	185,270	1,201,691
Total Assets and Deferred Outflows of Resources	\$ 217,056,157	\$ 221,259,697	\$ 223,147,008
LIABILITIES AND NET ASSETS			
Current Liabilities			
Payable from Current Assets	\$ 3,568,271	\$ 3,970,464	\$ 3,313,251
Payable from Restricted Assets	7,299,682	6,627,639	7,667,828
Long-Term Liabilities			
Bonds and Loans Payable	118,960,641	126,102,151	134,287,272
Advances for Operations	417,875	404,415	402,878
Net Pension Liability	4,320,626	-	-
Total Liabilities	134,567,095	137,104,669	145,671,229
DEFERRED INFLOWS OF RESOURCES	7,969,798	6,827,070	5,768,841
NET POSITION			
Net Investments in Capital Assets	\$ 43,492,246	\$ 41,302,982	\$ 36,423,496
Restricted for Debt Service	6,916,028	6,874,088	1,154,297
Restricted for Insurance	1,184,715	1,173,475	3,633,411
Unrestricted	22,926,275	27,977,413	30,495,734
Total Net Position	74,519,264	77,327,958	71,706,938
Total Liabilities, Deferred Inflows and Net Position	\$ 217,056,157	\$ 221,259,697	\$ 223,147,008

The Total Net Position amount in the above statement is subdivided into an Unrestricted Net Position amount, two Restricted Net Positions amounts, and a final amount described as Net Investments in Capital Assets. The two restricted Net Position subcomponents include debt service payments, and insurance reservations. These reserve accounts are explained in more detail in Footnotes A and G.

The following table presents a Condensed Statement of Revenues, Expenses and Changes in Net Position for years ending August 31, 2015, 2014 and 2013:

GUADALUPE-BLANCO RIVER AUTHORITY			
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION			
FISCAL YEARS ENDED AUGUST 31, 2015, AUGUST 31, 2014, AND AUGUST 31, 2013			
REVENUE	2015	2014	2013
Program Revenues			
General Operating	\$ 2,794,114	\$ 2,580,205	\$ 2,488,089
Recreation and Land Use	1,717,763	1,836,589	1,839,323
Hydroelectric Generation	2,958,807	3,083,595	3,626,870
Water Treatment & Distribution	37,811,058	36,132,532	35,651,493
Waste Water Treatment	4,364,064	6,501,512	3,934,363
Interfund Eliminations	(2,788,639)	(2,577,174)	(2,473,872)
Total Revenues	<u>46,857,167</u>	<u>47,557,259</u>	<u>45,066,266</u>
EXPENSES			
Program Expenses			
General Operating	2,417,356	2,593,001	2,318,333
Recreation and Land Use	1,730,238	1,826,699	1,752,428
Hydroelectric Generation	4,048,269	3,905,024	3,745,239
Water Treatment & Distribution	26,858,363	26,515,464	26,613,625
Waste Water Treatment	4,850,971	4,163,947	3,818,534
Interfund Eliminations	(2,788,639)	(2,577,174)	(2,473,872)
Total Expenses	<u>37,116,558</u>	<u>36,426,961</u>	<u>35,774,287</u>
NON OPERATING REVENUES (EXPENSES)			
Grant Income	891,457	1,030,613	681,223
Investment Income	124,228	276,151	117,304
Gain (Loss) on Disposal of Capital Assets	17,392	8,981	4,560
Interest Expense	(4,553,127)	(5,059,003)	(6,711,171)
Total Non Operating Revenues (Expenses)	<u>(3,520,050)</u>	<u>(3,743,258)</u>	<u>(5,908,084)</u>
Net Income Before Recognition of Deferrals	6,220,559	7,387,040	3,383,895
Costs (Revenue) to be Recognized in Future Years	<u>(1,209,707)</u>	<u>(1,526,940)</u>	<u>2,464,710</u>
Income Before Special Items	5,010,852	5,860,100	5,848,605
SPECIAL ITEMS			
Costs for the Whooping Crane Endangered Species Lawsuit	(220,901)	(239,080)	(1,024,963)
Change in Net Position	<u>4,789,951</u>	<u>5,621,020</u>	<u>4,823,642</u>
Net Position September 1, 2014 and 2013 and 2012	77,327,958	71,706,938	66,883,296
Restatement of Net Position	<u>(7,598,645)</u>	<u>-</u>	<u>-</u>
Net Position September 1, 2014 and 2013 and 2012, as restated	69,729,313	71,706,938	66,883,296
Net Position August 31, 2015 and 2014 and 2013	<u>\$ 74,519,264</u>	<u>\$ 77,327,958</u>	<u>\$ 71,706,938</u>

As stated above, changes to GBRA's Net Position is one measure of whether GBRA's financial position is improving or not. The Fiscal Years 2015, 2014, and 2013 increases in Net Position are \$4,789,951; \$5,621,020; and \$4,823,642. The above Changes in Net Position are indicative of strong financial performance and a stable financial position. The components of Net Position and the means in which it is calculated are apparent in the above Condensed Statement of Revenues, Expenses and Changes in Net

Position. An added line item entitled Restatement of Net Position in the amount of \$7,598,645 is listed in FY 2015 Net Position presentation. This was discussed above and relates to “retroactive” recognition of the provisions of GASB 68 – Accounting and Financial Reporting for Pensions. Without this substantive change in government accounting principles, the Net Position amount as of August 31, 2015 would have been substantially higher.

Contributing to the increase in Net Position was an increase in Program Revenues between FY 2013 and FY 2015 of approximately \$1.8M. This compares to a decrease in the combined amount of Program Expenses and Interest Expense of \$815,773 during the same period. While various factors caused this result, principal among them was a commitment to increase customer rates when necessary, an aggressive plan to control discretionary spending, and the reduction interest expense through the amortization and periodic refunding of long-term debt.

Capital Asset and Long-Term Debt Activity

As of August 31, 2015, 2014, and 2013 respectively, GBRA’s total investment in Long-Term Capital Assets net of depreciation were \$169,048,256; \$173,439,744, and \$178,176,969. These capital assets which are shown in the long-term asset section of GBRA’s Statement of Net Position are comprised of a number of different types of assets. Included in this asset type are water rights, dams, canals, water treatment plants, wastewater treatment plants, park facilities, hydroelectric plants, pipelines, and electric transmission facilities. The amount of capital assets recognized by GBRA declined by 5.1% or \$9,128,713 during period FY 2013-2015. The principal reason for this asset decrease is the recognition of annual depreciation costs on these assets with no corresponding large asset acquisition to offset the depreciation.

GBRA’s long-term debt is comprised of outstanding revenue bond issues, bank loans, and a loan from the United States Government related to the construction of Canyon Reservoir. The total revenue bonds outstanding, exclusive of bond discounts and premiums, as of August 31, 2013, 2014, and 2015 respectively were \$123,620,000; \$117,000,000; and \$111,815,000. Between Fiscal Years 2013 and 2015, revenue bonds outstanding decreased by \$11,805,000 which represents the annual principal repayment on the existing GBRA bond issues as well as the refunding or replacement of existing bond issues.

GBRA’s long-term loans outstanding as of fiscal year end 2013, 2014 and 2015 respectively amounted to \$10,934,717; \$8,024,267; and \$7,294,084. These varying amounts represent the annual principal repayments of the various loans including a lump-sum payment on one loan in GBRA’s Rural Utilities Division following the payoff of a \$2.5M Letter of Credit which was collateral from a developer on a wastewater treatment plant expansion.

More information on GBRA’s capital assets and long-term debt is available in footnotes to the Basic Financial Statements. Capital asset information is presented in Footnote E and information about GBRA’s long-term debt is available in Footnote B.

Infrastructure

GBRA recognizes all equipment and infrastructure with an original cost greater than \$2,000 and with a life exceeding one year as Capital Assets. Since all of GBRA’s activity is accounted for in an enterprise fund similar to the accounting businesses, GBRA has always recorded the historical cost of Capital Assets and depreciated that cost over the estimated life of the asset.

The condition of GBRA’s infrastructure and capital assets is generally very good. Most of GBRA’s equipment and infrastructure is generally less than 30 years old, with much of it being less than 20 years old, nevertheless this equipment is subject to the ongoing preventive maintenance program. One area of concern is the infrastructure within the Guadalupe Valley Hydroelectric System (GV Hydro). This system is comprised of six low-head hydroelectric dams, power houses and ancillary equipment all of which was originally constructed in the 1920’s and 1930’s. Due to the age of many of the GV Hydro components a major emphasis on repair and replacement will be required in the next few years to return

this System to the level of equipment condition present in GBRA's other operations. This initiative has not heretofore been undertaken due to a lacking of funding in the System. The funding deficiency has been the result of the reduction in Hydroelectric Power Sales Revenue because of drought and low river flow conditions in the Guadalupe River Basin during a significant part of the last 5 years.

Other Potentially Significant Matters

The GBRA Board of Directors established on October 1, 2015 a rate of \$135 per acre-foot per year for committed, firm raw water. Presently, GBRA contracts with about 100 customers throughout the GBRA district to commit approximately 90,000 acre-feet of firm, raw water. Currently the source of this water is water stored in Canyon Reservoir. The permitted yield of Canyon Reservoir is 90,000 acre-feet per year which means that GBRA has fully committed the Reservoir to customers. Therefore in the future, GBRA must develop new sources of water to supply customers but these new supplies are expected to be considerably more expensive than current supplies. This has the potential to create a difficult transition for GBRA and its customers as higher priced water is financially blended with today's lower priced water.

GUADALUPE-BLANCO RIVER AUTHORITY
STATEMENT OF NET POSITION

AUGUST 31, 2015 AND 2014

ASSETS AND DEFERRED OUTFLOWS	2015	2014
CURRENT ASSETS		
Unrestricted Assets		
Cash and Cash Equivalents	\$ 10,567,257	\$ 7,842,917
Investments-Unrestricted	6,421,372	8,483,470
Interest Receivable.....	56,565	58,577
Accounts Receivable-Operating.....	2,557,977	2,376,118
Other Current Assets.....	514,159	477,480
Total Unrestricted Assets.....	<u>20,117,330</u>	<u>19,238,562</u>
Restricted Assets		
Cash and Cash Equivalents	3,937,416	4,174,867
Investments-Restricted	2,445,791	4,630,763
Interest Receivable.....	29,966	38,813
Total Restricted Assets.....	<u>6,413,173</u>	<u>8,844,443</u>
Total Current Assets.....	<u>26,530,503</u>	<u>28,083,005</u>
LONG-TERM ASSETS		
Restricted Assets		
Investments-Restricted	3,936,693	1,457,881
Total Restricted Assets.....	<u>3,936,693</u>	<u>1,457,881</u>
Capital Assets		
Land, Water and Storage Rights.....	35,538,587	35,538,587
Dams, Plants and Equipment.....	211,433,931	210,221,651
Construction In Progress.....	165,344	287,503
Less Accumulated Depreciation.....	(78,089,606)	(72,607,997)
Total Capital Assets.....	<u>169,048,256</u>	<u>173,439,744</u>
Other Assets		
Investments-Unrestricted	10,043,251	7,617,392
Long-Term Loans Receivable	244,054	295,432
Contract Development Costs (Net of Amortization).....	4,277	10,590
Permits and Licenses (Net of Amortization).....	469,860	498,375
Project Development Costs.....	4,455,930	4,111,082
Net Pension Asset.....	-	5,560,926
Total Other Assets.....	<u>15,217,372</u>	<u>18,093,797</u>
Total Long-Term Assets.....	<u>188,202,321</u>	<u>192,991,422</u>
DEFERRED OUTFLOWS OF RESOURCES.....	<u>2,323,333</u>	<u>185,270</u>
Total Assets and Deferred Outflows of Resources.....	<u>\$ 217,056,157</u>	<u>\$ 221,259,697</u>
LIABILITIES , DEFERRED INFLOWS AND NET POSITION		
CURRENT LIABILITIES		
Payable from Unrestricted Assets		
Current Portion of Long-Term Loans Payable.....	\$ 428,745	\$ 455,184
Interest Payable.....	48,981	52,809
Accounts Payable-Operating.....	3,090,545	3,462,471
Total Current Unrestricted Liabilities.....	<u>3,568,271</u>	<u>3,970,464</u>
Payable from Restricted Assets		
Current Portion of Revenue Bonds.....	5,350,000	5,185,000
Current Portion of Long-Term Loans Payable.....	810,748	275,000
Interest Payable.....	1,138,934	1,167,639
Total Current Restricted Liabilities.....	<u>7,299,682</u>	<u>6,627,639</u>
Total Current Liabilities.....	<u>10,867,953</u>	<u>10,598,103</u>
LONG-TERM LIABILITIES		
Revenue Bonds Payable.....	118,256,050	123,993,068
Long-Term Loans Payable.....	7,294,084	8,024,267
	<u>125,550,134</u>	<u>132,017,335</u>
Less Current Portion.....	(6,589,493)	(5,915,184)
Total Bonds and Loans Payable.....	<u>118,960,641</u>	<u>126,102,151</u>
Advances for Operations.....	417,875	404,415
Net Pension Liability.....	4,320,626	-
Total Long-Term Liabilities.....	<u>123,699,142</u>	<u>126,506,566</u>
Total Liabilities.....	<u>134,567,095</u>	<u>137,104,669</u>
DEFERRED INFLOWS OF RESOURCES.....	<u>7,969,798</u>	<u>6,827,070</u>
NET POSITION		
Net Investments in Capital Assets	43,492,246	41,302,982
Restricted for Insurance.....	1,184,715	1,173,475
Restricted for Debt Service.....	6,916,028	6,874,088
Unrestricted	22,926,275	27,977,413
Total Net Position.....	<u>74,519,264</u>	<u>77,327,958</u>
Total Liabilities, Deferred Inflows of Resources and Net Position.....	<u>\$ 217,056,157</u>	<u>\$ 221,259,697</u>

The accompanying notes are an integral part of this statement.

GUADALUPE-BLANCO RIVER AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

	2015	2014
REVENUE		
Power Sales.....	\$ 2,914,459	\$ 3,032,418
Water Sales and Lake Operations.....	35,235,777	34,316,750
Recreation and Land Use.....	769,951	766,399
Waste Water Treatment Services.....	4,070,855	3,830,673
Laboratory Services.....	914,476	842,643
Rental.....	370,317	385,493
Miscellaneous	2,581,332	4,382,883
Total Operating Revenue.....	<u>46,857,167</u>	<u>47,557,259</u>
EXPENSES		
Personnel Operating Costs.....	11,553,310	10,669,145
Operating Supplies and Services.....	14,894,444	14,675,651
Maintenance and Repairs	4,963,250	4,808,404
Depreciation and Amortization.....	5,705,554	6,273,761
Total Operating Expenses.....	<u>37,116,558</u>	<u>36,426,961</u>
Operating Income	9,740,609	11,130,298
NONOPERATING REVENUES (EXPENSES)		
Grant Income.....	891,457	1,030,613
Investment Income.....	124,228	276,151
Gain (Loss) on the Disposal of Capital Assets.....	17,392	8,981
Interest Expense	(4,553,127)	(5,059,003)
Total Nonoperating Revenues (Expenses).....	<u>(3,520,050)</u>	<u>(3,743,258)</u>
Income Before Recognition of Deferrals.....	6,220,559	7,387,040
Costs (Revenue) to be Recognized in Future Years	(1,209,707)	(1,526,940)
Income Before Special Items.....	5,010,852	5,860,100
SPECIAL ITEMS		
Costs Associated with the Whooping Crane Endangered Species Lawsuit.....	(220,901)	(239,080)
Change in Net Position.....	4,789,951	5,621,020
Net Position at September 1, 2014 and 2013.....	77,327,958	71,706,938
Restatement of Net Position.....	(7,598,645)	-
Net Position at September 1, 2014 and 2013, as restated.....	<u>69,729,313</u>	<u>71,706,938</u>
Net Position at August 31, 2015 and 2014.....	<u>\$ 74,519,264</u>	<u>\$ 77,327,958</u>

The accompanying notes are an integral part of this statement.

GUADALUPE-BLANCO RIVER AUTHORITY
STATEMENT OF CASH FLOWS

FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers.....	\$ 46,671,059	\$ 46,716,577
Cash Received from Interfund Administrative Charges.....	2,788,639	2,577,174
Cash Paid for Personnel Operating Costs.....	(12,328,695)	(11,464,791)
Cash Paid for Other Operating and Maintenance Costs.....	(19,500,373)	(18,737,465)
Cash Paid for Interfund Administrative Charges.....	(2,683,607)	(2,481,528)
Costs Associated with Whooping Crane Endangered Species Lawsuit.....	(220,901)	(239,080)
Net Cash Flows From Operating Activities.....	<u>14,726,122</u>	<u>16,370,887</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:		
Net Change in Pension Plan Asset.....	-	144,944
Cash Received from Grants.....	891,457	1,005,613
Net Cash Flows Used by Noncapital and Related Activities.....	<u>891,457</u>	<u>1,150,557</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from Advances from Customers, Developers, and Other Governmental Units.....	20,128	19,448
Proceeds from Revenue Bonds and Loans for Capital Assets and Plant Expansion.....	-	5,090,706
Proceeds from Sale of Capital Assets.....	25,718	20,090
Purchase of Capital Assets.....	(1,202,647)	(658,713)
Cash Paid for Construction in Progress and Project Development.....	(413,710)	(718,941)
Interest Paid.....	(4,585,660)	(4,511,712)
Principal Payments on Revenue Bonds.....	(5,753,075)	(11,842,507)
Principal Payments on Loans.....	(730,183)	(3,050,447)
Net Cash Flows Used by Capital and Related Financing Activities.....	<u>(12,639,429)</u>	<u>(15,652,076)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash Received from Investments.....	4,584,338	2,757,671
Investment Income Received.....	135,090	286,438
Cash Paid for Investments.....	(5,210,689)	(3,952,199)
Net Cash Flows Used by Investing Activities.....	<u>(491,261)</u>	<u>(908,090)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	<u><u>2,486,889</u></u>	<u><u>961,278</u></u>
CURRENT CASH AND CASH EQUIVALENTS:		
At Beginning of Year.....	7,842,917	5,745,176
At End of Year.....	<u>10,567,257</u>	<u>7,842,917</u>
Net Increase.....	<u>2,724,340</u>	<u>2,097,741</u>
RESTRICTED CASH AND CASH EQUIVALENTS:		
At Beginning of Year.....	4,174,867	5,311,330
At End of Year.....	<u>3,937,416</u>	<u>4,174,867</u>
Net Decrease.....	<u>(237,451)</u>	<u>(1,136,463)</u>
TOTAL CASH AND CASH EQUIVALENTS:		
At Beginning of Year.....	12,017,784	11,056,506
At End of Year.....	<u>14,504,673</u>	<u>12,017,784</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	<u><u>\$ 2,486,889</u></u>	<u><u>\$ 961,278</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS		
FROM OPERATING ACTIVITIES:		
Operating Income.....	\$ 9,740,609	\$ 10,430,298
Adjustments to Reconcile Operating Income to Net Cash Flows		
From Operating Activities:		
Depreciation and Amortization.....	5,705,554	6,273,754
Actuarially Determined Net Pension Expense.....	1,013,949	-
Costs Associated with Whooping Crane Endangered Species Lawsuit.....	(220,901)	(239,080)
Net Change in Assets and Liabilities from Operating Activities:		
Operating Accounts Receivable.....	(242,386)	(782,741)
Other Current Assets.....	(36,679)	66,687
Operating Accounts Payable.....	450,278	621,969
Net Pension Liability.....	(1,684,302)	-
Total Adjustments.....	<u>4,985,513</u>	<u>5,940,589</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES.....	<u><u>\$ 14,726,122</u></u>	<u><u>\$ 16,370,887</u></u>

NON-CASH TRANSACTIONS SCHEDULE

1. During fiscal year 2015 and 2014, an adjustment of (\$46,700) and \$47,417 respectively, was made to adjust investments to fair value.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following summary of Guadalupe-Blanco River Authority's (GBRA) more significant accounting policies is presented to assist the reader in interpreting the financial statements. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

1. **Reporting Entity.** Guadalupe-Blanco River Authority is a political subdivision of the State of Texas, created by the Texas Legislature in 1935 by Article 8280-106 Vernon's Texas Civil Statutes. GBRA is a separate self-supporting governmental unit serving a ten county area and is administered by a nine member board of directors who are appointed by the Governor of the State of Texas. The State of Texas does not have a financial accountability with GBRA; therefore, GBRA is not a part of the State's reporting entity. In evaluating the governmental activities and entities to be included in the Authority's financial statements, the management has considered all potential component units. According to the criteria as set forth by the Governmental Accounting Standards Board and based upon the significance of their operational or financial relationships with the Authority there are no separate component units included in the financial statements.
2. **Principles of Accounting.** The accompanying financial statements have been prepared on the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.
3. **Fund Reporting.** GBRA's accounting system is one enterprise fund consisting of ten divisions. These divisions account for the acquisition, construction, operation and maintenance of GBRA's facilities and services which are entirely or predominately self-supporting through charges to customers.
4. **Budgets and Budgetary Accounting.** GBRA is not required under its enabling act to adopt a budget; therefore, comparative statements of actual expenses to budget expenses are not included within the financial statements.
5. **Accounts Receivable.** GBRA considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operating expenses when that determination is made.
6. **Restricted Assets.** Contractually restricted cash, investments, interest receivable and accounts receivable balances are reported as separate line items in the asset section of the statement of net position. Such amounts are physically segregated from other enterprise fund assets pursuant to provisions of the applicable bond indentures. It is GBRA's policy to first apply restricted resources when an expense is incurred for which both unrestricted and restricted assets are available.
7. **Capital Assets.** Land is not depreciated since it is considered to have an indefinite useful life. Land rights, storage rights and water rights were primarily acquired prior to November 1, 1970. Since these assets have no evident limited life, no amortization is recognized. Property, plant and equipment are recorded at their historical cost except for contributed assets which are recorded at their fair market value at the time donated. GBRA Board Policy, 411-Capital Assets, provides guidelines for safeguarding and disposing of GBRA's capital assets. This policy identifies capital assets as all equipment and machinery with a useful life exceeding one year and with an original cost exceeding \$2,000. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives as follows:

<u>Asset</u>	<u>Service Lives</u>	<u>Depreciation Method</u>
Dams	30-50 Years	Straight-Line
Plants	30-50 Years	Straight-Line
Equipment	3-15 Years	Straight-Line

8. **Other Assets.** Included within other assets are contract development costs, permits and licenses and project development costs. With the exception of project development costs, these assets are amortized on a straight-line basis over the life of the related contract, or license. Project development costs represent the capitalization of expenditures during the initial stage of a new project. These costs are accumulated until the viability of the new project is determined. If a project is determined to be viable, the costs are either transferred to capital or intangible assets. If a project is determined not to be viable, the costs are expensed.
9. **Unbilled Revenue.** Revenue relating to unbilled rural water and waste water treatment services has not been recognized since the amounts are immaterial.
10. **Administrative and General Charges.** The operating divisions of GBRA pay administrative and general charges to the General Division for the administrative oversight the General Division provides. These interdivision charges and revenues have been eliminated in the combined statements.
11. **Vacation and Sick Leave.** GBRA allows employees to accumulate vacation and sick leave within certain limitations. Pursuant to Governmental Accounting Standards Board pronouncements, GBRA does not accrue nor record as an expense non-vested sick leave rights. GBRA does record as an expense and liability the value of vested vacation rights which as of August 31, 2015 and 2014 amounted to \$530,165 and \$495,684, respectively.
12. **Contingent Liabilities.** GBRA provides for contingent liabilities when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. At August 31, 2015 and August 31, 2014, GBRA had no contingencies.
13. **Operating and Nonoperating Activities.** Proprietary funds, like GBRA, distinguish operating revenues and expenses from nonoperating revenues and expenses. Operating activities result from providing services in connection with GBRA's principal ongoing operations. GBRA's primary operating revenues include charges for water sales and lake operations, power sales, wastewater treatment services, and other services. Operating expenses include the costs of sales and services, general and administrative expenses, and depreciation expense. Nonoperating revenues and expenses are all other activities not meeting the above definitions.
14. **Management's Use of Estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, as well as, reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, allowance for doubtful accounts, realization of project development costs, and other accounts. Actual results may differ from these estimates.
15. **Restricted Net Assets.** GBRA recognizes net assets restricted for future construction costs, debt service payments, and insurance in divisions or funds in which assets exceed the related liabilities in accordance with bond issue and debt covenants and other externally imposed restrictions.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

16. **Capitalization of Interest.** It is GBRA's policy to capitalize net interest costs on funds borrowed to finance the construction of fixed assets. GBRA recorded no interest expense or interest income for construction in progress.
17. **Deferred Expenses/Revenue.** Certain utility expenses that do not require funds currently are deferred to such periods as they are intended to be recovered in rates charged to customers. Likewise, certain utility revenue is deferred to such periods in which the costs related to that revenue is recognized. Deferred expenses and revenue will be recognized in future years by setting rates sufficient to provide funds for the related debt service requirements.
18. **Deferred Outflows/Inflows.** GBRA adopted the provisions of GASB #63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The statement requires governments to account for deferred outflows of resources, deferred inflows of resources and net position as they relate to derivatives and service concession arrangements. Under the provisions of this statement, governments will already present a Statement of Net Position and changes the caption "Net Assets" to "Net Position". GBRA has no deferred outflows or inflows of resources as they relate to derivatives and service concession agreements.
19. **Debt Issue Costs.** The Authority also adopted the provisions of GASB #65 items previously reported as Assets and Liabilities. The GASB requires that the Debt issuance costs (except for any portion that is a prepayment of insurance) should be recognized as an expense in the period incurred and no longer be reported in statements of net position. The financial statements have been restated to reflect the provisions of GASB #65.
20. **Change in Accounting Policy.** During fiscal year 2015, GBRA changed accounting policies related to reporting of net pension liability, deferred outflows of resources, and deferred inflows of resources in a statement of net position by adopting GASB Statement No. 68 "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27." Accordingly, the effect of the accounting change is reported on the statement of net position, and the statement of revenues, expenses, and changes in net position for the current year.

NOTE B - LONG TERM LIABILITIES

GBRA currently has \$119,109,084 of debt outstanding from long-term loans and revenue bonds. This is exclusive of defeasance, discounts and premiums associated with these bonds.

The loans and revenue bonds outstanding at August 31, 2015 mature serially through 2039 as follows:

Year Ending August 31	LONG-TERM LOANS			Balance of Principal Outstanding	REVENUE BONDS			Balance of Principal Outstanding
	Total	Interest	Principal		Total	Interest	Principal	
				\$7,294,084				\$111,815,000
2016	1,449,020	209,527	1,239,493	6,054,591	10,125,377	4,775,377	5,350,000	106,465,000
2017	641,654	186,018	455,636	5,598,955	9,823,693	4,613,693	5,210,000	101,255,000
2018	638,146	172,103	466,043	5,132,912	9,181,225	4,496,225	4,685,000	96,570,000
2019	639,557	157,775	481,782	4,651,130	9,195,922	4,335,922	4,860,000	91,710,000
2020	610,524	143,398	467,126	4,184,004	9,191,409	4,146,409	5,045,000	86,665,000
2021	606,683	129,104	477,579	3,706,425	9,193,764	3,943,764	5,250,000	81,415,000
2022	577,114	114,668	462,446	3,243,979	9,197,848	3,727,848	5,470,000	75,945,000
2023	547,379	101,628	445,751	2,798,228	9,206,286	3,496,286	5,710,000	70,235,000
2024	548,120	88,531	459,589	2,338,639	9,220,036	3,245,036	5,975,000	64,260,000
2025	548,695	75,011	473,684	1,864,955	8,595,255	2,985,255	5,610,000	58,650,000
2026	549,102	61,057	488,045	1,376,910	8,587,730	2,737,730	5,850,000	52,800,000
2027	240,453	46,664	193,789	1,183,121	8,596,706	2,476,706	6,120,000	46,680,000
2028	235,610	39,625	195,985	987,136	8,290,685	2,200,685	6,090,000	40,590,000
2029	235,683	32,404	203,279	783,857	8,282,306	1,922,306	6,360,000	34,230,000
2030	240,506	24,830	215,676	568,181	7,870,201	1,630,201	6,240,000	27,990,000
2031	240,074	16,893	223,181	345,000	7,360,151	1,350,151	6,010,000	21,980,000
2032	178,684	8,684	170,000	175,000	7,103,333	1,068,333	6,035,000	15,945,000
2033	177,923	2,923	175,000	--	7,102,569	777,569	6,325,000	9,620,000
2034					2,262,496	472,496	1,790,000	7,830,000
2035					2,264,516	389,516	1,875,000	5,955,000
2036					2,257,206	302,206	1,955,000	4,000,000
2037					2,255,979	210,979	2,045,000	1,955,000
2038					1,065,242	115,242	950,000	1,005,000
2039					1,064,255	59,255	1,005,000	--
	<u>\$ 8,904,927</u>	<u>\$ 1,610,843</u>	<u>\$ 7,294,084</u>		<u>\$167,294,190</u>	<u>\$ 55,479,190</u>	<u>\$ 111,815,000</u>	

GUADALUPE BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2015 AND 2014

NOTE B – LONG-TERM LIABILITIES (CONTINUED)

GBRA had the following changes in long-term liabilities for the fiscal years ended August 31, 2015 and 2014.

Series	Date of Issue	Final Maturity	Effective Interest Rate	Original Amount	Outstanding 8/31/2013	Retired	Outstanding	Retired	Outstanding	Amounts	
						During FY 2014	8/31/2014	During FY 2015	8/31/2015	Due One Year	Within
OBLIGATIONS PAYABLE DIRECTLY BY GBRA											
GUADALUPE VALLEY HYDROELECTRIC DIVISION											
First Lockhart Nat'l Bank Loan, Equipment	11/17/2008	2013	3.9%	\$ 110,000	\$ 6,036	\$ 6,036	\$ --	\$ --	\$ --	\$ --	\$ --
First Lockhart Nat'l Bank Loan, Equipment	02/17/2011	2014	3.5%	30,000	5,221	5,221	--	--	--	--	--
RURAL UTILITIES DIVISION											
Regions Loan, Dunlap Expansion Refunding	03/15/2012	2015	2.3%	3,590,000	3,375,000	2,484,252	890,748	180,000	710,748	710,748	710,748
Regions Loan, Dunlap Collection System	03/15/2012	2032	3.3%	2,600,000	2,600,000	95,000	2,505,000	95,000	2,410,000	100,000	100,000
Regions Loan, Emergency Generator-032	08/29/2014	2019	3.12%	33,000	--	--	33,000	6,223	26,777	6,379	6,379
Regions Loan, Emergency Generator-033	08/29/2014	2019	3.12%	37,000	--	--	37,000	6,977	30,023	7,152	7,152
Regions Loan, Emergency Generator-035	08/29/2014	2019	3.12%	70,000	--	--	70,000	13,199	56,801	13,531	13,531
WATER RESOURCE DIVISION											
U. S. Government Loan	01/01/1977	2026	2.5%	8,979,862	3,392,599	224,075	3,168,524	229,677	2,938,847	235,419	235,419
GE Capital Public Finance Loan, Equipment	03/19/2004	2014	4.8%	467,276	30,699	30,699	--	--	--	--	--
JP Morgan Chase Loan, Office Expansion	05/09/2006	2016	4.18%	1,600,000	426,667	160,000	266,667	160,000	106,667	106,667	106,667
A. Usery, Water Rights	09/26/2006	2031	4.50%	343,496	273,601	10,188	263,413	10,645	252,768	11,126	11,126
Luling Foundation, Water Rights	09/26/2006	2031	4.50%	584,706	465,723	17,342	448,381	18,123	430,258	18,938	18,938
Metcalf Bank Loan, Lab Equipment	10/20/2008	2014	5.25%	102,945	7,708	7,708	--	--	--	--	--
General Improvement & Ref. Rev. Bonds, 2011	03/01/2011	2030	3.0-4.625%	10,745,000	9,295,000	450,000	8,845,000	470,000	8,375,000	490,000	490,000 (1)
General Improvement Revenue Bonds, 2012	04/04/2012	2031	0.14-1.86%	4,400,000	4,175,000	225,000	3,950,000	225,000	3,725,000	220,000	220,000
Total Obligations Payable Directly by GBRA				\$ 33,693,285	\$ 24,053,254	\$ 3,715,521	\$ 20,477,733	\$ 1,414,844	\$ 19,062,889	\$ 1,919,960	
CONTRACT REVENUE BONDS AND LOANS											
WATER RESOURCE DIVISION											
RRWDS Combination Contract Revenue Bonds											
2007A	09/15/2007	2039	5.00%	\$ 9,180,000	\$ 8,580,000	\$ 170,000	\$ 8,410,000	\$ 175,000	\$ 8,235,000	\$ 185,000	\$ 185,000
RRWDS Combination Contract Revenue Bonds											
2007B	09/15/2007	2039	7.10%	5,775,000	5,500,000	80,000	5,420,000	85,000	5,335,000	90,000	90,000
RRWDS Contract Rev Ref Bonds, San Marcos											
2010	09/01/2010	2024	2.0-3.25%	\$ 6,895,000	5,630,000	440,000	5,190,000	445,000	4,745,000	460,000	460,000 (2)
IH35 Project Combination Contract Revenue Bonds											
2013	04/17/2013	2037	2.0-5.0%	19,470,000	18,965,000	540,000	18,425,000	545,000	17,880,000	560,000	560,000 (3)
Western Canyon Regional Water Supply Project Revenue Bonds											
2013A	07/10/2013	2033	1.0-5.0%	55,265,000	55,265,000	2,425,000	52,840,000	1,860,000	50,980,000	1,915,000	1,915,000 (4)
Western Canyon Regional Water Supply Project Revenue Bonds											
2013B	07/10/2013	2033	1.909-4.63%	6,830,000	6,830,000	310,000	6,520,000	255,000	6,265,000	265,000	265,000 (4)
PORT LAVACA WATER TREATMENT PLANT DIVISION											
Frost National Bank, Clearwell											
	03/04/2008	2022	4.00%	400,000	351,463	9,929	341,534	10,339	331,195	29,533	29,533
Water Supply Revenue Refunding Bonds											
2011	08/16/2011	2016	2.00%	1,205,000	895,000	290,000	605,000	300,000	305,000	305,000	305,000 (5)
LULING WATER TREATMENT PLANT DIVISION											
Treated Water Delivery System Contract Revenue Bonds (City of Lockhart)											
2004	05/01/2004	2030	3.0-5.0%	6,370,000	5,045,000	5,045,000	--	--	--	--	--
Treated Water Delivery System Contract Revenue Refunding Bonds (City of Lockhart)											
2014	01/15/2014	2030	3.45%	4,950,000	--	--	4,950,000	235,000	4,715,000	245,000	245,000 (6)
CANYON HYDROELECTRIC DIVISION											
Hydroelectric Project Revenue Refunding Bonds											
2002	04/15/2002	2014	3.5-4.75%	9,705,000	1,030,000	1,030,000	--	--	--	--	--

**GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2015 AND 2014**

NOTE B – LONG-TERM LIABILITIES (CONTINUED)

Series	Date of Issue	Final Maturity	Effective Interest Rate	Original Amount	Outstanding 8/31/2013	Retired During FY 2014	Outstanding 8/31/2014	Retired During FY 2015	Outstanding 8/31/2015	Amounts Due Within One Year
LOCKHART WASTEWATER RECLAMATION DIVISION										
Regional Wastewater Treatment System Contract Revenue Refunding Bonds										
2010	09/08/2010	2017	1.5%-2.5%	4,025,000	2,410,000	565,000	1,845,000	590,000	1,255,000	615,000 (7)
Total Contract Revenue Bonds and Loans				<u>\$ 130,070,000</u>	<u>\$ 110,501,463</u>	<u>\$ 10,904,929</u>	<u>\$ 104,546,534</u>	<u>\$ 4,500,339</u>	<u>\$ 100,046,195</u>	<u>\$ 4,669,533</u>
Total Bonds and Loans Payable Prior to Defeasance and Accretion of Interest					<u>\$ 134,554,717</u>		<u>\$ 125,024,267</u>		<u>\$ 119,109,084</u>	<u>\$ 6,589,493</u>
							<u>8/31/2014</u>	<u>8/31/2015</u>		
Total Bonds and Loans Payable Prior to Defeasance and Accretion of Interest							\$ 125,024,267	\$ 119,109,084		
Less Revenue Bond Discounts and Deferred Defeasance							(482,129)	(45,1240)		
Plus Revenue Bond Premiums							7,475,197	6,892,290		
Net Revenue Bonds and Long-Term Loans Payable							<u>132,017,335</u>	<u>125,550,134</u>		
Less Current Portion							<u>(5,915,184)</u>	<u>(6,589,493)</u>		
TOTAL BONDS AND LOANS PAYABLE							<u>\$ 126,102,151</u>	<u>\$ 118,960,641</u>		

INTERDIVISION LOANS ELIMINATED FROM COMBINED BALANCE SHEET

Long-term loans payable to the General Division are as follows:	8/31/2014	8/31/2015
Guadalupe Valley Hydroelectric Division	\$ 4,156,007	\$ 4,769,857
Rural Utilities Division	2,177,557	2,367,557
Water Supply Division	811,029	989,629
Canyon Hydroelectric Division	41,000	--
Total Long-term loans payable to the General Division	<u>\$ 7,185,593</u>	<u>\$ 8,127,043</u>

- GBRA issued in Fiscal Year 2011 General Improvement and Refunding Revenue Bonds, Series 2011. These bonds were issued to retire the General Improvement Revenue Bonds, Series 2002 and to provide funds for the lump sum buy-out of the Water Right Subordination Agreement between GBRA and the City of Seguin. The refunding of the 2002 General Improvement Revenue Bonds produced an economic loss of \$27,473, but was necessary to remove bond covenants in the 2002 bonds to facilitate the new money portion of the bond. GBRA's buy-out of the Water Right Subordination agreement effectively produced a savings of approximately \$4,295,500. Bonds outstanding that are considered defeased as a result of the 2011 refunding are \$0.
- GBRA issued in Fiscal Year 2011 Regional Raw Water Delivery System Contract Revenue Refunding Bonds, Series 2010 (City of San Marcos portion). These bonds were issued to retire the 1998 bonds, except for the September 1, 2010 payment of \$340,000. As a result of the refunding, GBRA reduced its total debt service requirement by \$842,606 and produced a net present value savings (economic gain) of \$848,929. Bonds outstanding that are considered defeased as a result of the 2011 refunding are \$0.
- GBRA issued in Fiscal Year 2013 Contract Revenue Refunding Bonds (IH35 Treated Water Delivery Bonds), Series 2013. These bonds were issued to retire the Series 2004 bonds. As a result of the refunding, GBRA reduced its total debt service requirements by \$4,307,567 and produced a net present value savings (economic gain) of \$2,877,554. Bonds outstanding that are considered defeased as a result of the 2013 refunding are \$0.
- GBRA issued in Fiscal Year 2013 Contract Revenue Refunding Bonds (Western Canyon Regional Water Supply Project), Series 2013A and Series 2013B. As a result of the refunding, GBRA reduced its total debt service requirements by \$9,669,586 and produced a net present value savings (economic gain) of \$6,741,092. Bonds outstanding that are considered defeased as a result of the 2013 refunding are \$0.
- GBRA issued in Fiscal Year 2011 Water Supply Revenue Refunding Bonds, Series 2011 (Port Lavaca Water Treatment Plant Project). These bonds were issued to retire the Series 2000 bonds. As a result of the refunding, GBRA reduced its total debt service requirements by \$44,115 and produced a net present value savings (economic gain) of \$39,856. Bonds outstanding that are considered defeased as a result of the 2011 refunding are \$0.
- GBRA issued in Fiscal Year 2014 Treated Water Delivery System Contract Revenue Refunding Bonds, Series 2014 (City of Lockhart Project). These bonds were issued to retire the Series 2004 bonds. As a result of the refunding, GBRA reduced its total debt service requirements by \$634,189 and produced a net present value savings (economic gain) of \$478,361. Bonds outstanding that are considered defeased as a result of the 2014 refunding are \$0.
- GBRA issued in Fiscal Year 2011 Contract Revenue Refunding Bonds, Series 2010 (City of Lockhart Wastewater Treatment System Project). These bonds were issued to retire the Series 1996 bonds. As a result of the refunding, GBRA reduced its total debt service requirements by \$248,321 and produced a net present value savings (economic gain) of \$220,321. Bonds that are considered defeased as a result of the current year refunding are \$0.
- The various bond indentures, resolutions and agreements provide for the establishment of separate restricted accounts for debt service retirement, construction, contingencies, etc. These accounts are reported as restricted assets in the accompanying financial statements. The bond indentures contain flow of funds requirements which generally provide the order in which funds are to be applied. These requirements have been met. The following bond indentures of GBRA contain bond coverage requirement provisions: 1) General Improvement and Refunding Revenue Bonds, Series 2011; 2) Contract Revenue Bonds (IH35), Series 2013; 3) Combined Contract Revenue Bonds (Western Canyon), Series 2013; 4) Combined Contract Revenue Bonds (RRWDS), Series 2007; 5) RRWDS Contract Revenue Refunding Bonds (City of San Marcos), Series 2010; and 6) Treated Delivery System Contract Revenue Refunding Bonds (City of Lockhart), Series 2014.

**GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2015 AND 2014**

NOTE C - DEFINED BENEFIT PENSION PLAN

A. GENERAL INFORMATION ABOUT THE PENSION PLAN

1. Plan Description

GBRA contributes to the Retirement Plan for Employees of Guadalupe-Blanco River Authority which was established June 1, 1966, and restated effective January 1, 2008. The Plan is a single employer, non-contributory, defined benefit plan. The Plan's benefit provisions were established and may be amended by GBRA's Board of Directors. The Plan is administered by the Retirement and Benefit Committee appointed by the GBRA Board. GBRA does not have access to nor can it utilize assets within the Retirement Plan Trust. The plan issues a stand-alone report pursuant to GASB Statement No. 67, which may be obtained by writing the Retirement and Benefit Committee at 933 East Court Street, Seguin, Austin, Texas 78155. See that report for all information about the plan fiduciary net position.

2. Funding Policy

All full-time GBRA employees who were hired before January 1, 2011 participate in the plan. Employees are 100% vested in the accrued benefit upon completion of five (5) years of service. Normal retirement age is 65. The plan also provides benefits for early and late retirement, death, and disability. The retirement benefit at normal retirement is equal to 1.3% of final average earnings times the number of years of credited service. The normal form of payment is a ten (10) year certain and lifetime monthly benefit. Other lifetime monthly benefit optional forms are available, but there is no partial lump sum option.

There is no provision for automatic postretirement benefit increases. The plan has the authority to provide, and has periodically in the past provided, ad hoc postretirement benefit increases.

3. Employees Covered by the Plan

In the January 1, 2015 actuarial valuation, the following numbers of employees were covered by the plan:

Inactive employees or beneficiaries currently receiving benefits	55
Inactive employees entitled to but not yet receiving benefits	41
Active Employees	<u>111</u>
	207

4. Funding Policy

The GBRA Board of Directors has sole authority to establish or amend the obligations to contribute to the plan by participants or the employer. Employees are not required to contribute to the plan. GBRA makes a regular annual contribution which is not actuarially determined but which is expected to be adequate to pay the plan's total cost. GBRA contributes this regular amount, usually in December, equal to the sum of the normal cost using the entry age actuarial cost method plus an amount that will amortize the unfunded actuarial accrued liability (UAAL) over an open period that can vary from year to year. The regular annual employer contribution according to the current funding policy which began in 2011 is 12.00% of total projected annual beginning-of-year participant compensation plus a percent (12% - normal cost percent) of total projected annual beginning-of-year compensation for non-participating full-time employees hired after 2010. The number of years needed to amortize the plan's UAAL is actuarially determined using an open, level percentage of employee compensation method. All of the costs of administering the plan, except investment management fees, are paid by GBRA and are not considered in the determination of the employer contribution.

Based on this funding policy, the actuaries' recommended contribution for the plan year ending December 31, 2015 is \$1,033,464 payable as of December 31, 2015. This amount will fund the plan's normal cost for the year and is expected to amortize the UAAL as a level percent of employee compensation over eight years. There are no required contributions by the participants.

Ultimately, the funding policy also depends upon the total return of the plan's assets, which varies from year to year. Investment policy decisions are established and maintained by the Retirement and Benefit Committee. The committee selects and employs investment managers with the advice of their investment consultant who is completely independent of the investment managers. For the year ending December 31, 2014, the money-weighted rate of return on pension plan investments was 2.05%. This measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

B. NET PENSION LIABILITY

The Employer's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015.

Total pension liability	\$ 29,637,113
Plan fiduciary net position	<u>25,316,487</u>
Employer's net pension liability	\$ 4,320,626
Plan fiduciary net position as a percentage of the total pension liability	85.4%

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2015 AND 2014

NOTE C - DEFINED BENEFIT PENSION PLAN

1. Actuarial Assumptions

The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.50 percent
Salary increases	3.50 percent, plus merit and promotion increases that vary by age and service
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables for males and for females (sex distinct) projected to 2024 by scale AA.

The long-term expected rate of return on pension plan investments is reviewed annually and was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future net real rates of return by the target asset allocation percentage (currently resulting in 3.95%) and by adding expected inflation (3.50%). In addition, the final 7.25% assumption was selected by “rounding down” and thereby reflects a reduction of 0.20% for adverse deviation. The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Net Real Rate of Return
Equities		
Large cap domestic	30%	5.65%
Small cap domestic	5	5.90
International developed	10	6.05
Hedge fund of funds	10	2.25
Real estate	10	3.95
Fixed income	35	2.09
Cash	0	0.35
Total	100%	
Weighted Average		3.95%

2. Discount Rate

The discount rate used to measure the total pension liability was 7.25%. No projection of cash flows was used to determine the discount rate because the January 1, 2015 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in eight years. That UAAL was based on an actuarial value of assets that was only 1% more than the plan fiduciary net position as of December 31, 2014. Because of the eight-year amortization period of the UAAL, the pension plan’s fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 7.25% was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

3. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Employer, calculated using the discount rate of 7.25%, as well as what the Employer’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Employer’s Net Pension Liability	\$7,816,620	\$4,320,626	\$1,329,111

4. Plan Fiduciary Net Position

The plan fiduciary net position reported above is the same as reported by the plan. Detailed information about the plan fiduciary net position is available in the plan’s separately issued audited financial statements, which are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Investments are reported at fair value, the price that would be recognized to sell an asset in an orderly transaction between market participants at the measurement date.

GUADALUPE-BLANCO RIVER AUTHORITY
 NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
 AUGUST 31, 2015 AND 2014

NOTE C - DEFINED BENEFIT PENSION PLAN

C. CHANGES IN THE NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Amounts as of August 31, 2014¹	\$ 27,330,125	\$ 23,844,157	\$ 3,485,968
Changes for the year:			
Service cost	357,786		357,786
Interest	2,027,051		2,027,051
Differences between expected and actual experience	0		0
Contributions by the employer		1,684,302	(1,684,302)
Contributions by the participant		0	0
Net investment income		486,549	(486,549)
Benefit payments	(698,521)	(698,521)	0
Administrative expenses	620,672		620,672
Assumption changes	<u>0</u>	<u>0</u>	<u>0</u>
Other	<u>2,306,988</u>	<u>1,472,330</u>	<u>834,658</u>
Net changes	\$ 29,637,113	\$ 25,316,487	\$ 4,320,626
Amounts as of August 31, 2015²			

¹ Measurements for the fiscal year ended August 31, 2014 were taken as of December 31, 2013

² Measurements for the fiscal year ended August 31, 2015 were taken as of December 31, 2014

D. PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended August 31, 2015, the Employer GASB 68 pension expense was \$1,013,949. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

1. Components of Pension Expense for the Fiscal Year Ended August 31, 2015

Service Cost	\$ 357,786
Interest	2,027,051
Amortization of differences between expected and actual experience	0
Amortization of changes of assumptions	106,043
Projected earnings on pension plan investments	(1,724,526)
Amortization of differences between projected and actual earnings	
Pension plan administrative expenses	0
Other	<u>0</u>
Total pension expense	\$1,013,949

2. Deferred Outflows of Resources and Deferred Inflows of Resources to Be Recognized in Pension Expense in Future Years

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Changes of assumptions	514,629	0
Net difference between projected and actual earnings on pension plan investments	<u>990,382</u>	<u>0</u>
Total	\$ 1,505,011	\$ 0

GUADALUPE-BLANCO RIVER AUTHORITY
 NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
 AUGUST 31, 2015 AND 2014

NOTE C - DEFINED BENEFIT PENSION PLAN

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31	Net of Deferred Outflows Minus Deferred Inflows
2016	\$ 353,638
2017	353,638
2018	353,639
2019	353,639
2020	90,457
Thereafter	0
Total	\$ 1,505,011

A supplemental contribution of \$700,000 was contributed subsequent to the measurement date of the net pension liability, as shown in Section III. This amount is a deferred outflow of resources that will be recognized as a reduction in the net pension liability in the fiscal year ending August 31, 2016.

NOTE D - CASH, CASH EQUIVALENTS AND INVESTMENTS

The monetary assets of GBRA are held in various forms and accounts. These assets are described and presented in the combined financial statements in two groups. One group is described as "Cash and Cash Equivalents". This group is characterized as having high liquidity with little market risk and includes cash, checking accounts, money market accounts and bank time deposits with an original maturity of less than three months. The second group of monetary assets is presented in the financial statements as "Investments". Investments are recorded at their fair value as based upon quoted market prices with the exception of bank certificates of deposit which are recorded at their historical cost which approximates fair value.

1. CASH AND DEPOSITS

At August 31, 2015, GBRA held \$1,239,965 in restricted and unrestricted cash. Included in this amount was \$1,650 of cash on hand and the remainder was on deposit at various banks in demand accounts.

GBRA bank deposits were entirely insured or collateralized with securities held by GBRA's agent in GBRA's name.

2. INVESTMENTS

In March 2003 the GASB issued No. 40 "Deposits and Investment Risk Disclosures", which GBRA has implemented. Risk disclosures in previous financial reports (under the provisions of GASB 3) focused only on custodial credit risk. GASB 40 not only addresses custodial credit risk, but other common areas of investment risk as well (e.g. interest rate risk, credit risk, and concentration of credit risk).

GBRA customarily invests its funds in certificates of deposit, mortgage backed securities, direct obligations of the United States or money market investment funds such as the Texas State Treasury's TexPool Fund and the Texas Cooperative Liquid Assets Securities System (Texas CLASS). GBRA usually holds its investments until maturity.

Custodial Credit Risk: Investments which may be purchased pursuant to Texas state law and GBRA's investment policy are direct or indirect obligations of the United States of America, any "A" rated obligation of a state of the United States or political subdivision thereof, investment grade repurchase agreements, prime commercial paper rated A-1 or P-1, obligations of the Federal National Mortgage Association and Government National Mortgage Association, and bank time deposits to the extent collateral is pledged on the amount exceeding Federal Deposit Insurance Corporation (FDIC) coverage.

	Fair Value	Weighted Average Maturity in Months
Federal Home Loan Bank	\$ 7,310,561	14.41
Federal Home Loan Mortgage	\$ 1,707,599	18.2
Federal National Mortgage Assn.	6,708,853	23.64
U. S. Treasury	2,594,553	26.02
Certificates of Deposit	4,786,728	14.93
Money Market Funds	5,108,292	1.00
Texas Class	163,947	1.00
TexPool	7,731,281	1.00
Total Investments	<u>\$ 36,111,814</u>	12.38

Interest Rate Risk: GBRA'S investment policy calls for maximum final maturity of any operating investments to be 5 years, with at least 50% of all operating investments maturing within 3 years. Bond funds may be invested with maturities of less than 5 years, and construction funds may be invested in accordance with a construction draw schedule. The weighted average maturities noted above are in compliance with this policy.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2015 AND 2014

NOTE D - CASH, CASH EQUIVALENTS AND INVESTMENTS

Investments are rated as follows:

	<u>Moody's</u>	<u>S&P</u>
Federal Home Loan Bank	Aaa	AA+
Federal Home Loan Mortgage	Aaa	AA+
Federal National Mortgage Assn.	Aaa	AA+
Texas Class	Aaa	AAAm
TexPool	Aaa	AAAm

TexPool has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Comptroller of Public Accounts (Comptroller) is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate TexPool. Pursuant to the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, under an agreement with the Comptroller, acting on behalf of the Trust Company. The Comptroller maintains oversight of the services provided to TexPool by Federated Investors. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy and approves any fee increases.

Texas CLASS is a local government investment pool emphasizing safety, liquidity, convenience and competitive yield. Since 1996, Texas CLASS has provided Texas public entities a safe and competitive investment alternative. Texas CLASS invests only in securities allowed by the Texas Public Funds Investment Act. The pool is governed by a board of trustees, elected annually by its participants. Texas CLASS is rated 'AAAm' by Standard and Poor's Ratings Services. The 'AAAm' principal stability fund rating is the highest assigned to principal stability government investment pools and is a direct reflection of Texas CLASS's outstanding credit quality and management.

The investment pools seek to maintain a net asset value of \$1.00 and are designed to be used for investment of funds which may be needed at any time.

Concentration of Credit Risk: GBRA's investment policy provides for diversification to reduce overall portfolio risk. The funds portfolio should consist of no more than 75% government or mortgage backed securities, 50% certificates of deposits, or 50% other types of eligible instruments. The investment portfolio concentrations are as follows:

<u>Description</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
Mortgage Backed Securities	\$ 15,727,013	42.11%
Government Securities	2,594,553	6.95%
Certificates of Deposit	4,786,728	12.82%
Money Market Funds	5,108,292	13.68%
Public Funds Investment Pools	7,895,228	21.14%
Cash	<u>1,239,966</u>	<u>3.30%</u>
Total	<u>\$ 37,351,780</u>	<u>100.00%</u>

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2015 AND 2014

NOTE E – CAPITAL ASSETS

Capital asset activity for the fiscal year end was as follows:

Classification	ASSETS			Balance August 31, 2015
	Balance August 31, 2014	Additions	Removals	
Land, Water & Storage Rights	\$ 35,538,587	\$ --	\$ --	\$ 35,538,587
Construction in Progress	287,503	374,408	(496,567)	165,344
Total Assets Not Being Depreciated	35,826,090	374,408	(496,567)	35,703,931
Structures & Improvements	191,011,367	312,900	--	191,324,267
Specialized Equipment	7,307,691	5,206	--	7,312,897
Office Buildings & Communications	2,310,551	--	--	2,310,551
Shops & Storerooms	83,673	--	--	83,673
Auto & Heavy Equipment	3,949,664	337,541	(164,077)	4,123,128
Office Furniture & Equipment	1,443,290	26,184	--	1,469,474
Miscellaneous Equipment	4,115,415	711,840	(17,314)	4,809,941
Total Dams, Plants and Equipment	210,221,651	1,393,671	(181,391)	211,433,931
Total Capital Assets	\$ 246,047,741	\$ 1,768,079	\$ (677,958)	\$ 247,137,862
Classification	DEPRECIATION			Balance August 31, 2015
	Balance August 31, 2014	Additions	Removals	
Structures & Improvements	\$ (57,933,809)	\$ (4,773,915)	\$ --	\$ (62,707,724)
Specialized Equipment	(6,193,712)	(91,154)	--	(6,284,866)
Office Buildings & Communications	(1,720,378)	(56,553)	--	(1,776,931)
Shops & Storerooms	(48,930)	(1,815)	--	(50,745)
Auto & Heavy Equipment	(2,943,032)	(292,053)	155,874	(3,079,211)
Office Furniture & Equipment	(1,225,679)	(74,445)	--	(1,300,124)
Miscellaneous Equipment	(2,542,457)	(364,738)	17,190	(2,890,005)
Total Accumulated Depreciation	\$ (72,607,997)	\$ (5,654,673)	\$ 173,064	\$ (78,089,606)
NET CAPITAL ASSETS	\$ 173,439,744	\$ (3,886,594)	\$ (504,894)	\$ 169,048,256

**GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2015 AND 2014**

NOTE F - POLLUTION CONTROL

GBRA has assisted industries within the GBRA service area by providing tax-exempt financing for pollution control facilities and private industrial development.

For the pollution control and industrial development bonds listed below, GBRA acted as an issuing conduit so that the user of the bond proceeds benefited from reduced debt service requirements. In each case, the user of the bond proceeds pledge their credit, bear sole responsibility for all debt service, make all payments directly to the trustee, and completely indemnify GBRA for any costs incurred. Due to the character of these bonds, GBRA considers them debts of the third party users rather than debts of GBRA. Therefore, these bonds and the related receivables have been excluded from the combined financial statements in order to avoid misrepresenting the nature of the bonds and distorting GBRA's financial statements. This exclusion is in conformity with the Texas State Auditor's Report dated October 6, 1986 for Water Districts and River Authorities reporting third party conduit financings. The Pollution Control and Industrial Development Bonds outstanding at August 31, 2015 total \$40,890,000 and are as follows:

Series	Date of		Interest Rate	Original Amount	Outstanding 8/31/2014	Outstanding 8/31/2015
	Issue	Maturity				
Pollution Control Revenue Refunding Bonds (AEP Texas Central, formerly Central Power & Light, Company Project)						
2008	4/1/2008	2017	Variable	40,890,000	40,890,000	40,890,000

NOTE G - RISK MANAGEMENT

GBRA is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, natural disasters, and job-related injuries or illnesses to employees for which GBRA carries commercial insurance or participates in the Texas Water Conservation Association Risk Management Fund (Fund). GBRA's relationship with the Fund parallels that with a commercial insurance company. The Fund has the responsibility to defend any suit seeking damages on account of any liability up to the applicable limits of the agreement. GBRA on the other hand has the responsibility to notify the Fund of all potential claims and to reimburse the Fund for amounts paid within the agreement's deductible. GBRA does not have the responsibility to reimburse the Fund for amounts related to the claims of other Fund participants. During the past three years, no settlements have exceeded insurance coverage.

NOTE H - CONTINUING DISCLOSURE REQUIRMENTS

Under the continuing disclosure agreements of the 1) General Improvement Bonds, Series 2011; 2) Combined Contract Revenue Refunding Bonds (Western Canyon), Series 2013A and 2013B; and 3) Water Supply Revenue Refunding Bonds (Port Lavaca WTP), Series 2011, GBRA is obligated to provide certain updated financial information and operating data annually. None of the other bonds require additional disclosure; however, GBRA has included general information and the debt service by participants for the Contract Revenue Refunding Bonds (IH35), Series 2013. The required information is identified below, in the preceding footnotes and in the amortization schedules.

General information related to all bonds (1-3 below):

1. DEBT SERVICE REQUIREMENTS

The amortization schedules associated with these bonds are included in the Other Supplemental Information section of this report.

2. OTHER OBLIGATIONS

Obligations Payable Directly by GBRA

The long-term obligations payable directly by GBRA are disclosed in "Note B – Long Term Liabilities" in the "Notes to Combined Financial Statements" section of this report.

Contract Revenue Bonds

The contract revenue bonds which are payable from revenue derived from contracts between GBRA and the various parties securing payment to GBRA for debt service payments on the bonds are disclosed in "Note B – Long Term Liabilities" in the "Notes to Combined Financial Statements" section of this report.

Pollution Control Bonds

GBRA has assisted industries within the GBRA service area by providing tax-exempt financing for pollution control facilities which is disclosed in "Note F – Pollution Control Bonds" in the "Notes to Combined Financial Statements" section of this report.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS OF GBRA

The percentages of GBRA's unrestricted investable funds by category is included in Note D – Cash, Cash Equivalents and Investments of this report.

**GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2015 AND 2014**

NOTE H – CONTINUING DISCLOSURE REQUIREMENTS (CONTINUED)

4. GENERAL IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2011

On September 18, 2002, GBRA authorized the issuance of General Improvement Revenue Bonds, Series 2002 in the amount of \$4,390,000 with a delivery date of September 27, 2002. The proceeds were used for the expansion and construction of the GBRA headquarters, meeting room and office facilities, and an operations warehouse.

On November 17, 2010, GBRA authorized the issuance of GBRA tax-exempt revenue bonds to be used to refund the Series 2002 General Improvement Revenue Bonds and provide funds for the lump sum buy-out of the Water Right Subordination Agreement between GBRA and the City of Seguin. The resolution was subsequently amended on March 16, 2011 related to the issuance of Guadalupe-Blanco River Authority General Improvement and Refunding Revenue Bonds, Series 2011 primarily for the purpose of amending the date by which certain proceeds of such bonds must be used to pay the “final payment” to the City of Seguin, revising the continuing disclosure requirements to comply with amended Section regulations that became effective December 1, 2010, revising the annual rate covenant, and deleting references to the General Division in certain covenants.

Moody’s Investors Service, Inc. assigned an underlying rating on the Bonds of “Aa2”.

The bonds constitute special obligations of GBRA, both principal and interest, payable from and secured by an irrevocable lien on and pledge of the “Pledged Revenues” and the Pledged Revenues are further pledged to the establishment and maintenance of certain funds created in the Resolution authorizing the Bonds. “Pledged Revenues” generally consist of the gross revenues received by GBRA from the sale or commitment of raw water currently stored in Canyon Reservoir and from other sources of firm, dependable supplies of water as they are acquired and developed in the “Water Supply System” of GBRA’s Water Resources Division.

GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012

On January 18, 2012, GBRA authorized the issuance of General Improvement Revenue Bonds, Series 2012 in the amount of \$4,400,000 with a delivery date of April 4, 2012. The bonds were sold to the Texas Water Development Board and as such, no rating was required on these bonds. The bond proceeds were used to complete a study and feasibility assessment related to a new firm water supply for GBRA referred to as the Mid-Basin Project. The Project is envisioned as a conjunctive use project, utilizing both surface and ground water supplies within the basin.

The revenues pledged to repay the debt service requirements of these bonds are on parity with the pledge revenues described above for the General Improvement and Refunding Revenue Bonds, Series 2011.

GENERAL IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2011 AND GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012 - FUND BALANCES AND COVERAGE

<u>GENERAL IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2011 AND GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012</u>	
2011 Bonds: Average Annual Principal and Interest Requirements, 2016 - 2030	\$ 740,547
2012 Bonds: Average Annual Principal and Interest Requirements, 2016 - 2031	259,962
Total Average Annual Principal and Interest Requirements	\$ 1,000,509
Coverage of Average Requirements by Pledged Revenues	12.65 times
Coverage of Average Requirements by Net Revenues	4.28 times
2011 Bonds: Maximum Principal and Interest Requirements, 2027	\$ 837,750
2012 Bonds: Maximum Principal and Interest Requirements, 2028	262,522
Total Maximum Principal and Interest Requirements	\$ 1,100,272
Coverage of Maximum Requirements by Pledged Revenues	11.50 times
Coverage of Maximum Requirements by Net Revenues	3.89 times
2011 Bonds: Interest and Sinking Fund Balance	\$ 68,613
2012 Bonds: Interest and Sinking Fund Balance	18,802
Total Interest and Sinking Fund Balance as of August 31, 2015	\$ 87,415
Pledged Revenues for the Fiscal Year Ended August 31, 2015	\$ 12,655,121 ⁽¹⁾
Net Revenues for Fiscal Year Ended August 31, 2015	\$ 4,280,797 ⁽²⁾

(1) See "Raw Water Sales" under "Raw Water Sales" table.

(2) See "Net Revenues" under "Raw Water Sales" table.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2015 AND 2014

NOTE H – CONTINUING DISCLOSURE REQUIREMENTS (CONTINUED)

RAW WATER SALES COMPONENT OF WATER RESOURCES DIVISION – HISTORICAL OPERATING STATEMENT

	Fiscal Year Ended August 31				
	2015	2014	2013	2012	2011
Revenue					
Raw Water Sales ⁽¹⁾	\$ 12,655,121	\$ 12,182,862	\$ 11,887,664	\$ 10,683,436	\$ 9,749,248
Recreation and Land Use	135,384	152,747	143,236	131,506	115,840
Rental Income	256,013	256,069	254,643	253,903	255,420
Miscellaneous	970,639	1,014,314	561,726	846,607	851,715
Total Operating Revenue	<u>\$ 14,017,157</u>	<u>\$ 13,605,992</u>	<u>\$ 12,847,269</u>	<u>\$ 11,915,452</u>	<u>\$ 10,972,223</u>
Expense					
Operating Expenses ⁽²⁾⁽³⁾	\$ 8,354,846	\$ 8,221,164	\$ 6,927,170	\$ 8,783,873	\$ 8,017,997
Maintenance and Repairs ⁽²⁾	570,516	484,806	529,404	407,335	513,501
Administrative and General	810,998	717,124	685,537	642,150	591,839
Total Operating Expense	<u>\$ 9,736,360</u>	<u>\$ 9,423,094</u>	<u>\$ 8,142,111</u>	<u>\$ 9,833,358</u>	<u>\$ 9,123,337</u>
Net Revenue	<u>\$ 4,280,797</u>	<u>\$ 4,182,898</u>	<u>\$ 4,705,158</u>	<u>\$ 2,082,094</u>	<u>\$ 1,848,886</u>
Less Debt Service for Senior Lien Bonds ⁽⁴⁾					
General Imp & Ref Rev Bonds, 2011	\$ 817,457	\$ 815,457	\$ 817,857	\$ 819,657	\$ 738,505
General Imp Rev Bonds, 2012	262,603	262,603	262,603	13,683	--
Total Debt for Senior Lien Bonds	<u>\$ 1,080,060</u>	<u>\$ 1,078,060</u>	<u>\$ 1,080,460</u>	<u>\$ 833,340</u>	<u>\$ 738,505</u>
Subordinate Revenues Available	<u>\$ 3,200,737</u>	<u>\$ 3,104,838</u>	<u>\$ 3,624,698</u>	<u>\$ 1,248,754</u>	<u>\$ 1,110,381</u>

(1) Pledged Revenues.

(2) Operating and maintenance & repair expenses have been restated from the amounts previously reported for FY2011-2012 to remove expenses associated with the raw water pipelines.

(3) Pursuant to GASB 65 debt issuance costs are expensed; however, they are removed from operating expenses in this table because they were paid using bond proceeds.

(4) Senior liens include the General Improvement Bonds, Series 2002, which were refunded with Series 2011 General Improvement and Revenue Refunding Bonds, and the General Improvement Revenue Bonds, Series 2012 (Mid-Basin WIF Project).

CUSTOMER BASE BY TYPE

GBRA receives revenues from the sale or commitment of raw water currently stored in Canyon Reservoir. Such raw water is sold in accordance with various long-term contracts between GBRA and the purchaser where the purchaser agrees to pay for stored water whether or not it ultimately is delivered. There are four types of purchasers: municipal, domestic, industrial and irrigation. The total acre-feet of firm raw water contracted with each type of customer is shown below:

	August 31, 2015		August 31, 2014		August 31, 2013		August 31, 2012		August 31, 2011	
	Acre-Feet	% of Total								
Municipal	72,479	79.91%	72,479	79.90%	72,279	81.67%	70,271	81.04%	65,135	79.84%
Domestic	6	0.01%	8	0.01%	9	0.01%	13	0.01%	16	0.02%
Industrial	17,827	19.65%	17,838	19.66%	15,827	17.88%	15,830	18.26%	15,826	19.40%
Irrigation	388	0.43%	393	0.43%	389	0.44%	597	0.69%	602	0.74%
Contracted	<u>90,700</u>	<u>100.00%</u>	<u>90,718</u>	<u>100.00%</u>	<u>88,504</u>	<u>100.00%</u>	<u>86,711</u>	<u>100.00%</u>	<u>81,579</u>	<u>100.00%</u>

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2015 AND 2014

NOTE H – CONTINUING DISCLOSURE REQUIRMENTS (CONTINUED)

MAJOR FIRM WATER CUSTOMERS (1,000 ACRE-FEET PER YEAR OR MORE)

Municipal and Industrial customers account for the majority of the total acre-feet under contract between GBRA and purchasers, and purchasers with contracts for 1,000 acre-feet or more per year account for 94.77% of the total acre-feet currently under contract. For this reason, major firm water customers have been identified as those with contracts for the sale of firm raw water in the amount of 1,000 or more acre-feet per year. Major firm water customers, as well as, smaller customers that are part of a large regional project, for the fiscal year ended August 31, 2015 are shown below:

Customer	Type	Total AF/YR	Revenue ⁽²⁾	Contract Information		
				Contract Date	Expiration Date	Renewal Option
Municipal & Retail						
Canyon Regional Water Authority	Regional Water Authority		\$ 1,554,897	10/31/1998	12/31/2039	(1)
City of Marion	City	100				
City of Cibola	City	1,350				
Green Valley SUD	Special Utility District	1,800				
Springs Hill WSC	Water Supply Corporation	1,925				
East Central WSC	Water Supply Corporation	1,400				
SAWS	City	4,000				
New Braunfels Utilities	City	9,720	1,259,550	01/26/1989	01/25/2050	20 Yrs
City of Seguin	City	1,000	129,583	09/01/2012	08/31/2017	---
Canyon Lake WSC	Water Supply Corporation	2,000	259,115	10/01/1994	12/31/2044	(1)
Canyon Lake WSC II	Water Supply Corporation	2,000	259,115	08/27/2001	12/31/2050	(1)
Canyon Lake WSC III	Water Supply Corporation	2,000	259,115	09/29/2006	12/31/2050	(1)
SHWSC I	Water Supply Corporation	1,850	239,729	06/26/1967	12/31/2050	(1)
SHWSC II	Water Supply Corporation	1,000	129,583	06/01/2000	12/31/2050	(1)
Green Valley SUD	Special Utility District	1,000	129,583	12/01/2008	12/31/2040	(1)
Regional RWDS Project						
City of San Marcos	City	10,000	1,295,833	10/01/1989	07/01/2047	(1)
City of Kyle	City	5,443	705,322	05/20/2005	12/31/2038	20 Yrs
City of Buda	City	1,680	217,700	04/09/2002	12/31/2042	(1)
CRWA – Hays Project	Regional Water Authority	2,038	264,091	06/04/2003	12/31/2039	(1)
GoForth SUD	Special Utility District	2,243	192,086	03/01/2004	12/31/2039	(1)
Sunfield MUD	Municipal Utility District	1,943	350,350	09/01/2005	12/31/2050	---
Monarch	Utility Company	560	72,567	01/01/2008	12/31/2037	---
GBRA Western Canyon						
Boerne	City	3,611	466,421	02/22/2000	12/31/2037	40 Yrs (2x20 Yrs)
Fair Oaks Ranch	City	1,850	238,958	02/10/2000	12/31/2037	40 Yrs (2x20 Yrs)
SAWS	City	4,000 ⁽³⁾	1,259,155	03/17/2000	12/31/2037	40 Yrs (2x20 Yrs)
Cordillera Ranch	Housing Development	1,500	193,750	10/11/2001	12/31/2037	40 Yrs (2x20 Yrs)
Kendall & Tapatio	Housing Development	750	96,875	03/18/2002	12/31/2037	40 Yrs (2x20 Yrs)
Johnson Ranch	Housing Development	900	116,250	03/28/2003	12/31/2037	40 Yrs (2x20 Yrs)
Lerin Hills	Housing Development	750	96,875	09/18/2009	12/31/2036	40 Yrs (2x20 Yrs)
GBRA-Comal Trace	River Authority	50	10,068	---	---	---
SJWTX-Bulverde	Water Supply Corporation	400	51,823	02/06/2009	12/31/2040	10 Yrs
SJWTX-Park Village	Water Supply Corporation	322	41,592	03/24/2009	12/31/2040	10 Yrs
Total Major Municipal Customers		69,185	\$ 9,889,986			
Industrial						
Guadalupe Power Partners	Electric Generation	6,840	\$ 864,351	03/17/1999	12/31/2021	30 Yrs (6x5 Yrs)
Coledo Creek Power LP	Electric Generation	6,000	777,500	09/01/1975	09/01/2025	(1)
Hays Energy Limited Partners	Electric Generation	2,464	319,293	06/25/1999	12/31/2025	(1)
Ineos USA LLC	Chemical Company	1,100	142,542	02/11/1980	02/21/2015	40 Yrs (15 Yrs + (5x5 Yrs))
Total Major Industrial Customers		16,404	\$ 2,103,686			
Total Major Customers		85,589	\$ 11,993,672			
Total Firm Water Sales		90,700	\$ 12,655,121			
Major Customers as a Percentage of Total		94.36%	94.77%			

(1) Contract does not provide for specific renewal options

(2) Includes Out-of-District Charges

(3) Includes returnable and additional water charges

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2015 AND 2014

NOTE H – CONTINUING DISCLOSURE REQUIRMENTS (CONTINUED)

FIRM WATER SALES RATE HISTORY

Price Per Acre-Foot (1)	Effective Date
\$38.75	10/1/1980
44.76	10/1/1985
53.03	10/1/1990
61.00	10/1/1997
69.00	10/1/2000
80.00	10/1/2002
84.00	11/1/2003
88.00	10/1/2004
92.00	10/1/2005
96.00	10/1/2006
100.00	10/1/2007
105.00	10/1/2008
110.00	10/1/2010
114.00	10/1/2011
125.00	10/1/2012
130.00	10/1/2014

(1) Excludes out-of-district charges.

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GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2015 AND 2014

NOTE H – CONTINUING DISCLOSURE REQUIRMENTS (CONTINUED)

5. CONTRACT REVENUE REFUNDING BONDS (WESTERN CANYON REGIONAL WATER SUPPLY PROJECT), SERIES 2013A & 2013B

On February 20, 2013, GBRA authorized the issuance of Combined Contract Revenue Refunding Bonds, Series 2013A and 2013B in the amount of \$55,265,000 and \$6,830,000, respectively. The proceeds were used to i) refund the Contract Revenue Bonds, Series 2003 (Western Canyon Regional Water Supply Project) to achieve debt service net present value savings of \$6,741,092, ii) fund a related account in the debt service reserve fund surety policies from Assured Guaranty Municipal Corporation and iii) pay issuance costs on the current bonds. The original proceeds from the Series 2003 bonds were used for the construction and equipping a regional treated surface water supply project to serve portions of Comal, Kendall and Bexar Counties, Texas.

Moody's Investors Service, Inc. ("Moody's") and Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), rated the bonds "Aa1" and "AA+", respectively.

The bonds constitute special obligations of GBRA payable, both as to principal and interest, and secured solely by a first lien on and pledge of the Gross Revenues of GBRA, which primarily are derived from payments made to GBRA under the Water Supply Agreements entered into with the Participants in the Western Canyon Regional Water Supply Project.

WESTERN CANYON REGIONAL WSP - ANNUAL WATER DELIVERY BY PARTICIPANTS

COMBINED CONTRACT REVENUE REFUNDING BONDS
(WESTERN CANYON REGIONAL WATER SUPPLY PROJECTS), SERIES 2013A & 2013B

	Current	% of	Ultimate	% of
	(Acre-Feet)	Total	(Acre-Feet)	Total
In District				
City of Boerne	975	7.95%	3,611	21.49%
City of Fair Oaks	942	7.68%	1,850	11.01%
GBRA - Cordillera	300	2.45%	1,500	8.93%
Johnson Ranch MUD	180	1.47%	900	5.36%
GBRA - Comal Trace	50	0.40%	100	0.60%
Canyon Lake WSC	722	5.88%	722	4.30%
Lerin Hills MUD	225	1.83%	750	4.46%
Kendall West Utilities	200	1.63%	750	4.46%
Other Participants	40	0.33%	40	0.24%
Future Participants	--	0.00%	2,577	15.34%
Total In District	3,634		12,800	
Out of District				
SAWS (Initial & Returnable)	8,635	70.38%	4,000	23.81%
Total Out of District	8,635		4,000	
Total	12,269	100.00%	16,800	100.00%

WESTERN CANYON REGIONAL WSP - SOURCES OF PLEDGED REVENUES

COMBINED CONTRACT REVENUE REFUNDING BONDS
(WESTERN CANYON REGIONAL WATER SUPPLY PROJECT), SERIES 2013A & 2013B

	Fiscal Year Ended August 31				
	2015	2014	2013	2012	2011
Western Canyon O&M Revenue	\$ 3,737,294	\$ 3,460,286	\$ 3,368,656	\$ 3,373,591	\$ 3,355,942
Western Canyon Debt Service Revenue	5,285,307	5,306,500	5,791,241	5,837,670	5,799,640
	<u>\$ 9,022,601</u>	<u>\$ 8,766,786</u>	<u>\$ 9,159,897</u>	<u>\$ 9,211,261</u>	<u>\$ 9,155,582</u>
Operating Expenses	\$ 2,548,014	\$ 2,557,111	\$ 2,651,498	\$ 2,729,471	\$ 2,676,313
Maintenance & Repair	285,637	360,449	328,632	280,870	289,188
Administrative & General	134,416	148,256	150,666	148,472	136,934
Total Operating & Maintenance Expenses	<u>\$ 2,968,067</u>	<u>\$ 3,065,816</u>	<u>\$ 3,130,796</u>	<u>\$ 3,158,813</u>	<u>\$ 3,102,435</u>
Net Revenue	<u>\$ 6,054,534</u>	<u>\$ 5,700,970</u>	<u>\$ 6,029,101</u>	<u>\$ 6,052,448</u>	<u>\$ 6,053,147</u>
Debt Service	\$ 4,835,186	\$ 4,835,965	\$ 4,835,965	\$ 5,320,675	\$ 5,322,125
Debt Service Coverage Factor	1.2522	1.1789	1.2467	1.1375	1.1374

**GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2015 AND 2014**

NOTE H – CONTINUING DISCLOSURE REQUIRMENTS (CONTINUED)

6. WATER SUPPLY REVENUE REFUNDING BONDS (PORT LAVACA WATER TREATMENT PLANT PROJECT), SERIES 2011

On August 1, 2011, GBRA authorized the issuance of Water Supply Revenue Refunding Bonds (Port Lavaca WTP), Series 2011 in the amount of \$1,205,000. The proceeds were used to refund a portion of the outstanding Water Supply Revenue Refunding Bonds (Port Lavaca WTP), Series 2000 in order to provide a new present value savings of \$39,856.

Standard and Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”) rated the bonds “A+”.

The bonds are special obligations of GBRA payable, both as to principal and interest, and secured solely by the “Net Revenues” derived by GBRA from the operation of its Water Treatment Plant located in or near the City of Port Lavaca, Texas. The Net Revenues are derived from (i) payments received by GBRA from two separate water supply contracts with the City of Port Lavaca, Texas and the Port O’Connor Municipal Utility District pursuant to which GBRA provides treated water to the City of Port Lavaca and the Port O’Connor MUD on a wholesale basis, and (ii) revenues of GBRA’s Calhoun County Rural Water Supply Division which are received from the sale of treated water by GBRA, on a retail basis, to members of Calhoun County Rural Water Supply Corporation.

HISTORIC TREATMENT OF WATER BY THE AUTHORITY FOR THE CITY OF PORT LAVACA, THE CALHOUN COUNTY RURAL WATER SUPPLY CORPORATION AND THE PORT O’CONNOR MUNICIPALITY DISTRICT

Fiscal Year Ended 8/31	City of Port Lavaca			Calhoun County Rural Water Supply Corp.			Port O’Connor Municipal Utility District ⁽¹⁾		
	Total Annual Water Treated (Gallons)	Customer Count	% of Total	Total Annual Water Treated (Gallons)	Customer Count	% of Total	Total Annual Water Treated (Gallons)	Customer Count (approx.)	% of Total
2009	515,138,000	4,514	69.66%	88,979,000	1,299	12.03%	135,384,000	1,400	18.31%
2010	447,856,000	4,552	70.63%	77,396,000	1,309	12.21%	108,800,000	1,450	17.16%
2011	521,972,000	4,463	69.33%	94,680,000	1,317	12.58%	136,266,000	1,400	18.10%
2012	507,083,000	4,463	70.27%	88,349,000	1,333	12.24%	126,146,000	1,600	17.48%
2013	472,101,000	4,463	70.87%	84,865,000	1,368	12.74%	109,228,000	1,600	16.40%
2014	463,762,000	5,390	75.13%	77,509,000	1,388	12.56%	76,004,000	1,680	12.31%
2015	553,128,000	5,390	77.31%	75,275,000	1,420	10.52%	87,048,000	1,686	12.17%

(1) Approximate figures.

CALHOUN COUNTY WATER SUPPLY CORPORATION MONTHLY WATER RATES

5/8" Meter	First	2,000 gal.	\$36.00 (minimum)
	Over	2,000 gal.	\$5.05/M Gallons

PORT O’CONNOR MUNICIPAL UTILITY DISTRICT MONTHLY WATER RATES (through 10,000 gallons)

Up to 3/4" Meter	First	2,000 gal.	\$50.00 (minimum)
	Next	4,000 gal.	\$4.80/M Gallons
	Next	4,000 gal.	\$5.25/M Gallons

GBRA PORT LAVACA WATER TREATMENT PLANT – HISTORICAL OPERATING STATEMENT

	For Fiscal Year Ended August 31,				
	2015	2014	2013	2012	2011
Revenues:					
Water Sales and Lake Operations	\$ 1,813,857	\$ 1,700,693	\$ 1,649,342	\$ 1,625,723	\$ 1,568,055
Miscellaneous	20,313	10,965	2,079	1,226	5
Total	<u>1,834,170</u>	<u>1,711,658</u>	<u>1,651,421</u>	<u>1,626,949</u>	<u>1,568,060</u>
Expenses: ⁽¹⁾					
Personnel Operating Costs	\$ 529,417	\$ 478,754	\$ 464,377	\$ 449,999	\$ 416,538
Operating Supplies and Services	664,006	535,886	538,039	524,724	586,862
Maintenance and Repairs	145,230	181,997	142,972	156,094	116,260
Administrative and General	137,284	126,594	125,861	119,196	108,765
Total	<u>1,475,937</u>	<u>1,323,231</u>	<u>1,271,249</u>	<u>1,250,013</u>	<u>1,228,425</u>
Net Income Available for Debt Service	<u>\$ 358,233</u>	<u>\$ 388,427</u>	<u>\$ 380,172</u>	<u>\$ 376,936</u>	<u>\$ 339,635</u>
Outstanding Average Annual Debt Service	\$ 308,050	\$ 308,575	\$ 307,383	\$ 306,975	\$ 254,868
Coverage	1.16	1.26	1.24	1.23	1.33

(1) Excludes depreciation expense

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2015 AND 2014

7. CONTRACT REVENUE REFUNDING BONDS, SERIES 2013

On November 28, 2012, GBRA authorized the issuance of Contract Revenue Refunding Bonds, Series 2013 in the amount of \$19,470,000. Proceeds from the sale of the Bonds were used to i) refund all of the Combination Contract Revenue, Subordinate Water Resources Division Revenue, and Surplus Water Project Revenue Bonds, Series 2004A and 2004B and ii) pay issuance costs on the current bonds. As a result of the refunding, GBRA reduced its total debt service requirements by \$4,307,567 and produced a net present value savings (economic gain) of \$2,877,554. The original proceeds from the Series 2004A and 2004B bonds were used to construct and equip facilities and acquire rights-of-ways necessary for delivering treated water from a water treatment plant located in San Marcos, Texas to portions of Hays and Caldwell Counties, Texas.

Moody's Investors Service, Inc. ("Moody's") and Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), assigned an underlying rating on the Bonds of "A1" and "A+" respectively.

The bonds constitute special obligations of GBRA that are secured by a first lien on and pledge of the "Pledged Revenues," which generally consist of the "Gross Contract Revenues," received by GBRA from various public and private entities pursuant to certain "Water Supply Agreements" related to the delivery of treated water from a water treatment plant located in San Marcos, Texas to portions of Hays and Caldwell Counties, Texas through a treated water delivery system and the interest income from funds on deposit in the Interest and Sinking Fund, the Reserve Fund and the Rate Stabilization Fund. The Pledged Revenues are further pledged irrevocably to the establishment and maintenance of the Interest and Sinking Fund, the Reserve Fund and the Rate Stabilization Fund.

CONTRACT REVENUE REFUNDING BONDS, SERIES 2013 (IH35) - DEBT SERVICE PAYABLE BY PARTICIPANTS

CONTRACT REVENUE REFUNDING BONDS, SERIES 2013 (IH35 TREATED WATER DELIVERY SYSTEM PROJECT)

	Fiscal Year Ended August 31							
	2015		2014		2013		2012	
	Debt		Debt		Debt		Debt	
	MGD	Payments	MGD	Payments	MGD	Payments	MGD	Payments
Debt Service Component of Gross Contract Revenues								
From City of Buda, Texas	1.50	\$ 167,523	1.50	\$ 167,523	1.50	\$ 167,566	1.50	\$ 189,493
From City of Kyle, Texas	4.86	542,774	4.86	542,774	4.86	542,915	4.86	605,657
From GoForth Special Utility District *	1.46	166,536	1.38	146,695	1.26	126,459	1.24	123,082
From Sunfield Municipal Utilities District *	3.48	385,174	3.56	405,014	3.68	425,393	3.70	523,754
From Monarch	0.50	55,841	0.50	55,841	0.50	55,856	0.50	65,469
Total Debt Service Commitment & Revenues	11.80	\$1,317,848	11.80	\$1,317,847	11.80	\$1,318,189	11.80	\$1,507,455
Annual Debt Service Requirements		\$1,197,556		\$1,203,356		\$ 982,835		\$1,371,470
Debt Service Coverage Factor		1.1004		1.0951		1.3412		1.0992

* Sunfield MUD's Purchase Commitment is being incrementally transferred to GoForth SUD.

IH35 TREATED WATER DELIVERY SYSTEM - HISTORICAL OPERATING STATEMENT

CONTRACT REVENUE REFUNDING BONDS, SERIES 2013 (IH35 TREATED WATER DELIVERY SYSTEM PROJECT)

	2015	2014	2013	2012
IH35 O&M Transmission Revenue	\$ 328,441	\$ 307,053	\$ 303,164	\$ 326,809
IH35 Debt Revenue	1,317,848	1,317,847	1,318,189	1,507,455
IH35 Interest Earnings	3,070	8,273	16,695	20,977
Total Revenue	\$ 1,649,359	\$ 1,633,173	\$ 1,638,048	\$1,855,241
IH35 Operating Expenses	\$ 249,398	\$ 207,227	\$ 203,279	\$ 180,359
IH35 Maintenance & Repair Expenses	61,019	41,021	63,606	37,684
IH 35 Administrative & General Expenses	9,893	9,239	9,239	7,884
Total Expenses	\$ 320,310	\$ 257,487	\$ 276,124	\$ 225,927
Net Revenue	\$ 1,329,049	\$ 1,375,686	\$ 1,361,924	\$1,629,314
Debt Service	\$ 1,197,556	\$ 1,203,356	\$ 982,835	\$1,371,470
Debt Service Coverage	1.110	1.143	1.386	1.188

**GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2015 AND 2014**

NOTE I – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

GBRA is unique in that the majority of its outstanding bond issues are contract revenue bonds. In order to match revenues received from customers for the debt service of those bonds with expenditures for capital assets related to those bonds, GBRA records costs and revenues to be recognized in future period.

NOTE J – SPECIAL ITEMS

Costs Associated with the Whooping Crane Endangered Species Lawsuit

In 2010, a small group of plaintiffs filed a federal lawsuit against the Texas Commission on Environmental Quality (TCEQ) under the Federal Endangered Species Act alleging that the TCEQ had mismanaged the water rights in the Guadalupe and San Antonio River Basins during the droughts and as a result had adversely impacted the endangered whooping cranes. Since the outcome of the lawsuit could affect many of GBRA's water rights, GBRA was granted intervention into the suit on the side of TCEQ. Expenses incurred have been \$239,080, \$1,024,963, \$2,970,725, and \$1,994,934 for fiscal years 2014, 2013, 2012 and 2011 respectively. Following the trial court judge rendering an unfavorable opinion against the State of Texas, both the State and GBRA appealed the case to the Federal Fifth Circuit Court of Appeals. The Fifth Circuit Court of Appeals reversed the lower court's decision in favor of the State of Texas and GBRA. Thereafter the plaintiffs filed an appeal with the United States Supreme Court. The Supreme Court refused to hear the case leaving the Fifth Circuit decision in favor of TCEQ and GBRA in place ending five years of litigation.

NOTE K- RESTATEMENT OF NET POSITION

During fiscal year 2015, GBRA adopted GASB Statement No. 68, Accounting and Reporting for Pensions. With the adoption of this standard, GBRA must assume the Net Pension Liability for the defined benefit Retirement Plan for the Employees of GBRA. Adoption of GASB No. 68 required a Restatement of Net Position to report the effect of GASB 68 retroactively. The adjustment required for the Restatement of Net Position for the prior period was (\$7,598,645).

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GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2015 AND 2014

NOTE L - SEGMENT INFORMATION, INCLUDING INTERFUND RECEIVABLES/PAYABLES

GBRA is comprised of ten (10) enterprise funds. These funds provide various services including raw and treated water supply, wastewater treatment and disposal, water quality monitoring, cooling reservoir operation, parks and recreational opportunities, as well as, hydroelectric generation. Governments that use enterprise funds accounting and reporting standards to report their activities are required to present segment information. A segment is an identifiable activity reported as or within an enterprise fund or another stand-alone entity that has one or more bonds outstanding with a revenue stream pledged in support of that debt, and the activity is externally required to maintain separate accounts.

All operating revenues result from charges for services.
Segment information at August 31, 2015 is as follows:

	Water Sales	Port Lavaca Water Plant	Luling Water Plant	Lockhart WWTP	Total
REVENUES, EXPENSES AND CHANGES IN NET POSITION					
Operating Revenue	\$ 23,320,600	\$ 1,834,170	\$ 1,389,786	\$ 1,786,663	\$ 28,331,219
Operating Expenses	(11,078,128)	(1,475,937)	(817,790)	(1,095,453)	(14,467,308)
Depreciation and Amortization Exp	(3,586,632)	(204,363)	(148,076)	(209,614)	(4,148,685)
Operating Income	8,655,840	153,870	423,920	481,596	9,715,226
Nonoperating Revenue (Expenses)	(3,287,269)	(21,306)	(162,070)	(29,453)	(3,500,098)
Costs to be Recovered (Deferred Rev)	(812,948)	(216,324)	(51,239)	(399,651)	(1,480,162)
Change in Net Position	\$ 4,555,623	\$ (83,760)	\$ 210,611	\$ 52,492	\$ 4,734,966
NET POSITION ACTIVITIES					
Current Assets	\$ 16,009,116	\$ 739,030	\$ 473,950	\$ 551,231	\$ 17,773,327
Capital Assets	132,210,212	2,368,784	4,949,113	2,668,741	142,196,850
Other Assets	12,968,944	--	406,936	2,608	13,378,488
Total Assets	161,188,272	3,107,814	5,829,999	3,222,580	173,348,665
Deferred Outflow of Resources	--	--	118,322	--	118,322
Total Assets and Deferred Outflows of Resources	\$ 161,188,272	\$ 3,107,814	\$ 5,948,321	\$ 3,222,580	\$ 173,466,987
Current Liabilities	\$ 7,412,592	\$ 738,571	\$ 473,447	\$ 1,142,637	\$ 9,767,247
Long Term Liabilities	111,200,855	329,911	4,497,241	670,412	116,698,419
Total Liabilities	118,613,447	1,068,482	4,970,688	1,813,049	126,465,666
Deferred Inflows of Resources	797,239	444,624	--	1,154,862	
Net Investments in Capital Assets	16,493,057	1,726,717	241,677	1,413,741	19,875,192
Restricted	6,155,680	235,562	163,680	361,106	6,916,028
Unrestricted	19,128,849	(367,571)	572,276	(1,520,178)	17,813,376
Total Net Position	41,777,586	1,594,708	977,633	254,669	\$ 44,604,596
Total Liabilities, Deferred Outflows and Net Position	\$ 161,188,272	\$ 3,107,814	\$ 5,948,321	\$ 3,222,580	\$ 173,466,987
Revenue Bonds Payable	\$ 111,988,614	\$ 305,000	\$ 4,707,436	\$ 1,255,000	\$ 118,256,050
Loans Payable	3,728,541	331,194	--	--	4,059,735
Interfund Balances:					
Accounts Receivable	1,039,766	174,189	110,000	151,736	1,475,691
Accounts Payable	708,166	319,750	124,077	180,245	1,332,238
CASH FLOW ACTIVITIES					
Cash Flows					
Operating Activities	\$ 11,964,713	\$ 340,557	\$ 492,704	\$ 746,808	\$ 13,544,782
Capital & Related Financing Activities	(9,712,209)	(354,212)	(491,816)	(679,305)	(11,237,542)
Noncapital Financing Activities	858,454	--	--	--	858,454
Investing Activities	(835,032)	(187)	(98,440)	(119,18)	(945,577)
	\$ 2,275,926	\$ (13,842)	\$ (97,552)	\$ 55,585	\$ 2,220,117
Current Cash and Cash Equivalents					
At Beginning of Year	\$ 4,149,458	\$ 32,433	\$ 187,922	\$ 260,768	\$ 4,630,581
At End of Year	6,622,761	19,064	87,103	316,350	7,045,278
Net Increase (Decrease)	\$ 2,473,303	\$ (13,369)	\$ (100,819)	\$ 55,582	\$ 2,414,697
Restricted Cash and Cash Equivalents					
At Beginning of Year	\$ 2,733,952	\$ 5,484	\$ 3,861	\$ --	\$ 2,743,297
At End of Year	2,536,575	5,011	7,128	--	2,548,714
Net Increase (Decrease)	(197,377)	(473)	3,267	--	(194,583)
	\$ 2,275,926	\$ (13,842)	\$ (97,552)	\$ 55,582	\$ 2,220,114



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Required Supplemental Information



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**GUADALUPE-BLANCO RIVER AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION
AUGUST 31, 2015**

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios for the Last 10 Fiscal Years¹

	Plan Year Ending 8/31/2015
1. Total Pension Liability	
a. Service cost	\$ 357,786
b. Interest	2,027,051
c. Changes of benefit provisions	0
d. Differences between expected and actual experience	0
e. Changes of assumptions	620,672
f. Benefit payments	<u>(698,521)</u>
g. Net Change in Total Pension Liability	2,306,988
h. Total Pension Liability – Beginning ²	<u>27,330,125</u>
i. Total Pension Liability – Ending	\$ 29,637,113
2. Plan Fiduciary Net Position	
b. Contributions by the employer	\$ 1,684,302
b. Contributions by the participants	0
c. Net investment income	486,549
d. Benefit payments ³	(698,521)
e. Administrative expenses	0
f. Other	<u>0</u>
g. Net Change in Plan Fiduciary Net Position	1,472,330
h. Plan Fiduciary Net Position – Beginning	<u>23,844,157</u>
i. Plan Fiduciary Net Position – Ending	\$ 25,316,487
3. Employer's Net Pension Liability – Ending [Item 1(i) – 2(i)]	\$ 4,320,626
4. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.4%
5. Covered Payroll for 2015	\$ 7,565,168
6. Employer's Net Pension Liability as a Percentage of Covered Payroll	57.1%

Notes to Schedule:

- ¹ The measurement date is the December 31 eight months prior to the fiscal year end. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only available information is shown. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.
- ² Determined from the ending total pension liability based on the discount rate of 7.50% (the investment return assumption for the January 1, 2014 actuarial valuation) using the roll back procedure allowed for the initial year of implementing GASB 68.
- ³ The plan pays only money management fees and bank custody fees. GBRA pays all administrative expenses.

Schedule of Employer Contributions for the Last 10 Fiscal Years¹

	Plan Year Ending 12/31/2014
1. Actuarially determined contribution	\$ 984,302
2. Contributions in relation to the actuarially determined contribution	<u>1,684,302</u>
3. Contribution deficiency (excess)	\$ (700,000)
4. Covered payroll for 2014	\$ 7,423,408
5. Contributions as a percentage of covered payroll	22.7%

Notes to Schedule:

Valuation Date: January 1, 2014
Actuarially determined contribution amount for the plan year ending December 31, 2014 was calculated in the January 1, 2014 actuarial valuation.
Methods and assumptions used to determine the actuarially determined contribution:

Actuarial cost method	Entry age
Amortization method	Level percent of payroll, open period
Recalculated amortization period	10 years
Asset valuation method	5-year smoothed market
Inflation	3.75%
Salary increases	3.75% plus merit and promotion increases that vary by age and service
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	Rates that vary by age and service
Mortality	RP-2000 Combined Healthy Mortality Tables for males and for females (sex distinct) projected to 2024 by scale AA

- ¹ This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only available information is shown.



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Other Supplemental Information

COMBINING SCHEDULE OF NET POSITION

AUGUST 31, 2015

	General Division	Guadalupe Valley Hydroelectric Division	Rural Utilities Division	Water Resource Division	Port Lavaca Water Treatment Plant Division
ASSETS AND DEFERRED OUTFLOWS					
CURRENT ASSETS					
Unrestricted Assets					
Cash and Cash Equivalents.....	\$ 1,534,686	\$ 52,830	\$ 461	\$ 8,238,754	\$ 19,064
Investments-Unrestricted.....	1,503,960	--	--	4,760,352	--
Interest Receivable.....	8,915	--	--	42,451	--
Accounts Receivable-Operating.....	1,707	271,538	422,922	1,150,667	246,696
Accounts Receivable-Interfund.....	3,465,849	219,418	111,175	2,046,060	174,189
Other Current Assets.....	13,184	98,553	22,101	263,651	62,842
Total Current Assets.....	6,528,301	642,339	556,659	16,501,935	502,791
Restricted Assets					
Cash and Cash Equivalents.....	549,725	5,818	730,279	2,536,575	5,011
Investments.....	227,515	--	662,433	807,633	230,551
Interest Receivable.....	2,704	--	2,847	23,233	677
Total Restricted Assets.....	779,944	5,818	1,395,559	3,367,441	236,239
Total Current Assets.....	7,308,245	648,157	1,952,218	19,869,376	739,030
LONG-TERM ASSETS					
Restricted Assets					
Investments.....	652,889	--	332,980	2,950,824	--
Total Restricted Assets.....	652,889	--	332,980	2,950,824	--
Capital Assets					
Land, Water and Storage Rights.....	1,035,561	2,248,822	235,957	30,901,067	41,424
Dams, Plants and Equipment.....	2,098,132	11,467,609	13,717,691	145,637,148	7,037,111
Construction In Progress.....	--	--	48,276	71,500	5,872
Less Accumulated Depreciation.....	(1,782,938)	(7,639,123)	(4,711,046)	(41,145,135)	(4,715,623)
Total Capital Assets.....	1,350,755	6,077,308	9,290,878	135,464,580	2,368,784
Other Assets					
Investments-Unrestricted.....	1,502,100	--	--	7,830,756	--
Long-Term Loans Receivable.....	125,000	--	119,054	--	--
Contract Development Costs (Net of Amortization).....	--	--	--	--	--
Permits and Licenses (Net of Amortization).....	--	--	--	--	--
Project Development Costs.....	--	--	--	4,455,930	--
Interfund Loans Receivable.....	8,127,043	--	--	--	--
Total Other Assets.....	9,754,143	--	119,054	12,286,686	--
Total Long-Term Assets.....	11,757,787	6,077,308	9,742,912	150,702,090	2,368,784
DEFERRED OUTFLOWS OF RESOURCES	2,205,011	--	--	--	--
Total Assets and Deferred Outflows	\$ 21,271,043	\$ 6,725,465	\$ 11,695,130	\$ 170,571,466	\$ 3,107,814
LIABILITIES, DEFERRED INFLOWS AND NET POSITION					
CURRENT LIABILITIES					
Payable from Unrestricted Assets					
Current Portion of Long-Term Loans Payable.....	\$ --	\$ --	\$ 27,062	\$ 372,150	\$ 29,533
Interest Payable.....	--	--	--	48,981	--
Accounts Payable-Operating.....	309,387	196,995	183,611	1,595,300	83,271
Accounts Payable-Interfund.....	2,952,324	397,112	313,034	1,847,974	319,750
Total Current Unrestricted Liabilities.....	3,261,711	594,107	523,707	3,864,405	432,554
Payable from Restricted Assets					
Current Portion of Debt.....	--	--	810,748	4,185,000	305,000
Interest Payable.....	--	--	40,623	1,083,738	1,017
Total Current Restricted Liabilities.....	--	--	851,371	5,268,738	306,017
Total Current Liabilities.....	3,261,711	594,107	1,375,078	9,133,143	738,571
LONG-TERM LIABILITIES					
Revenue Bonds Payable.....	--	--	--	111,988,614	305,000
Long-Term Loans Payable.....	--	--	3,234,349	3,728,541	331,194
Interfund Loans Payable.....	--	4,769,857	2,367,557	989,629	--
Less Current Portion.....	--	4,769,857	5,601,906	116,706,784	636,194
Total Bonds and Loans Payable.....	--	4,769,857	(837,810)	(4,557,150)	(334,533)
Advances for Operations.....	--	--	13,975	64,830	28,250
Net Pension Liability.....	4,320,626	--	--	--	--
Total Long-Term Liabilities.....	4,320,626	4,769,857	4,778,071	112,214,464	329,911
Total Liabilities.....	7,582,337	5,363,964	6,153,149	121,347,607	1,068,482
DEFERRED INFLOWS OF RESOURCES	--	--	--	797,239	444,624
NET POSITION					
Net Investments in Capital Assets.....	1,350,755	6,077,309	6,056,529	19,747,423	1,726,717
Restricted for Insurance.....	1,184,715	--	--	--	--
Restricted for Debt Service.....	--	--	--	6,155,680	235,562
Unrestricted.....	11,153,236	(4,715,808)	(514,548)	22,523,517	(367,571)
Total Net Position.....	13,688,706	1,361,501	5,541,981	48,426,620	1,594,708
Total Liabilities, Deferred Inflows and Net Position.....	\$ 21,271,043	\$ 6,725,465	\$ 11,695,130	\$ 170,571,466	\$ 3,107,814

See accompanying independent auditors' report.

Calhoun County Rural Water Supply Division	Coletto Creek Division	Luling Water Treatment Plant Division	Canyon Hydroelectric Division	Lockhart Division	2015 Eliminations	2015 Total
\$ 128,595	\$ 89,917	\$ 87,103	\$ 41,852	\$ 373,995	\$ --	\$ 10,567,257
107,065	--	49,995	--	--	--	6,421,372
2,355	--	2,844	--	--	--	56,565
100,014	4,912	51,684	220,838	86,999	--	2,557,977
102,437	136,063	110,000	38,000	201,736	(6,604,927)	--
6,413	9,396	8,546	10,751	18,722	--	514,159
446,879	240,288	310,172	311,441	681,452	(6,604,927)	20,117,330
--	--	7,128	102,880	--	--	3,937,416
--	--	156,553	--	361,106	--	2,445,791
--	--	97	--	408	--	29,966
--	--	163,778	102,880	361,514	--	6,413,173
446,879	240,288	473,950	414,321	1,042,966	(6,604,927)	26,530,503
--	--	--	--	--	--	3,936,693
--	--	--	--	--	--	3,936,693
51,396	--	875,292	12,187	136,881	--	35,538,587
2,608,719	2,107,709	7,392,461	12,553,881	6,813,470	--	211,433,931
39,696	--	--	--	--	--	165,344
(1,851,496)	(1,778,212)	(3,318,640)	(7,452,332)	(3,695,061)	--	(78,089,606)
848,315	329,497	4,949,113	5,113,736	3,255,290	--	169,048,256
303,459	--	406,936	--	--	--	10,043,251
--	--	--	--	--	--	244,054
--	--	--	1,669	2,608	--	4,277
--	--	--	469,860	--	--	469,860
--	--	--	--	--	--	4,455,930
--	--	--	--	--	(8,127,043)	--
303,459	--	406,936	471,529	2,608	(8,127,043)	15,217,372
1,151,774	329,497	5,356,049	5,585,265	3,257,898	(8,127,043)	188,202,321
--	--	118,322	--	--	--	2,323,333
\$ 1,598,653	\$ 569,785	\$ 5,948,321	\$ 5,999,586	\$ 4,300,864	(14,731,970)	\$ 217,056,157
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 428,745
--	--	--	--	--	--	48,981
58,655	127,399	90,814	29,444	415,669	--	3,090,545
137,738	209,704	124,077	51,903	251,311	(6,604,927)	--
196,393	337,103	214,891	81,347	666,980	(6,604,927)	3,568,271
--	--	245,000	--	615,000	--	6,160,748
--	--	13,556	--	--	--	1,138,934
--	--	258,556	--	615,000	--	7,299,682
196,393	337,103	473,447	81,347	1,281,980	(6,604,927)	10,867,953
--	--	4,707,436	--	1,255,000	--	118,256,050
--	--	--	--	--	--	7,294,084
--	--	--	--	--	(8,127,043)	--
--	--	4,707,436	--	1,255,000	(8,127,043)	125,550,134
--	--	(245,000)	--	(615,000)	--	(6,589,493)
--	--	4,462,436	--	640,000	(8,127,043)	118,960,641
--	--	34,805	245,603	30,412	--	417,875
--	--	--	--	--	--	4,320,626
--	--	4,497,241	245,603	670,412	(8,127,043)	123,699,142
196,393	337,103	4,970,688	326,950	1,952,392	(14,731,970)	134,567,095
--	--	--	5,573,073	1,154,862	--	7,969,798
848,314	329,497	241,677	5,113,735	2,000,290	--	43,492,246
--	--	--	--	--	--	1,184,715
--	--	163,680	--	361,106	--	6,916,028
553,946	(96,815)	572,276	(5,014,172)	(1,167,786)	--	22,926,275
1,402,260	232,682	977,633	99,563	1,193,610	--	74,519,264
\$ 1,598,653	\$ 569,785	\$ 5,948,321	\$ 5,999,586	\$ 4,300,864	(14,731,970)	\$ 217,056,157

**GUADALUPE-BLANCO RIVER AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**

FISCAL YEAR ENDED AUGUST 31, 2015

	General Division	Guadalupe Valley Hydroelectric Division	Rural Utilities Division	Water Resource Division	Port Lavaca Water Treatment Plant Division
REVENUE					
Power Sales.....	\$ --	\$ 2,670,319	\$ --	\$ --	\$ --
Water Sales and Lake Operations.....	--	--	--	29,534,047	1,813,857
Recreation and Land Use.....	--	--	--	135,384	--
Waste Water Treatment Services.....	--	--	1,988,500	810,163	--
Laboratory Services.....	--	--	--	914,476	--
Rental.....	--	14,112	--	262,397	--
Administrative and General.....	2,788,639	--	--	--	--
Miscellaneous.....	5,475	30,236	343,597	1,526,856	20,313
Total Operating Revenue.....	<u>2,794,114</u>	<u>2,714,667</u>	<u>2,332,097</u>	<u>33,183,323</u>	<u>1,834,170</u>
EXPENSES					
Personnel Operating Costs.....	1,075,936	1,410,310	635,712	6,018,959	529,417
Operating Supplies and Services.....	999,358	414,209	577,762	10,387,322	664,006
Maintenance and Repairs.....	236,081	930,491	331,725	2,198,167	145,230
Administrative and General.....	--	451,747	168,031	1,472,701	137,284
Depreciation and Amortization.....	105,981	326,506	448,888	3,842,170	204,363
Total Operating Expenses.....	<u>2,417,356</u>	<u>3,533,263</u>	<u>2,162,118</u>	<u>23,919,319</u>	<u>1,680,300</u>
Operating Income (Loss).....	<u>376,758</u>	<u>(818,596)</u>	<u>169,979</u>	<u>9,264,004</u>	<u>153,870</u>
NONOPERATING REVENUES (EXPENSES)					
Grant Income.....	--	--	--	891,457	--
Investment Income.....	22,305	4	21,730	69,167	518
Gain (Loss) on Disposal of Capital Assets.....	--	6,874	--	7,530	(63)
Interest Expense.....	--	--	(101,952)	(4,228,664)	(21,761)
Total Nonoperating Revenues (Expenses).....	<u>22,305</u>	<u>6,878</u>	<u>(80,222)</u>	<u>(3,260,510)</u>	<u>(21,306)</u>
Income (Loss) Before Recognition of Deferrals.....	<u>399,063</u>	<u>(811,718)</u>	<u>89,757</u>	<u>6,003,494</u>	<u>132,564</u>
Costs (Revenue) to be Recognized in Future Years.....	--	--	--	(812,948)	(216,324)
Income (Loss) Before Special Items.....	<u>399,063</u>	<u>(811,718)</u>	<u>89,757</u>	<u>5,190,546</u>	<u>(83,760)</u>
SPECIAL ITEMS					
Costs Associated with Whooping Crane Endangered Species Lawsuit.....	--	--	--	(220,901)	--
Change in Net Position.....	<u>399,063</u>	<u>(811,718)</u>	<u>89,757</u>	<u>4,969,645</u>	<u>(83,760)</u>
Net Position at September 1, 2014.....	<u>20,888,288</u>	<u>2,173,219</u>	<u>5,452,224</u>	<u>43,456,975</u>	<u>1,678,468</u>
Restatement of Net Position.....	<u>(7,598,645)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Position at September 1, 2014, as restated.....	<u>13,289,643</u>	<u>2,173,219</u>	<u>5,452,224</u>	<u>43,456,975</u>	<u>1,678,468</u>
Net Position at August 31, 2015.....	<u>\$ 13,688,706</u>	<u>\$ 1,361,501</u>	<u>\$ 5,541,981</u>	<u>\$ 48,426,620</u>	<u>\$ 1,594,708</u>

Calhoun		Luling Water				
County Rural	Coletto	Treatment	Canyon	Lockhart		
Water Supply	Creek	Plant	Hydroelectric		Eliminations	Total
Division	Division	Division	Division	Division		
\$ --	\$ --	\$ --	\$ 244,140	\$ --	\$ --	\$ 2,914,459
852,889	971,767	1,387,089	--	676,128	--	35,235,777
--	634,567	--	--	--	--	769,951
50,388	--	--	--	1,221,804	--	4,070,855
--	--	--	--	--	--	914,476
--	93,808	--	--	--	--	370,317
--	--	--	--	--	(2,788,639)	--
69,668	17,621	2,697	--	564,869	--	2,581,332
972,945	1,717,763	1,389,786	244,140	2,462,801	(2,788,639)	46,857,167
310,259	780,152	352,742	105,503	439,352	(105,032)	11,553,310
416,511	365,493	296,572	57,984	715,227	--	14,894,444
110,563	400,857	78,465	51,381	480,290	--	4,963,250
80,034	139,653	90,011	29,657	114,489	(2,683,607)	--
61,453	44,083	148,076	270,481	253,553	--	5,705,554
978,820	1,730,238	965,866	515,006	2,002,911	(2,788,639)	37,116,558
(5,875)	(12,475)	423,920	(270,866)	459,890	--	9,740,609
--	--	--	--	--	--	891,457
3,866	25	4,480	384	1,749	--	124,228
--	--	--	--	3,051	--	17,392
--	--	(166,550)	--	(34,200)	--	(4,553,127)
3,866	25	(162,070)	384	(29,400)	--	(3,520,050)
(2,009)	(12,450)	261,850	(270,482)	430,490	--	6,220,559
--	(32)	(51,239)	270,487	(399,651)	--	(1,209,707)
(2,009)	(12,482)	210,611	5	30,839	--	5,010,852
--	--	--	--	--	--	(220,901)
(2,009)	(12,482)	210,611	5	30,839	--	4,789,951
1,404,269	245,164	767,022	99,558	1,162,771	--	77,327,958
--	--	--	--	--	--	(7,598,645)
1,404,269	245,164	767,022	99,558	1,162,771	--	69,729,313
\$ 1,402,260	\$ 232,682	\$ 977,633	\$ 99,563	\$ 1,193,610	\$ --	\$ 74,519,264

**GUADALUPE-BLANCO RIVER AUTHORITY
COMBINING SCHEDULE OF CASH FLOWS**

FISCAL YEAR ENDED AUGUST 31, 2015

	Guadalupe			
	General	Valley	Rural	Water
	Division	Hydroelectric Division	Utilities Division	Resource Division
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers.....	\$ --	\$ 2,580,271	\$ 2,347,966	\$ 33,274,829
Cash Received from Interfund Administrative Charges.....	2,788,639	--	--	--
Cash Paid for Personnel Operating Costs.....	(1,746,289)	(1,410,310)	(635,712)	(6,018,959)
Cash Paid for Other Operating and Maintenance Costs.....	(1,009,750)	(1,277,656)	(878,721)	(12,770,836)
Cash Paid for Interfund Administrative Charges.....	--	(451,747)	(168,031)	(1,472,701)
Costs Associated with Whooping Crane Endangered Species Lawsuit and Bond Refundings.....	--	--	--	(220,901)
Net Cash Flows From (Used by) Operating Activities.....	<u>32,600</u>	<u>(559,442)</u>	<u>665,502</u>	<u>12,791,432</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund Operating Loans Received.....	--	613,850	190,000	190,600
Interfund Operating Loans Made.....	(1,247,650)	--	--	--
Principal Payments Made on Interfund Operating Loans.....	--	--	--	(12,000)
Principal Payments Received on Interfund Operating Loans.....	306,200	--	--	--
Cash Received from Grants.....	--	--	--	891,457
Net Cash Flows From (Used by) Noncapital Financing Activities.....	<u>(941,450)</u>	<u>613,850</u>	<u>190,000</u>	<u>1,070,057</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from Advances from Customers, Developers, and Other Governmental Units.....	--	--	20,128	--
Proceeds from Revenue and Loans for Capital Assets and Plant Expansions.....	--	--	--	--
Proceeds from Sale of Capital Assets.....	--	11,748	--	8,791
Purchase of Capital Assets.....	(13,774)	(22,373)	(339,068)	(594,565)
Cash Paid for Construction in Progress.....	--	--	--	(62,990)
Cash Paid for Project Development.....	--	--	--	(344,848)
Interest Paid.....	--	--	(105,068)	(4,256,406)
Principal Payments on Revenue Bonds.....	--	--	--	(4,628,579)
Principal Payments on Loans.....	--	--	(301,396)	(418,447)
Net Cash Flows Used by Capital and Related Financing Activities.....	<u>(13,774)</u>	<u>(10,625)</u>	<u>(725,404)</u>	<u>(10,297,044)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash Received from Investments.....	921,985	--	25,021	3,258,652
Investment Income Received.....	29,700	4	24,180	68,972
Cash Paid for Investments.....	34,757	--	(127,596)	(4,620,361)
Net Cash Flows From (Used by) Investing Activities.....	<u>986,442</u>	<u>4</u>	<u>(78,395)</u>	<u>(1,292,737)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	<u>\$ 63,818</u>	<u>\$ 43,787</u>	<u>\$ 51,703</u>	<u>\$ 2,271,708</u>
CURRENT CASH AND CASH EQUIVALENTS:				
At Beginning of Year.....	1,460,632	9,046	166,709	5,468,513
At End of Year.....	<u>1,534,686</u>	<u>52,830</u>	<u>461</u>	<u>8,238,754</u>
Net Increase (Decrease).....	<u>74,054</u>	<u>43,784</u>	<u>(166,248)</u>	<u>2,770,241</u>
RESTRICTED CASH AND CASH EQUIVALENTS:				
At Beginning of Year.....	559,961	5,815	512,328	3,035,108
At End of Year.....	<u>549,725</u>	<u>5,818</u>	<u>730,279</u>	<u>2,536,575</u>
Net Increase (Decrease).....	<u>(10,236)</u>	<u>3</u>	<u>217,951</u>	<u>(498,533)</u>
TOTAL CASH AND CASH EQUIVALENTS:				
At Beginning of Year.....	2,020,593	14,861	679,037	8,503,621
At End of Year.....	<u>2,084,411</u>	<u>58,648</u>	<u>730,740</u>	<u>10,775,329</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	<u>\$ 63,818</u>	<u>\$ 43,787</u>	<u>\$ 51,703</u>	<u>\$ 2,271,708</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS				
FROM OPERATING ACTIVITIES:				
Operating Income (Loss).....	\$ 376,758	\$ (818,596)	\$ 169,979	\$ 9,264,004
Adjustments to Reconcile Operating Income to Net Cash Flows				
From Operating Activities:				
Depreciation and Amortization.....	105,981	326,506	448,888	3,842,170
Actuarially Determined Net Pension Expense.....	1,013,949	--	--	--
Costs Associated with Whooping Crane Endangered Species Lawsuit.....	--	--	--	(220,901)
Net Change in Assets and Liabilities From Operating Activities:				
Operating Accounts Receivable.....	(35,281)	(134,396)	16,258	83,367
Other Current Assets.....	1,279	(1,460)	(2,765)	(20,731)
Net Pension Liability.....	(1,684,302)	--	--	--
Operating Accounts Payable.....	254,216	68,504	33,142	(156,477)
Total Adjustments.....	<u>(344,158)</u>	<u>259,154</u>	<u>495,523</u>	<u>3,527,428</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES.....	<u>\$ 32,600</u>	<u>\$ (559,442)</u>	<u>\$ 665,502</u>	<u>\$ 12,791,432</u>
NON-CASH TRANSACTIONS SCHEDULE				

1. During fiscal year 2015 and 2014, an adjustment of (\$46,700) and \$47,417 respectively, was made to decrease investments to fair value.

See accompanying independent auditors' report.

Port Lavaca	Calhoun	Luling Water						
Water	County Rural	Coletto	Treatment	Canyon	Lockhart			
Treatment	Water Supply	Creek	Plant	Hydroelectric		Eliminations	Total	
Plant Division	Division	Division	Division	Division	Division			
\$ 1,738,127	\$ 971,481	\$ 1,721,021	\$ 1,340,539	\$ 260,093	\$ 2,436,732	\$ --	\$ 46,671,059	
--	--	--	--	--	--	--	2,788,639	
(529,417)	(310,259)	(780,152)	(352,742)	(105,503)	(439,352)	--	(12,328,695)	
(730,869)	(557,418)	(688,771)	(405,082)	(94,976)	(1,086,294)	--	(19,500,373)	
(137,284)	(80,034)	(139,653)	(90,011)	(29,657)	(114,489)	--	(2,683,607)	
--	--	--	--	--	--	--	(220,901)	
<u>340,557</u>	<u>23,770</u>	<u>112,445</u>	<u>492,704</u>	<u>29,957</u>	<u>796,597</u>	--	<u>14,726,122</u>	
68,000	27,000	23,000	25,200	110,000	--	(1,247,650)	--	
--	--	--	--	--	--	1,247,650	--	
(68,000)	(27,000)	(23,000)	(25,200)	(151,000)	--	306,200	--	
--	--	--	--	--	--	(306,200)	--	
--	--	--	--	--	--	--	891,457	
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(41,000)</u>	<u>--</u>	<u>--</u>	<u>891,457</u>	
--	--	--	--	--	--	--	20,128	
--	--	--	--	--	--	--	--	
2,128	--	--	--	--	3,051	--	25,718	
(17,367)	--	(44,964)	(90,095)	--	(80,441)	--	(1,202,647)	
(5,872)	--	--	--	--	--	--	(68,862)	
--	--	--	--	--	--	--	(344,848)	
(22,761)	--	--	(167,225)	--	(34,200)	--	(4,585,660)	
(300,000)	--	--	(234,496)	--	(590,000)	--	(5,753,075)	
(10,340)	--	--	--	--	--	--	(730,183)	
<u>(354,212)</u>	<u>--</u>	<u>(44,964)</u>	<u>(491,816)</u>	<u>--</u>	<u>(701,590)</u>	<u>--</u>	<u>(12,639,429)</u>	
27,837	99,718	--	200,927	50,198	--	--	4,584,338	
513	3,914	25	5,546	429	1,807	--	135,090	
(28,537)	(150,439)	--	(304,913)	--	(13,600)	--	(5,210,689)	
<u>(187)</u>	<u>(46,807)</u>	<u>25</u>	<u>(98,440)</u>	<u>50,627</u>	<u>(11,793)</u>	<u>--</u>	<u>(491,261)</u>	
\$ (13,842)	\$ (23,037)	\$ 67,506	\$ (97,552)	\$ 39,584	\$ 83,214	\$ --	\$ 2,486,889	
32,433	151,632	22,411	187,922	52,838	290,781	--	7,842,917	
19,064	128,595	89,917	87,103	41,852	373,995	--	10,567,257	
<u>(13,369)</u>	<u>(23,037)</u>	<u>67,506</u>	<u>(100,819)</u>	<u>(10,986)</u>	<u>83,214</u>	<u>--</u>	<u>2,724,340</u>	
5,484	--	--	3,861	52,310	--	--	4,174,867	
5,011	--	--	7,128	102,880	--	--	3,937,416	
<u>(473)</u>	<u>--</u>	<u>--</u>	<u>3,267</u>	<u>50,570</u>	<u>--</u>	<u>--</u>	<u>(237,451)</u>	
37,917	151,632	22,411	191,783	105,148	290,781	--	12,017,784	
24,075	128,595	89,917	94,231	144,732	373,995	--	14,504,673	
<u>(13,842)</u>	<u>(23,037)</u>	<u>67,506</u>	<u>(97,552)</u>	<u>39,584</u>	<u>83,214</u>	<u>\$ --</u>	<u>\$ 2,486,889</u>	
\$ 153,870	\$ (5,875)	\$ (12,475)	\$ 423,920	\$ (270,866)	\$ 459,890	\$ --	\$ 9,740,609	
204,363	61,453	44,083	148,076	270,481	253,553	--	5,705,554	
--	--	--	--	--	--	--	1,013,949	
--	--	--	--	--	--	--	(220,901)	
(101,684)	(17,470)	7,061	(49,247)	15,953	(26,947)	--	(242,386)	
(13,641)	(624)	314	672	(24)	301	--	(36,679)	
--	--	--	--	--	--	--	(1,684,302)	
97,649	(13,714)	73,462	(30,717)	14,413	109,800	--	450,278	
186,687	29,645	124,920	68,784	300,823	336,707	--	4,985,513	
<u>\$ 340,557</u>	<u>\$ 23,770</u>	<u>\$ 112,445</u>	<u>\$ 492,704</u>	<u>\$ 29,957</u>	<u>\$ 796,597</u>	<u>\$ --</u>	<u>\$ 14,726,122</u>	

**GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES**

REGIONS BANK, DUNLAP WASTEWATER TREATMENT EXPANSION & COLLECTION SYSTEM LOAN

YR END	TAXABLE LOAN			TAX-EXEMPT LOAN			TOTAL
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	REQUIREMENTS
2016	\$ 710,748	\$ 8,501	\$ 719,249	\$ 100,000	\$ 78,824	\$ 178,824	\$ 898,073
2017				105,000	75,401	180,401	180,401
2018				105,000	71,894	176,894	176,894
2019				110,000	68,303	178,303	178,303
2020				115,000	64,546	179,546	179,546
2021				115,000	60,708	175,708	175,708
2022				120,000	56,780	176,780	176,780
2023				125,000	52,689	177,689	177,689
2024				130,000	48,430	178,430	178,430
2025				135,000	44,005	179,005	179,005
2026				140,000	39,412	179,412	179,412
2027				145,000	34,653	179,653	179,653
2028				145,000	29,810	174,810	174,810
2029				150,000	24,883	174,883	174,883
2030				160,000	19,706	179,706	179,706
2031				165,000	14,279	179,279	179,279
2032				170,000	8,684	178,684	178,684
2033				175,000	2,923	177,923	177,923
	<u>\$ 710,748</u>	<u>\$ 8,501</u>	<u>\$ 719,249</u>	<u>\$ 2,410,000</u>	<u>\$ 795,930</u>	<u>\$ 3,205,930</u>	<u>\$ 3,925,179</u>

**REGIONS BANK, RURAL UTILITIES DIVISION LOAN
EMERGENCY GENERATORS**

YR END	CANYON PARK WWTP			DUNLAP WWTP			SPRINGS HILL WTP		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2016	\$ 6,379	\$ 757	\$ 7,136	\$ 7,152	\$ 849	\$ 8,001	\$ 13,531	\$ 1,606	\$ 15,137
2017	6,586	550	7,136	7,384	617	8,001	13,970	1,168	15,138
2018	6,797	339	7,136	7,621	380	8,001	14,418	719	15,137
2019	7,015	121	7,136	7,866	136	8,002	14,882	256	15,138
	<u>\$ 26,777</u>	<u>\$ 1,767</u>	<u>\$ 28,544</u>	<u>\$ 30,023</u>	<u>\$ 1,982</u>	<u>\$ 32,005</u>	<u>\$ 56,801</u>	<u>\$ 3,749</u>	<u>\$ 60,550</u>

**GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES**

U.S. GOVERNMENT LOAN, CANYON DAM AND RESERVOIR

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2016	\$ 235,419	\$ 73,471	\$ 308,890
2017	241,305	67,585	308,890
2018	247,337	61,553	308,890
2019	253,521	55,369	308,890
2020	259,859	49,031	308,890
2021	266,355	42,535	308,890
2022	273,014	35,876	308,890
2023	279,839	29,051	308,890
2024	286,835	22,055	308,890
2025	294,006	14,884	308,890
2026	301,357	7,533	308,890
	<u>\$ 2,938,847</u>	<u>\$ 458,943</u>	<u>\$ 3,397,790</u>

**JP MORGAN CHASE BANK
GENERAL IMPROVEMENT OFFICE EXPANSION LOAN**

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2016	\$ 106,667	\$ 1,672	\$ 108,339
	<u>\$ 106,667</u>	<u>\$ 1,672</u>	<u>\$ 108,339</u>

WATER RESOURCE WATER RIGHT PURCHASE AMORTIZATION SCHEDULE

YR END AUG 31	LULING FOUNDATION			ABNER USSERY			TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2016	\$ 18,938	\$ 19,362	\$ 38,300	\$ 11,126	\$ 11,374	\$ 22,500	\$ 60,800
2017	19,790	18,510	38,300	11,626	10,874	22,500	60,800
2018	20,681	17,619	38,300	12,149	10,351	22,500	60,800
2019	21,612	16,688	38,300	12,696	9,804	22,500	60,800
2020	22,584	15,716	38,300	13,267	9,233	22,500	60,800
2021	23,600	14,700	38,300	13,864	8,636	22,500	60,800
2022	24,662	13,638	38,300	14,488	8,012	22,500	60,800
2023	25,772	12,528	38,300	15,140	7,360	22,500	60,800
2024	26,932	11,368	38,300	15,822	6,678	22,500	60,800
2025	28,144	10,156	38,300	16,534	5,966	22,500	60,800
2026	29,410	8,890	38,300	17,278	5,222	22,500	60,800
2027	30,734	7,566	38,300	18,055	4,445	22,500	60,800
2028	32,117	6,183	38,300	18,868	3,632	22,500	60,800
2029	33,562	4,738	38,300	19,717	2,783	22,500	60,800
2030	35,072	3,228	38,300	20,604	1,896	22,500	60,800
2031	36,648	1,647	38,295	21,534	967	22,501	60,796
	<u>\$ 430,258</u>	<u>\$ 182,537</u>	<u>\$ 612,795</u>	<u>\$ 252,768</u>	<u>\$ 107,233</u>	<u>\$ 360,001</u>	<u>\$ 972,796</u>

**GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES**

**GENERAL IMPROVEMENT & REFUNDING REVENUE BONDS, SERIES 2011
OFFICE EXPANSION & WATER RIGHT CONTRACT BUYOUT**

YR END AUG 31	WATER RIGHT CONTRACT BUYOUT			REFUNDING PORTION-OFFICE			TOTAL
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2016	\$ 300,000	\$ 221,763	\$ 521,763	\$ 190,000	\$ 111,594	\$ 301,594	\$ 823,357
2017	310,000	212,763	522,763	195,000	105,894	300,894	823,657
2018	320,000	203,463	523,463	200,000	100,044	300,044	823,507
2019	330,000	190,663	520,663	215,000	92,044	307,044	827,707
2020	345,000	177,463	522,463	220,000	83,444	303,444	825,907
2021	360,000	163,663	523,663	230,000	74,644	304,644	828,307
2022	375,000	149,263	524,263	240,000	65,444	305,444	829,707
2023	385,000	135,669	520,669	255,000	56,744	311,744	832,413
2024	400,000	121,231	521,231	265,000	47,181	312,181	833,412
2025	415,000	105,231	520,231	275,000	36,581	311,581	831,812
2026	435,000	88,113	523,113	285,000	25,238	310,238	833,351
2027	455,000	69,625	524,625	300,000	13,125	313,125	837,750
2028	475,000	49,719	524,719			--	524,719
2029	495,000	27,750	522,750			--	522,750
2030	105,000	4,856	109,856			--	109,856
	<u>\$ 5,505,000</u>	<u>\$ 1,921,235</u>	<u>\$ 7,426,235</u>	<u>\$ 2,870,000</u>	<u>\$ 811,977</u>	<u>\$ 3,681,977</u>	<u>\$ 11,108,212</u>

GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012

MID-BASIN PROJECT

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2016	\$ 220,000	\$ 37,603	\$ 257,603
2017	220,000	37,603	257,603
2018	220,000	37,603	257,603
2019	225,000	37,295	262,295
2020	225,000	36,620	261,620
2021	225,000	35,473	260,473
2022	225,000	33,898	258,898
2023	230,000	31,985	261,985
2024	230,000	29,593	259,593
2025	235,000	26,971	261,971
2026	235,000	24,128	259,128
2027	240,000	21,002	261,002
2028	245,000	17,522	262,522
2029	245,000	13,210	258,210
2030	250,000	9,143	259,143
2031	255,000	4,743	259,743
	<u>\$ 3,725,000</u>	<u>\$ 434,392</u>	<u>\$ 4,159,392</u>

GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES

CONTRACT REVENUE REFUNDING BONDS, SERIES 2013
IH35 TREATED WATER DELIVERY SYSTEM PROJECT

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2016	\$ 560,000	\$ 641,656	\$ 1,201,656
2017	565,000	627,656	1,192,656
2018	585,000	613,531	1,198,531
2019	600,000	601,831	1,201,831
2020	625,000	571,833	1,196,833
2021	640,000	557,769	1,197,769
2022	660,000	532,169	1,192,169
2023	690,000	505,769	1,195,769
2024	730,000	471,269	1,201,269
2025	765,000	434,769	1,199,769
2026	785,000	411,819	1,196,819
2027	810,000	387,288	1,197,288
2028	840,000	360,963	1,200,963
2029	865,000	332,613	1,197,613
2030	900,000	301,256	1,201,256
2031	930,000	268,631	1,198,631
2032	965,000	234,919	1,199,919
2033	1,000,000	199,938	1,199,938
2034	1,035,000	163,688	1,198,688
2035	1,070,000	124,875	1,194,875
2036	1,110,000	84,750	1,194,750
2037	1,150,000	43,121	1,193,121
	<u>\$ 17,880,000</u>	<u>\$ 8,472,113</u>	<u>\$ 26,352,113</u>

**GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES**

**COMBINATION CONTRACT REVENUE REFUNDING BONDS SERIES 2013A & 2013B
WESTERN CANYON REGIONAL WATER SUPPLY CONTRACT**

YR END AUG 31	SERIES 2013A			SERIES 2013B			TOTAL
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2016	\$ 1,915,000	\$ 2,410,906	\$ 4,325,906	\$ 265,000	\$ 248,612	\$ 513,612	\$ 4,839,518
2017	1,995,000	2,334,306	4,329,306	265,000	243,553	508,553	4,837,859
2018	2,030,000	2,296,900	4,326,900	270,000	238,494	508,494	4,835,394
2019	2,115,000	2,215,700	4,330,700	275,000	233,340	508,340	4,839,040
2020	2,200,000	2,131,100	4,331,100	285,000	224,301	509,301	4,840,401
2021	2,305,000	2,021,100	4,326,100	295,000	214,933	509,933	4,836,033
2022	2,415,000	1,913,350	4,328,350	305,000	205,236	510,236	4,838,586
2023	2,535,000	1,792,600	4,327,600	315,000	195,211	510,211	4,837,811
2024	2,660,000	1,665,850	4,325,850	325,000	184,857	509,857	4,835,707
2025	2,795,000	1,532,850	4,327,850	335,000	169,799	504,799	4,832,649
2026	2,935,000	1,393,100	4,328,100	350,000	154,279	504,279	4,832,379
2027	3,080,000	1,246,350	4,326,350	370,000	138,063	508,063	4,834,413
2028	3,235,000	1,092,350	4,327,350	390,000	120,921	510,921	4,838,271
2029	3,400,000	930,600	4,330,600	405,000	102,853	507,853	4,838,453
2030	3,565,000	762,000	4,327,000	425,000	84,089	509,089	4,836,089
2031	3,745,000	585,200	4,330,200	440,000	64,399	504,399	4,834,599
2032	3,930,000	399,500	4,329,500	465,000	44,014	509,014	4,838,514
2033	4,125,000	204,600	4,329,600	485,000	22,470	507,470	4,837,070
	<u>\$ 50,980,000</u>	<u>\$ 26,928,362</u>	<u>\$ 77,908,362</u>	<u>\$ 6,265,000</u>	<u>\$ 2,889,424</u>	<u>\$ 9,154,424</u>	<u>\$ 87,062,786</u>

**GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES**

**COMBINATION CONTRACT REVENUE BONDS, SERIES 2007A & 2007B
RRWDS PROJECT**

YR END AUG 31	SERIES 2007A			SERIES 2007B			TOTAL
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2016	\$ 185,000	\$ 411,750	\$ 596,750	\$ 90,000	\$ 377,185	\$ 467,185	\$ 1,063,935
2017	195,000	402,500	597,500	100,000	370,822	470,822	1,068,322
2018	205,000	392,750	597,750	105,000	363,752	468,752	1,066,502
2019	215,000	382,500	597,500	110,000	356,328	466,328	1,063,828
2020	225,000	371,750	596,750	120,000	348,551	468,551	1,065,301
2021	235,000	360,500	595,500	130,000	340,067	470,067	1,065,567
2022	250,000	348,750	598,750	135,000	330,876	465,876	1,064,626
2023	260,000	336,250	596,250	145,000	321,332	466,332	1,062,582
2024	275,000	323,250	598,250	155,000	311,080	466,080	1,064,330
2025	285,000	309,500	594,500	170,000	300,122	470,122	1,064,622
2026	300,000	295,250	595,250	180,000	288,103	468,103	1,063,353
2027	315,000	280,250	595,250	195,000	275,377	470,377	1,065,627
2028	330,000	264,500	594,500	205,000	261,590	466,590	1,061,090
2029	350,000	248,000	598,000	220,000	247,097	467,097	1,065,097
2030	365,000	230,500	595,500	235,000	231,543	466,543	1,062,043
2031	385,000	212,250	597,250	255,000	214,928	469,928	1,067,178
2032	405,000	193,000	598,000	270,000	196,900	466,900	1,064,900
2033	425,000	172,750	597,750	290,000	177,811	467,811	1,065,561
2034	445,000	151,500	596,500	310,000	157,308	467,308	1,063,808
2035	470,000	129,250	599,250	335,000	135,391	470,391	1,069,641
2036	490,000	105,750	595,750	355,000	111,706	466,706	1,062,456
2037	515,000	81,250	596,250	380,000	86,608	466,608	1,062,858
2038	540,000	55,500	595,500	410,000	59,742	469,742	1,065,242
2039	570,000	28,500	598,500	435,000	30,755	465,755	1,064,255
	<u>\$ 8,235,000</u>	<u>\$ 6,087,750</u>	<u>\$ 14,322,750</u>	<u>\$ 5,335,000</u>	<u>\$ 5,894,974</u>	<u>\$ 11,229,974</u>	<u>\$ 25,552,724</u>

**GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES**

**REGIONAL RAW WATER DELIVERY SYSTEM
CONTRACT REVENUE REFUNDING BONDS, SERIES 2010
(CITY OF SAN MARCOS, TEXAS PORTION)**

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2017	\$ 460,000 *	\$ 130,668	\$ 590,668
2018	470,000	120,781	590,781
2019	490,000	108,756	598,756
2020	500,000	94,518	594,518
2021	520,000	79,218	599,218
2022	540,000	63,318	603,318
2023	565,000	46,743	611,743
2024	585,000	29,128	614,128
2025	615,000	9,994	624,994
	<u>\$ 4,745,000</u>	<u>\$ 683,124</u>	<u>\$ 5,428,124</u>

* The principal and related interest due on September 1, 2015 (FY2016) were paid in fiscal year ending August 31, 2015.

FROST NATIONAL BANK, PORT LAVACA WTP CLEARWELL

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2016	\$ 29,533	\$ 13,111	\$ 42,644
2017	49,975	11,313	61,288
2018	52,040	9,248	61,288
2019	54,190	7,098	61,288
2020	56,416	4,872	61,288
2021	58,760	2,528	61,288
2022	30,281	362	30,643
	<u>\$ 331,195</u>	<u>\$ 48,532</u>	<u>\$ 379,727</u>

**WATER SUPPLY REVENUE REFUNDING BONDS
PORT LAVACA WATER TREATMENT PLANT PROJECT, SERIES 2011**

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2016	\$ 305,000	\$ 3,050	\$ 308,050
	<u>\$ 305,000</u>	<u>\$ 3,050</u>	<u>\$ 308,050</u>

**GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES**

**TREATED WATER DELIVERY SYSTEM CONTRACT REVENUE REFUNDING BONDS
SERIES 2014
CITY OF LOCKHART PROJECT**

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2016	\$ 245,000	\$ 158,441	\$ 403,441
2017	255,000	149,816	404,816
2018	260,000	140,933	400,933
2019	275,000	131,704	406,704
2020	280,000	122,130	402,130
2021	290,000	112,298	402,298
2022	300,000	102,120	402,120
2023	310,000	91,598	401,598
2024	320,000	80,730	400,730
2025	335,000	69,431	404,431
2026	345,000	57,701	402,701
2027	355,000	45,626	400,626
2028	370,000	33,120	403,120
2029	380,000	20,183	400,183
2030	395,000	6,814	401,814
	<u>\$ 4,715,000</u>	<u>\$ 1,322,645</u>	<u>\$ 6,037,645</u>

**CONTRACT REVENUE REFUNDING BONDS, SERIES 2010
CITY OF LOCKHART PROJECT**

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2016	\$ 615,000	\$ 22,150	\$ 637,150
2017	640,000	8,000	648,000
	<u>\$ 1,255,000</u>	<u>\$ 30,150</u>	<u>\$ 1,285,150</u>



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Statistical Section

Index and Explanation

This part of the Guadalupe Blanco River Authority's (GBRA) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information says about GBRA's overall financial health.

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Guadalupe Blanco River Authority
Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Primary government					
Net investment in capital assets	\$ 43,492,246	\$ 41,302,982	\$ 36,423,496	\$ 35,853,611	\$ 40,790,810
Restricted	8,100,743	8,047,563	4,787,708	5,995,312	5,386,547
Unrestricted	<u>22,926,275</u>	<u>27,977,413</u>	<u>30,776,556</u>	<u>25,315,195</u>	<u>18,914,321</u>
Total primary government net position	<u>\$ 74,519,264</u>	<u>\$ 77,327,958</u>	<u>\$ 71,987,760</u>	<u>\$ 67,164,118</u>	<u>\$ 65,091,678</u>

	Fiscal Year				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Primary government					
Net investment in capital assets	\$ 43,235,437	\$ 40,582,695	\$ 38,715,589	\$ 36,361,304	\$ 38,506,620
Restricted	6,521,324	10,715,810	7,978,016	6,221,215	3,649,302
Unrestricted	<u>15,143,773</u>	<u>10,656,309</u>	<u>11,365,266</u>	<u>10,843,049</u>	<u>7,698,500</u>
Total primary government net position	<u>\$ 64,900,534</u>	<u>\$ 61,954,814</u>	<u>\$ 58,058,871</u>	<u>\$ 53,425,568</u>	<u>\$ 49,854,422</u>

Guadalupe Blanco River Authority
Changes in Net Position
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses</u>	<u>Operating Income</u>	<u>Total Nonoperating Revenues (Expenses)</u>	<u>Income before Capital Contributions and Deferrals</u>	<u>Capital Contributions</u>	<u>Deferrals</u>	<u>Restatement</u>	<u>Change in Net Assets</u>
2006	\$ 32,739,335	\$ 24,507,001	\$ 8,232,334	\$ (4,838,756)	\$ 3,393,578	\$ 11,496	\$ (1,604,770)		\$ 1,800,304
2007	38,542,513	28,865,971	9,676,542	(3,343,954)	6,332,588	9,879	(2,174,357)		4,168,110
2008	44,645,439	33,684,665	10,960,774	(6,290,390)	4,670,384	704,171	(741,252)		4,633,303
2009	45,001,215	34,503,980	10,497,235	(6,695,555)	3,801,680	1,300,256	(705,993)		4,395,943
2010	44,517,699	34,970,761	9,546,938	(6,499,912)	3,047,026	414,096	(1,015,402)		2,445,720
2011	43,649,714	35,199,680	8,450,034	(7,724,043)	725,991	-	(534,847)		191,144
2012	44,636,657	35,579,849	9,056,808	(6,097,754)	2,959,054	-	(886,614)		2,072,440
2013	45,066,266	36,799,250	8,267,016	(5,908,084)	2,358,932	-	2,464,710		4,823,642
2014	47,577,259	36,666,041	10,891,218	(3,743,258)	7,147,960	-	(1,526,940)		5,621,020
2015	46,857,167	37,337,459	9,519,708	(3,520,050)	5,999,658	-	(1,209,707)	(7,598,645)	(2,808,694)

The Guadalupe Blanco River Authority adopted GASB 68, Accounting and Financial Reporting for Pensions in FY 2015, resulting in a decrease in net assets of \$7,598,645.

Guadalupe Blanco River Authority

**Operating Revenues by Source
Last Ten Fiscal Years**

Year	Pollution and Industrial Financing	Power Sales	Water Sales and Lake Operations	Rental, Recreation and Land Use	Waste Water Treatment Services	Laboratory Services	Miscellaneous	Total
2006	\$ 222,657	\$ 3,427,563	\$ 20,122,065	\$ 781,252	\$ 5,581,511	\$ 538,302	\$ 2,065,985	\$ 32,739,335
2007	-	3,764,212	24,850,270	916,797	6,248,195	594,524	2,168,515	38,542,513
2008	163,560	3,854,491	30,255,712	973,603	6,271,513	641,059	2,485,501	44,645,439
2009	-	3,056,054	31,051,511	932,909	6,683,467	675,585	2,601,689	45,001,215
2010	-	4,040,510	31,054,841	927,049	6,107,928	759,958	1,627,413	44,517,699
2011	-	4,192,271	31,615,931	1,022,746	4,273,817	736,451	1,808,498	43,649,714
2012	-	3,979,015	33,081,820	1,111,419	3,556,848	823,466	2,084,089	44,636,657
2013	-	3,548,940	34,252,743	1,127,145	3,649,643	800,922	1,686,873	45,066,266
2014	-	3,032,418	34,316,750	1,151,892	3,830,673	842,643	4,382,883	47,557,259
2015	-	2,914,459	35,235,777	1,140,268	4,070,855	914,476	2,581,332	46,857,167

**Operating Expenses
Last Ten Fiscal Years**

Year	Personnel Operating Costs	Operating Supplies and Services	Maintenance and Repairs	Depreciation and Amortization	Special Items (a)	Total
2006	\$ 7,830,077	\$10,084,494	\$ 3,454,708	\$ 3,137,722	\$ -	\$ 24,507,001
2007	8,997,620	12,770,894	4,036,894	3,060,563	-	28,865,971
2008	9,325,518	13,858,478	4,876,916	5,623,753	-	33,684,665
2009	10,014,890	14,371,964	4,539,233	5,577,893	-	34,503,980
2010	9,942,404	13,288,880	4,416,585	6,127,100	1,195,792	34,970,761
2011	9,454,599	13,340,648	4,272,751	6,136,748	1,994,934	35,199,680
2012	9,679,527	13,291,466	4,071,712	5,847,241	2,970,725	35,860,671
2013	9,983,897	14,111,633	4,398,941	7,279,816	1,024,963	36,799,250
2014	10,669,145	14,675,651	4,808,404	6,273,761	239,080	36,666,041
2015	11,553,310	14,894,444	4,963,250	5,705,554	220,901	37,337,459

(a) Special Items in FY 2010 through FY 2015 include costs associated with the Whooping Crane Endangered Species Lawsuit

**Nonoperating Revenue and Expenses
Last Ten Fiscal Years**

Year	Interest Expense	Investment Income	Gain (Loss) on Disposal of Capital Assets	Grants	Total
2006	\$ (5,401,953)	\$ 555,481	\$ -	\$ 7,716	\$ (4,838,756)
2007	(4,199,747)	855,793	-	-	(3,343,954)
2008	(7,046,879)	828,429	-	(71,940)	(6,290,390)
2009	(7,410,716)	475,308	242,557	(2,704)	(6,695,555)
2010	(7,184,205)	237,079	430,424	16,790	(6,499,912)
2011	(6,812,918)	288,242	549,534	(1,748,901)	(7,724,043)
2012	(6,684,592)	146,506	563,047	(122,715)	(6,097,754)
2013	(6,711,171)	117,304	681,223	4,560	(5,908,084)
2014	(5,059,003)	276,151	1,030,613	8,981	(3,743,258)
2015	(4,553,127)	124,228	891,457	17,392	(3,520,050)

List of Principal Customers

Guadalupe Valley Electric Cooperative
 New Braunfels Utilities
 Coletto Creek Park Customers
 Lake Wood Recreational Park Customers
 Nolte Island Park Customers
 Regional Laboratory Customers
 Calhoun County Rice Farmers

City of Buda
 City of Bulverde
 City of Lockhart
 City of Schertz
 City of Seguin
 Cordillera Ranch
 North Hays County MUD #1
 Sunfield Municipal Utility District #4
 Johnson Ranch Municipal Utility District

POWER SALES & OTHER SERVICES

WATER SALES CUSTOMERS

Canyon Lake Water Supply Corp.
 Canyon Regional Water Authority
 City of Boerne
 City of Buda
 City of Fair Oaks Ranch
 City of Kyle
 City of Port Lavaca
 City of San Marcos
 City of Seguin
 Coletto Creek Power, LP
 Cordillera Ranch
 Crystal Clear Water Supply Corporation
 Guadalupe Power Partners
 Hays Energy Limited Partnership
 Ineos Nitriles Green Lake Plant
 New Braunfels Utilities
 San Antonio Water System
 Springs Hill Water Supply Corporation
 Sunfield Municipal Utility District #4



WASTEWATER TREATMENT CUSTOMERS

WATER TREATMENT CUSTOMERS

Calhoun County Rural Water Corporation
 City of Boerne
 City of Buda
 City of Fair Oaks Ranch
 City of Kyle
 City of Lockhart
 City of Luling
 City of Port Lavaca
 City of San Marcos
 Cordillera Ranch
 Goforth Special Utility District
 Port O'Connor Municipal Utility District
 San Antonio Water System
 Sunfield Municipal Utility District #4

The above customers represent GBRA's principal customers. Because of the long term nature of GBRA's contracts, the majority of these customers have been customers of GBRA for ten years or more. The Water Sales Customers represent GBRA's largest source of revenue. The rate history for Water Sales Customers is as follows:

Price Per Acre-Foot (1)	Effective Date	Price Per Acre-Foot (1)	Effective Date
\$38.75	10/1/1980	92.00	10/1/2005
44.76	10/1/1985	96.00	10/1/2006
53.03	10/1/1990	100.00	10/1/2007
61.00	10/1/1997	105.00	10/1/2008
69.00	10/1/2000	110.00	10/1/2010
80.00	10/1/2002	114.00	10/1/2011
84.00	11/1/2003	125.00	10/1/2012
88.00	10/1/2004	130.00	10/1/2014

(1) Excludes out-of-district charges.

Types of Operating Systems

Several GBRA operating divisions are segregated into systems to facilitate cost accounting, internal control, and rate setting. Each system has one of two types of budgets, either “Budget-to-Actual” or “Units of Service”. Budget-to-Actual systems provide services based on a budget approved by the customer and GBRA. During the course of the year, the customer is billed based on the annual budget with those billings adjusted to the total actual cost of service at each fiscal year end. Unit-of Service budgets are for the other GBRA operations where the customer pays for some type of service based on a unit of measure at a rate approved by the GBRA Board of Directors. The revenue derived from these customers pays the operating and maintenance, debt service, and capital costs of the system. In these systems, revenue is completely dependent upon the number of units sold and no customer year-end adjustment is available. The table below distinguishes the systems according to the type of operations in which they operate:

Budget-to-Actual Operations:	Principal Customers	County
Northcliffe Wastewater Treatment Plant	City of Schertz	Guadalupe
Sunfield Wastewater Treatment Plant	Sunfield MUD #4	Hays
Singing Hills Wastewater Treatment Plant	City of Bulverde	Comal
Buda Wastewater Treatment Plant	City of Buda	Hays
Port Lavaca Water Treatment Plant	City of Port Lavaca	Calhoun
Coletto Creek Reservoir	Coletto Creek Power, LP	Victoria/Goliad
Luling Water Treatment Plant	Cities of Luling & Lockhart	Caldwell
Canyon Hydroelectric Plant	New Braunfels Utilities	Comal
Lockhart Wastewater Reclamation System	City of Lockhart	Caldwell
Lockhart Water Treatment Plant	City of Lockhart	Caldwell

Unit of Service Operations:	Principal Customers	County
General Division	GBRA Systems	Guadalupe
Guadalupe Valley Hydroelectric Division	Guadalupe Valley Electric Coop.	Guadalupe/Gonzales
Shadow Creek Wastewater Treatment Plant	Residential Customers	Hays
Canyon Park Wastewater Reclamation System	Residential Customers	Comal
Dunlap Wastewater Reclamation System	Residential Customers	Guadalupe
Springs Hill Wastewater Reclamation System	City of Seguin	Guadalupe
Water Sales System	Communities, industries, farmers	Entire River Basin
Regional Laboratory System	Residential, Industrial, City Customers	Entire River Basin
Calhoun Canal System	Port Lavaca Plant, farmers, industries	Calhoun
San Marcos Water Treatment Plant	City of San Marcos	Hays
Western Canyon Division	Boerne, Bulverde, Fair Oaks, Cordillera	Comal/Kendall
Cordillera Water Treatment Plant	Residential and Commercial Customers	Kendall
Cordillera Wastewater Treatment Plant	Residential and Commercial Customers	Kendall
Comal Trace Water Distribution System	Residential Customers	Comal
Johnson Ranch Water Distribution System	Residential Customers, Public School	Comal
Johnson Ranch Wastewater Treatment Plant	Residential Customers, Public School	Comal
Calhoun County Rural Water System	Residential and Commercial Customers	Calhoun
Coletto Creek Recreation	Recreational Customers	Victoria/Goliad

Guadalupe Blanco River Authority
Debt By Type
Last Ten Fiscal Years

Year	<u>Net Obligations Payable Directly By GBRA</u>		<u>Net Obligations Payable From Revenue Contracts (a)</u>		<u>Pollution Control (b)</u>
	<u>Bonds</u>	<u>Loans</u>	<u>Bonds</u>	<u>Loans</u>	<u>Bonds</u>
2006	\$ 3,980,000	\$ 11,431,676	\$ 132,894,615	\$ 2,834,899	\$ -
2007	3,870,000	11,685,249	128,891,929	2,761,382	-
2008	3,755,000	11,076,109	139,522,039	395,467	-
2009	3,630,000	10,845,301	134,602,007	387,356	-
2010	3,500,000	9,981,619	129,899,199	378,910	-
2011	10,122,346	9,362,340	124,789,055	370,115	-
2012	14,108,088	11,337,160	119,930,725	360,998	-
2013	13,453,831	10,583,254	117,364,922	351,463	-
2014	12,784,574	7,682,733	111,208,494	341,534	-
2015	12,095,316	6,962,889	106,160,734	331,195	-

(a) Contract revenue bonds and loans are payable from revenue derived from various contracts between GBRA and the various parties securing payment to GBRA for debt service payments on the bonds and loans. Debt coverage is 100% for these bonds and loans. Each customer is billed monthly for 1/12 of the total debt service for the fiscal year. Each revenue bond contract is insured or credit rated based on the financial strength of GBRA's service contract.

(b) A bond issue totaling \$4,700,000 was guaranteed by Standard Oil Company of Ohio. Although GBRA owns the water supply supply facilities and the bond issue bore GBRA's name, GBRA did not pledge its credit nor was it liable for any principal, premium, interest or costs associated with this issued. British Petroleum Chemical Company and Standard Oil Company pledged their credit and bore sole responsibility for all debt service payments. The amount of debt service that British Petroleum paid was recognized as pollution and industrial financing income as well as interest expense. The bond issue was entirely retired by Standard Oil Company of Ohio during 2005.

**Guadalupe Blanco River Authority
Third Party Debt
Last Ten Fiscal Years**

**Pollution Control and
Industrial Development Bonds**

Year	
2006	\$ 90,890,000
2007	90,890,000
2008	90,890,000
2009	90,890,000
2010	40,890,000
2011	40,890,000
2012	40,890,000
2013	40,890,000
2014	40,890,000
2015	40,890,000

GBRA has assisted industries within the GBRA service area by acting as issuing conduit so that the user of the bond proceeds benefited from reduced debt service requirements. Fees to administer this debt are recognized as pollution and industrial financing income. In each case, the user of the bond proceeds pledge their credit, bear sole responsibility for all debt service, make all payments directly to the trustee and completely indemnify GBRA for any costs incurred. Due to the character of these bonds, GBRA considers them debts of the third party users rather than debts of GBRA. Therefore, these bonds and the related receivables have been excluded from the combined financial statements in order to avoid misrepresenting the nature of the bonds and distorting GBRA's statements. The exclusion is in conformity with the Texas State Auditor's Report dated October 6, 1986 for Water Districts and River Authorities reporting third party conduit financings.

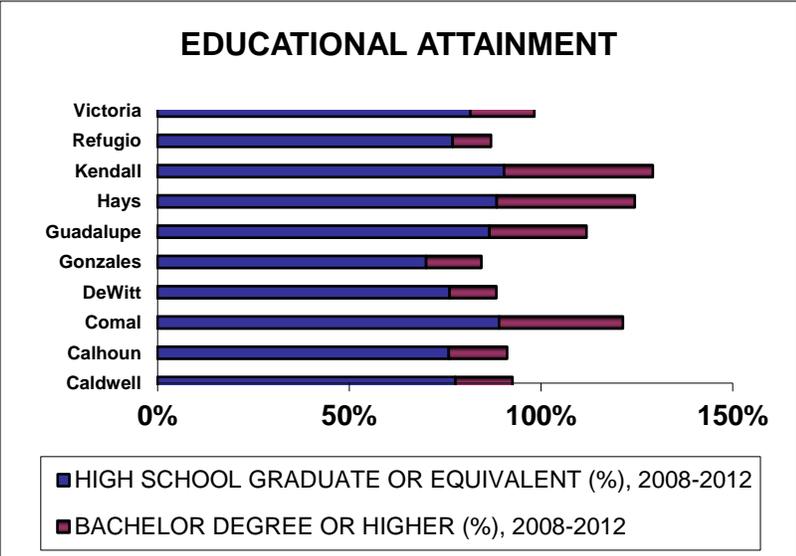
GBRA District Demographics

GBRA’s service area is geographically part of south central Texas. It stretches from the Hill Country through the I-35 Corridor and on to the Gulf Coast. GBRA’s service area includes ten-counties and more than seventy cities and communities. This geographic diversity in turn provides economic diversity with a unique combination of agriculture, oil and gas, defense, high tech and heavy industry.

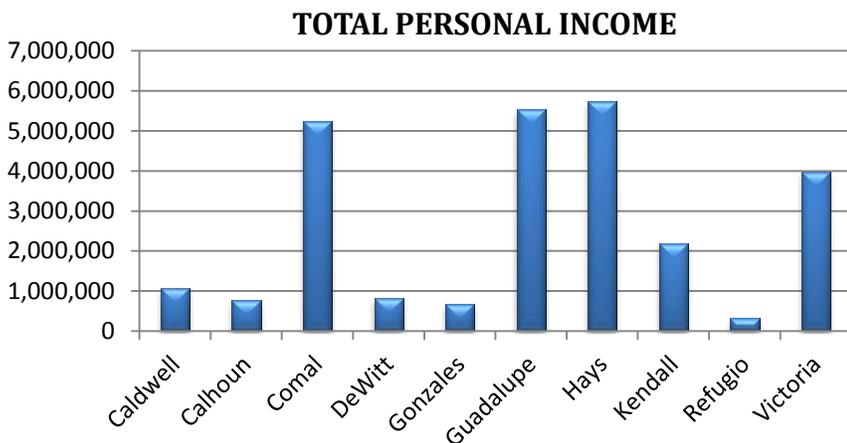
GBRA provides a variety of services to rural water corporations, electric cooperatives, industries and individuals within this ten-county district. The array of services includes water sales and distribution, water treatment, wastewater treatment, hydroelectric generation, laboratory analysis and recreation opportunities.

This diversity allows the local economy to be among the State’s growth leaders and outpace the national economy as well as weather the effects of any global economic problems better than other areas may. The local economy is also being spurred by tremendous population growth along the I-35 Corridor and the Eagle Ford Shale oil boom. Indicative of the population boom is the fact that the cities of Austin and San Antonio are both listed in the top ten of cities which have grown the most during the last ten years. The graphs below and on the following page portray the population and economic base within GBRA’s ten-county district.

<u>COUNTY</u>	<u>HIGH SCHOOL GRADUATE OR EQUIV.</u>	<u>BACHELOR DEGREE OR HIGHER</u>
Caldwell	75%	14%
Calhoun	75%	14%
Comal	89%	32%
DeWitt	74%	12%
Gonzales	67%	15%
Guadalupe	84%	24%
Hays	82%	32%
Kendall	91%	37%
Refugio	72%	11%
Victoria	80%	17%



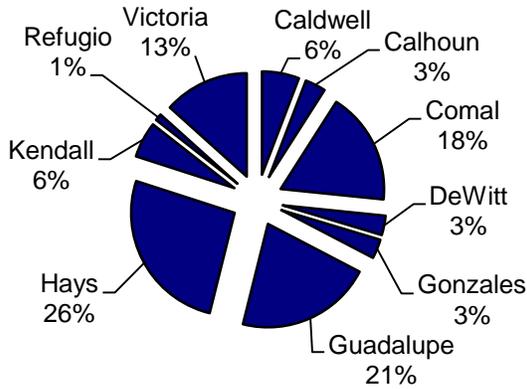
SOURCE: U.S. Census Bureau, 5yr Estimate



SOURCE: Bureau of Economic Analysis 2012

<u>COUNTY</u>	<u>TOTAL PERSONAL INCOME</u>
Hays	5,741,395
Guadalupe	5,534,047
Comal	5,248,803
Victoria	3,984,098
Kendall	2,183,357
Caldwell	1,068,564
Dewitt	830,066
Calhoun	760,130
Gonzales	678,555
Refugio	324,986

DISTRICT POPULATION BY COUNTY



SOURCE: U.S. Census Bureau, Estimate 2013

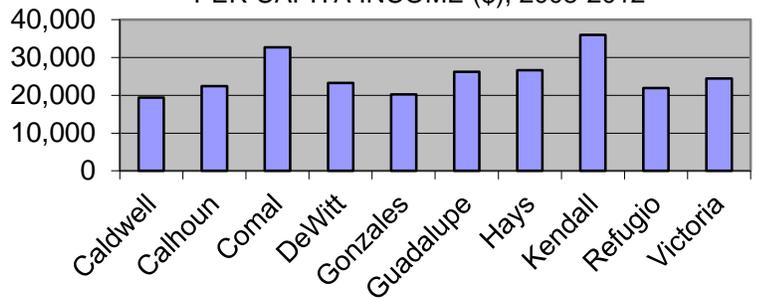
COUNTY POPULATION

COUNTY	POPULATION
Hays	176,026
Guadalupe	143,183
Comal	118,480
Victoria	90,028
Caldwell	39,232
Kendall	37,766
Calhoun	21,806
DeWitt	20,503
Gonzales	20,312
Refugio	7,305

COUNTY PER CAPITA INCOME

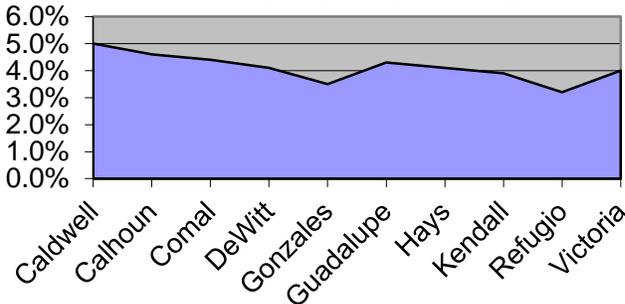
COUNTY	PER CAPITA INCOME
Kendall	35,991
Comal	32,736
Hays	26,662
Guadalupe	26,233
Victoria	24,473
DeWitt	23,281
Calhoun	22,439
Refugio	21,936
Gonzales	20,225
Caldwell	19,368

PER CAPITA INCOME (\$), 2008-2012



SOURCE: U.S. Census Bureau, 5yr Estimate

UNEMPLOYMENT RATE



SOURCE: US Dept. of Labor, Bureau of Labor Statistics as of April 2014

UNEMPLOYMENT RATE

COUNTY	RATE
Comal	4.4%
Caldwell	5.0%
Guadalupe	4.3%
Calhoun	4.6%
Victoria	4.0%
Hays	4.1%
Kendall	3.9%
Gonzales	3.5%
DeWitt	4.1%
Refugio	3.2%
Texas	5.1%
U.S.	6.1%

**Guadalupe Blanco River Authority
Number of Employees by Division
Last Ten Fiscal Years**

Division	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General	35.5	36	38	40	40	41	39	40	39.5	39
Guadalupe Valley Electric	25	25	25	25	25	25	26	26	26	26
Rural Utilities	6	6	7	7	7	7	7	7	7	7
Water Resources	45	45	46	51	48	49	49	49.5	51.5	54
Western Canyon	7	8	9	9	9	9	9	9	9	10
Port Lavaca WTP	8	8	8	8	8	8	8	8	8	8
Calhoun County RWSS	4	4	4	4	4	4	4	4	5	5
Victoria Regional WWRS	21	21	21	21	19	9	-	-	-	-
Coleto Creek Park and Reservoir	16	16	16	16	16	16	16	16	16	16
Luling WTP	5	5	5	5	5	5	5	5	5	5
Canyon Hydroelectric	2	2	2	2	2	2	2	2	2	2
Lockhart WWTP & WTP	11	11	11	11	11	11	11	11	11	11
Total	185.5	187	192	199	194	186	176	177.5	180	183

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

GBRA's contract with the City of Victoria to operate the Victoria Regional Wastewater Reclamation Plants terminated in December, 2010. Employees of GBRA transitioned to the City of Victoria or other GBRA divisions.



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**GUADALUPE-BLANCO RIVER AUTHORITY
OPERATING STATISTICS**

Operating Statistics:	FY 2005	FY 2006	FY 2007
Water Treatment Customers:			
Total Water Distributed (Gal.)			
Calhoun County Rural Water Supply Division	76,710,000	75,334,000	62,684,000
Total Water Treated (Gal.)			
Lockhart Water Treatment System	557,882,000	581,087,000	479,150,000
Luling Water Treatment Plant Division	470,651,000	802,677,000	651,263,000
Port Lavaca Water Treatment Plant Division	692,600,000	666,085,000	592,510,000
San Marcos Water Treatment Plant System	1,645,448,005	1,711,018,000	2,129,290,000
Western Canyon Water Treatment Plant System	--	1,041,235,000	2,713,775,000
Waste Water Treatment Customers:			
Total Wastewater Treated (Gal.)			
Buda Wastewater Treatment Plant	120,300,000	119,580,000	198,200,000
Crestview Subdivision Wastewater Treatment Plant	2,523,245	2,404,060	3,256,203
Lockhart Wastewater Reclamation System	609,430,000	491,100,000	489,000,000
Rural Utilities Division	153,054,000	149,520,000	190,740,000
Victoria Regional Wastewater Reclamation Division	2,811,000,000	2,741,000,000	2,390,000,000
Village of Wimberley Wastewater Treatment Plant	2,974,000	4,381,000	5,385,000
North Hayes County MUD #1	--	3,641,000	23,790,000
Sunfield Subdivision Wastewater Treatment	--	--	--
Water Sales Customers:			
Rice Irrigation (Acres)			
Calhoun Canal System	2,430	2,634	2,086
Water Delivered (Gal.)			
Guadalupe Power Partners	966,788,000	1,129,607,000	974,680,000
Regional Raw Water Delivery System	2,151,367,000	1,811,222,000	2,129,290,000
Power Sales & Other Services:			
Total Generation (kWh)			
Guadalupe Valley Hydroelectric Division	86,911,400	44,412,900	64,980,700
Canyon Hydroelectric Division	24,371,501	7,906,746	9,102,504
Annual Permits			
Lake Wood Recreation Area	13	23	11
Coleto Creek Regional Park	260	258	274
Camping Permits			
Lake Wood Recreation Area	2,264	3,235	2,112
Coleto Creek Regional Park	11,800	12,554	13,376
Camping Cabins			
Coleto Creek Regional Park	692	664	542
Day Use Permits			
Lake Wood Recreation Area	2,686	2,860	2,164
Coleto Creek Regional Park	16,051	16,378	14,177

FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
75,006,000	87,252,000	71,381,000	91,070,000	92,377,000	81,818,000	75,749,000	72,753,000
525,871,000	554,970,000	542,137,000	613,240,000	579,122,000	548,963,000	537,896,000	522,285,000
734,704,000	677,043,000	634,399,000	675,179,000	664,541,000	684,728,000	630,906,000	638,074,000
673,172,000	739,501,000	630,210,000	752,918,000	721,578,000	666,194,000	617,275,000	715,451,000
2,404,842,000	2,773,635,000	2,685,046,000	3,209,012,000	3,324,085,000	3,449,001,000	3,643,600,000	3,619,286,000
3,648,193,000	3,669,842,000	3,722,663,000	3,446,937,000	3,640,904,000	3,663,286,000	3,587,600,000	3,302,315,000
243,800,000	273,300,000	339,800,000	331,430,000	376,050,000	363,970,000	479,600,000	426,560,000
2,191,534	2,184,018	3,059,616	2,291,900	2,709,621	2,085,000	1,719,866	3,306,682
447,100,000	380,250,000	465,830,000	429,580,000	453,960,000	395,550,000	413,360,000	483,600,000
168,630,000	168,400,000	239,600,000	195,800,000	186,300,000	186,300,000	199,500,000	239,900,000
2,585,000,000	2,209,000,000	2,579,000,000	819,000,000	--	--	--	--
3,660,000	4,720,000	3,246,000	4,930,000	1,750,000	--	--	--
35,570,000	35,980,000	41,010,000	38,160,000	43,000,000	46,700,000	54,790,000	56,050,000
--	--	2,560,000	9,970,000	19,020,000	23,210,000	43,610,000	41,670,000
2,809	2,153	2,177	2,249	1,917	2,306	1,532	--
1,157,790,000	1,146,655,000	998,991,000	900,513,000	498,819,000	680,145,000	816,222,100	1,224,248,900
3,274,240,000	2,908,782,000	3,280,168,000	3,336,852,000	4,093,251,000	4,281,180,000	4,295,695,000	4,525,209,000
66,914,600	25,726,200	71,633,300	42,126,000	31,405,400	23,444,900	18,469,500	37,271,300
19,026,827	2,415,841	17,716,632	7,566,158	--	--	1,599	4,256,771
17	9	18	19	27	30	23	10
285	252	254	259	309	320	290	273
2,635	2,995	3,204	4,266	4,914	5,403	4,932	4,031
14,594	12,941	12,393	13,133	14,368	14,983	14,697	13,136
662	725	717	766	985	1,072	1,009	923
2,567	2,739	2,776	2,588	2,851	3,080	3,855	3,746
16,851	15,139	14,465	16,331	17,503	18,377	16,825	17,455

Guadalupe Blanco River Authority
Schedule of Capital Asset Additions by Division
Last Ten Fiscal Years

Year	Guadalupe				Port Lavaca	Calhoun	Victoria	Luling			Lockhart	Total
	General	Valley	Rural	Water	Water	County	Regional	Coeto	Water	Canyon		
Division	Division	Division	Division	Division	Division	Division	Division	Division	Division	Division	Division	
2006	\$ 54,012	\$ 13,010	\$ 118,078	\$ 350,993	\$ 1,165	\$ 114,275	\$ 95,199	\$ 43,171	\$ 275,991	\$ -	\$ 27,638	\$ 1,093,531
2007	114,664	409,952	4,557,535	102,312,530	52,897	107,390	64,896	81,342	131,282	125,553	36,057	107,994,098
2008	41,054	990,319	117,216	1,936,806	22,614	113,413	14,254	37,238	5,893	-	29,332	3,308,138
2009	485,055	121,593	391,855	14,182,783	1,464,060	28,727	77,120	7,829	-	-	59,264	16,818,286
2010	83,824	121,168	591,354	511,881	4,106	48,080	57,852	-	-	-	207,062	1,625,327
2011	84,589	51,473	2,005,870	9,027,303	-	43,964	-	21,786	22,954	-	22,902	11,280,840
2012	129,633	83,932	54,626	263,670	39,467	22,346	-	69,548	28,985	-	53,107	745,315
2013	130,693	64,722	3,009,652	302,925	48,602	55,143	-	73,240	3,480	-	117,746	3,806,203
2014	122,328	124,095	79,226	208,507	54,346	6,651	-	57,774	5,787	-	-	658,714
2015	13,776	22,373	412,666	594,566	17,367	-	-	44,963	207,519	-	80,441	1,393,671

Schedule of Capital Asset Additions by Classification
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Land, Water, & Storage Rights	\$ -	\$ 6,718,880	\$ 99,723	\$ 433,650	\$ -	\$ 7,000,000	\$ 90,058	\$ 151,757	\$ -	\$ -
Structures & Improve	647,401	99,724,123	2,759,542	15,702,963	1,005,294	3,749,160	242,832	2,993,788	71,179	312,900
Specialized Equip	60,202	110,451	69,706	142,709	63,522	41,246	4,777	42,542	29,452	5,206
Auto & Heavy Equip	195,622	238,477	193,219	248,342	205,812	229,186	190,060	312,585	261,102	337,541
Office Furniture & Equip	94,745	102,270	54,612	121,309	23,902	89,353	29,423	58,612	69,113	26,184
Miscellaneous Equip	95,561	1,099,896	131,337	169,314	326,797	171,895	188,165	246,919	227,867	711,840
Total	\$ 1,093,531	\$ 107,994,097	\$ 3,308,138	\$ 16,818,286	\$ 1,625,327	\$ 11,280,840	\$ 745,315	\$ 3,806,203	\$ 658,713	\$ 1,393,671

Independent Auditor's Report In Accordance With Government Auditing Standards



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

To the Board of Directors
Guadalupe-Blanco River Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Guadalupe-Blanco River Authority as of and for the years ended August 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise Guadalupe-Blanco River Authority's basic financial statements, and have issued our report thereon dated December 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Guadalupe-Blanco River Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Guadalupe-Blanco River Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Guadalupe-Blanco River Authority's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Certified Public Accountants
San Antonio, Texas
December 16, 2015

Principal Offices and Business Locations

General Office

General Division
Canyon Hydroelectric Division

Guadalupe Valley
Hydroelectric Division

Regional Laboratory

Rural Utilities Division

Water Resources Division
933 East Court Street
Seguin, TX 78155
TEL: 830 · 379 · 5822 or
800 · 413 · 5822
FAX: 830 · 379 · 9718
Website: <http://www.gbra.org>

Buda
Wastewater Reclamation Plant
P. O. Box 216
Buda, TX 78610
TEL: 512 · 312 · 0526
FAX: 512 · 295 · 1207
email: eboettner@gbra.org

Luling
Water Treatment Plant
350 Memorial Drive
Luling, TX 78648
TEL: 830 · 875 · 2132
FAX: 830 · 875 · 3670
email: jdowney@gbra.org

Coletto Creek
Division
P. O. Box 68
Fannin, TX 77960
TEL: 361 · 575 · 6366
FAX: 361 · 575 · 2267
email: svazquez@gbra.org

Port Lavaca
Water Treatment Plant
Calhoun County Rural Water
Supply Division
Calhoun Canal System
P. O. Box 146
Port Lavaca, TX 77979
TEL: 361 · 552 · 9751
FAX: 361 · 552 · 6529
email: hwittliff@gbra.org

Lake Wood
Recreation Area
Route 2, Box 158-A
Gonzales, TX 78629
TEL and FAX: 830 · 672 · 2779
email: mhenneke@gbra.org

San Marcos
Water Treatment Plant
91 Old Bastrop Road
San Marcos, TX 78666
TEL: 512 · 353 · 3888
FAX: 512 · 353 · 3127
email: jsharp@gbra.org

Lockhart Wastewater
Reclamation Division
4435 FM 20 East
Lockhart, TX 78644
TEL: 512 · 398 · 6391
FAX: 512 · 398 · 2036
email: emontana@gbra.org

Western Canyon Regional
Treated Water Plant
4775 South Cranes Mill Road
Canyon Lake, Texas 78132
TEL: 830 · 885-2639
FAX: 830 · 885 · 2564
email: jrojas@gbra.org

Lockhart
Water Treatment Division
547 Old McMahan Road
Lockhart, TX 78644
TEL: 512 · 398 · 3528
email: emontana@gbra.org

Guadalupe-Blanco River Authority of Texas

933 East Court Street

Seguin, Texas 78155

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