



# Annual Comprehensive Financial Report (ACFR) FY 21

December 15, 2021

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GUADALUPE-BLANCO RIVER AUTHORITY



GUADALUPE-BLANCO RIVER AUTHORITY - TEXAS

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Years Ended August 31, 2021 and 2020

Communications  
(Lindsey and Marla)



Canyon Lake Gorge



# FY 21 Summary

## Financial & Operational Activities

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### Challenges

- COVID-19 pandemic
  - Budget planning process – hold the line where possible
- February winter storm

### Operational/Financial

- Growth
  - Retail connections – 1,522 new (147 water, 1,375 wastewater)
  - Sunfield ownership transfer - + 2,634 new
- Repair/maintenance & development projects
- Debt financing
  - New Issuance: Carrizo (\$42.5 M), Lake Dunlap (\$40 M), Lake Placid (\$1.6 M)
  - Refunding: Western Canyon
    - Annual debt savings to customers - \$335 K
    - Change in timing of debt payments - \$2 M reduction in customer debt service payments in FY 21

# Financial Reporting

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- One Enterprise fund (business activities)
  - 30 operating divisions (business units)
  - Operating activities:
    - firm water sales, retail water & wastewater sales, water treatment plant operations, wastewater collection and treatment plant operations, groundwater development, reservoir management, recreation, laboratory, pipeline management, hydroelectric generation
- Financials prepared on a full accrual basis in accordance with GAAP
  - Revenues recognized when earned, regardless of timing of cash flow
  - Expenses recorded when incurred, regardless of timing of cash flow

# Financial Statements

Financial Statements	Elements of Financial Statements
Statement of Net Position (Balance Sheet)	Assets, Liabilities, Net Position (Equity) <i>As of a point in time – August 31</i>
Statement of Revenues, Expenses & Changes in Net Position (Income Statement)	Revenues, Expenses <i>Covers a period of time – Sept 1 – August 31</i>
Statement of Cash Flows	Cash Inflows, Outflows
* Statement of Fiduciary Net Position * Statement of Changes in Fiduciary Net Position	Assets, Liabilities, Fiduciary Net Position Additions/Deductions
Notes to the Financial Statements	Provide details/background “The accompanying notes are an integral part of this statement”

# Statements of Revenues, Expenses and Changes in Net Position

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

	2021	2020
<b>OPERATING REVENUE</b>		
Power Sales.....	\$ 1,922,154	\$ 2,093,180
Water Sales, Capacity Charge, Pipeline Transmission and Reservoir Operations.....	42,448,730	43,603,806
Recreation and Land Use.....	982,788	765,152
Waste Water Treatment Services.....	10,702,233	8,570,641
Laboratory Services.....	573,973	575,781
Rental.....	146,379	175,909
Miscellaneous.....	1,331,219	3,214,247
Total Operating Revenue.....	<u>58,107,476</u>	<u>58,998,716</u>
<b>OPERATING EXPENSES</b>		
Personnel Operating Costs.....	20,612,897	20,320,990
Operating Supplies and Services.....	19,680,431	20,518,760
Maintenance and Repairs.....	4,394,347	4,161,813
Depreciation and Amortization.....	5,839,409	5,612,010
Total Operating Expenses.....	<u>50,527,084</u>	<u>50,613,573</u>
Operating Income.....	7,580,392	8,385,143
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Grant Income.....	605,626	758,313
Investment Income.....	173,254	1,090,360
Gain (Loss) on the Disposal of Capital Assets.....	36,551	17,669
Debt Issuance Expense.....	(1,672,225)	(338,959)
Interest Expense.....	(6,255,460)	(4,082,109)
Total Nonoperating Revenues (Expenses).....	<u>(7,112,254)</u>	<u>(2,554,726)</u>
Income Before Recognition of Capital Contribution and Deferrals.....	468,138	5,830,417
Capital Contribution.....	5,888,224	-
Costs (Revenue) to be Recognized in Future Years.....	(1,294,700)	(1,839,860)
Change in Net Position.....	<u>5,061,662</u>	<u>3,990,557</u>
Net Position at September 1, 2020 and 2019.....	109,108,045	105,117,488
Net Position at August 31, 2021 and 2020.....	<u>\$ 114,169,707</u>	<u>\$ 109,108,045</u>

*The accompanying notes are an integral part of this statement.*

# Statements of Revenues, Expenses & Changes in Net Position

## Revenues

	2021	2020
<b>OPERATING REVENUE</b>		
Power Sales.....	\$ 1,922,154	\$ 2,093,180
Water Sales, Capacity Charge, Pipeline Transmission and Reservoir Operations.....	42,448,730	43,603,806
Recreation and Land Use.....	982,788	765,152
Waste Water Treatment Services.....	10,702,233	8,570,641
Laboratory Services.....	573,973	575,781
Rental.....	146,379	175,909
Miscellaneous .....	1,331,219	3,214,247
Total Operating Revenue.....	<u>58,107,476</u>	<u>58,998,716</u>

- Water Sales – decrease of \$1.1 M, <3>%
  - No change in firm water rate, Western Canyon refunding
- Wastewater Services – increase of \$2.1 M, 25%
  - 1,375 new retail wastewater customers, connection fees
- Miscellaneous – decrease of \$1.8 M, <59>%
  - FY 20 - Boerne ISD pipeline reimbursement (\$1.9 M)

# Statements of Revenues, Expenses & Changes in Net Position

## Expenses

	2021	2020
<b>OPERATING EXPENSES</b>		
Personnel Operating Costs.....	20,612,897	20,320,990
Operating Supplies and Services.....	19,680,431	20,518,760
Maintenance and Repairs .....	4,394,347	4,161,813
Depreciation and Amortization.....	5,839,409	5,612,010
Total Operating Expenses.....	50,527,084	50,613,573
Operating Income .....	7,580,392	8,385,143

- Total Operating Expenses
  - Limited change
- Personnel Costs – increase of \$292 K, 1.5%
  - FY 21 - 2 new FTEs, FY 20 – 15.5 new FTEs
- Operating Supplies & Services – decrease of \$838 K, <4>%
  - Legal costs (decrease of \$1.6 M),
  - Utilities (increase of \$960 K - \$552 K of that from February winter storm)



# Statements of Revenues, Expenses & Changes in Net Position

## Change in Net Position

	2021	2020
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Grant Income.....	605,626	758,313
Investment Income.....	173,254	1,090,360
Gain (Loss) on the Disposal of Capital Assets.....	36,551	17,669
Debt Issuance Expense .....	(1,672,225)	(338,959)
Interest Expense .....	(6,255,460)	(4,082,109)
Total Nonoperating Revenues (Expenses).....	<u>(7,112,254)</u>	<u>(2,554,726)</u>
Income Before Recognition of Capital Contribution and Deferrals.....	468,138	5,830,417
Capital Contribution.....	5,888,224	-
Costs (Revenue) to be Recognized in Future Years .....	<u>(1,294,700)</u>	<u>(1,839,860)</u>
Change in Net Position.....	5,061,662	3,990,557
 Net Position at September 1, 2020 and 2019.....	109,108,045	105,117,488
 Net Position at August 31, 2021 and 2020.....	<u><u>\$ 114,169,707</u></u>	<u><u>\$ 109,108,045</u></u>

- Interest Expense – increase \$2.1 M
  - Carrizo Project – recognition of interest deferral
- Capital Contribution - \$5.9 M
  - Sunfield ownership transfer
- Net Position - increase \$5.1 M
  - Positive operating results, growth in operations

# Statements of Net Position

## GUADALUPE-BLANCO RIVER AUTHORITY

### STATEMENTS OF NET POSITION

AUGUST 31, 2021 AND 2020

	2021	2020
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>CURRENT ASSETS</b>		
Unrestricted Assets		
Cash and Cash Equivalents	\$ 22,968,669	\$ 24,108,554
Investments-Unrestricted	5,855,302	8,541,283
Interest Receivable	58,504	96,124
Accounts Receivable-Operating	2,786,664	5,404,008
Current Portion Long Term Loans Receivable	130,021	133,353
Other Current Assets	772,822	830,221
Total Unrestricted Assets	33,572,082	39,113,543
Restricted Assets		
Cash and Cash Equivalents	3,167,506	4,489,154
Interest Receivable	6,332	14,765
Total Restricted Assets	3,173,738	4,503,919
Total Current Assets	35,745,820	43,617,462
<b>LONG-TERM ASSETS</b>		
Restricted Assets		
Cash and Cash Equivalents	120,674,084	62,212,054
Investments-Restricted	922,674	1,009,046
Total Restricted Assets	121,596,758	63,221,100
Capital Assets		
Land, Water and Storage Rights	73,272,266	72,282,602
Dams, Plants and Equipment	220,928,485	216,983,974
Construction In Progress	70,629,882	30,112,607
Less Accumulated Depreciation	(103,774,349)	(99,594,563)
Total Capital Assets	261,056,284	219,784,630
Other Assets		
Long-Term Loans Receivable	4,420,945	4,550,966
Permits and Licenses (Net of Amortization)	336,133	358,055
Project Development Costs	8,188,081	9,776,585
Total Other Assets	12,945,159	14,685,606
Total Long-Term Assets	395,598,201	297,691,326
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	5,416,734	3,313,992
Total Assets and Deferred Outflows of Resources	\$ 436,760,755	\$ 344,622,780
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Payable from Unrestricted Assets		
Current Portion of Long-Term Loans Payable	\$ 302,874	\$ 373,947
Interest Payable	23,918	28,357
Accounts Payable-Operating	13,564,636	9,791,116
Total Current Unrestricted Liabilities	13,891,428	10,193,420
Payable from Restricted Assets		
Current Portion of Revenue Bonds	6,760,000	4,895,000
Current Portion of Long-Term Loans Payable	120,000	115,000
Interest Payable	6,127,142	4,489,687
Total Current Restricted Liabilities	13,007,142	9,499,687
Total Current Liabilities	26,898,570	19,693,107
<b>LONG-TERM LIABILITIES</b>		
Revenue Bonds Payable, net	280,073,253	199,158,039
Long-Term Loans Payable	3,234,911	3,997,159
	283,298,164	203,155,198
Less Current Portion	(7,182,874)	(5,383,947)
Total Bonds and Loans Payable, net	276,115,290	197,771,251
Advances for Operations	158,297	158,297
Net Pension Liability	3,177,619	4,748,709
Total Long-Term Liabilities	279,451,206	202,678,257
Total Liabilities	306,349,776	222,371,364
<b>DEFERRED INFLOWS OF RESOURCES</b>	16,241,272	13,143,371
<b>NET POSITION</b>		
Net Investments in Capital Assets	95,973,823	72,580,332
Restricted for Debt Service	3,167,506	4,489,154
Restricted for Reserves	1,758,728	1,711,069
Restricted for Rate Stabilization	3,229,016	2,559,119
Unrestricted	10,040,634	27,768,371
Total Net Position	114,169,707	109,108,045
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 436,760,755	\$ 344,622,780

The accompanying notes are an integral part of this statement.

# Statements of Net Position

## Current Assets

ASSETS AND DEFERRED OUTFLOWS	2021	2020
<b>CURRENT ASSETS</b>		
Unrestricted Assets		
Cash and Cash Equivalents .....	\$ 22,968,669	\$ 24,108,554
Investments-Unrestricted .....	5,855,302	8,541,283
Interest Receivable.....	58,504	96,124
Accounts Receivable-Operating.....	2,786,664	5,404,008
Current Portion Long Term Loans Receivable.....	130,021	133,353
Other Current Assets.....	772,922	830,221
Total Unrestricted Assets.....	<u>32,572,082</u>	<u>39,113,543</u>
Restricted Assets		
Cash and Cash Equivalents .....	3,167,506	4,489,154
Interest Receivable.....	6,232	14,765
Total Restricted Assets.....	<u>3,173,738</u>	<u>4,503,919</u>
Total Current Assets.....	<u>35,745,820</u>	<u>43,617,462</u>

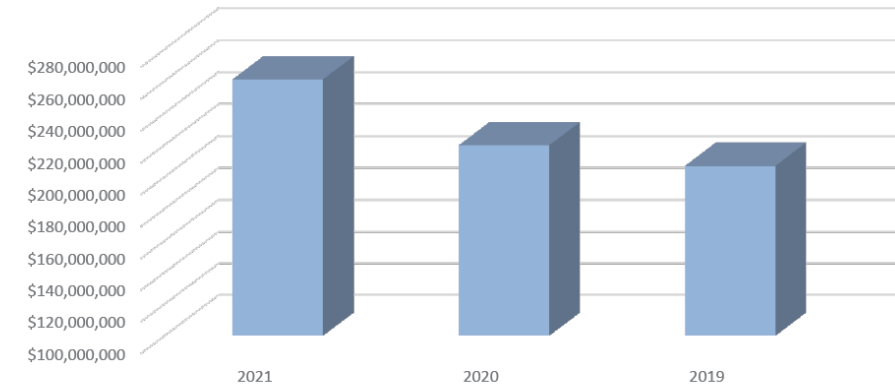
- Cash & Investments – decrease of \$3.8 M, <12>%
  - Invested resources: Funding of start-up projects (Stein Falls, Dietz, Lake McQueeney)

# Statements of Net Position

## Long-Term Assets, Total Assets

	2021	2020
<b>LONG-TERM ASSETS</b>		
Restricted Assets		
Cash and Cash Equivalents .....	120,674,084	62,212,054
Investments-Restricted .....	922,674	1,009,046
Total Restricted Assets .....	<u>121,596,758</u>	<u>63,221,100</u>
Capital Assets		
Land, Water and Storage Rights .....	73,272,266	72,282,602
Dams, Plants and Equipment .....	220,928,485	216,983,974
Construction In Progress .....	70,629,882	30,112,607
Less Accumulated Depreciation .....	(103,774,349)	(99,594,563)
Total Capital Assets .....	<u>261,056,284</u>	<u>219,784,620</u>
Other Assets		
Long-Term Loans Receivable .....	4,420,945	4,550,966
Permits and Licenses (Net of Amortization) .....	336,133	358,055
Project Development Costs .....	8,188,081	9,776,585
Total Other Assets .....	<u>12,945,159</u>	<u>14,685,606</u>
Total Long-Term Assets .....	<u>395,598,201</u>	<u>297,691,326</u>
<b>DEFERRED OUTFLOWS OF RESOURCES .....</b>	<u>5,416,734</u>	<u>3,313,992</u>
Total Assets and Deferred Outflows of Resources .....	<u>\$ 436,760,755</u>	<u>\$ 344,622,780</u>

Long Term Capital Assets



- Restricted Assets – increase of \$58.4 M, 92%
  - Bond proceeds
- Capital Assets – increase of \$41.3 M, 19%
  - Carrizo, Lake Dunlap, Stein Falls, Dietz
- Total Assets – increase of \$92.1 M, 27%

# Statements of Net Position

## Liabilities

LIABILITIES , DEFERRED INFLOWS AND NET POSITION		
	2021	2020
<b>CURRENT LIABILITIES</b>		
Payable from Unrestricted Assets		
Current Portion of Long-Term Loans Payable.....	\$ 302,874	\$ 373,947
Interest Payable.....	23,918	28,357
Accounts Payable-Operating.....	13,564,636	9,791,116
Total Current Unrestricted Liabilities.....	13,891,428	10,193,420
Payable from Restricted Assets		
Current Portion of Revenue Bonds.....	6,760,000	4,895,000
Current Portion of Long-Term Loans Payable.....	120,000	115,000
Interest Payable.....	6,127,142	4,489,687
Total Current Restricted Liabilities.....	13,007,142	9,499,687
Total Current Liabilities.....	26,898,570	19,693,107
<b>LONG-TERM LIABILITIES</b>		
Revenue Bonds Payable, net.....	280,073,253	199,158,039
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	283,298,164	203,155,198
Less Current Portion.....	(7,182,874)	(5,383,947)
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Total Long-Term Liabilities.....	279,451,206	202,678,257
Total Liabilities.....	306,349,776	222,371,364

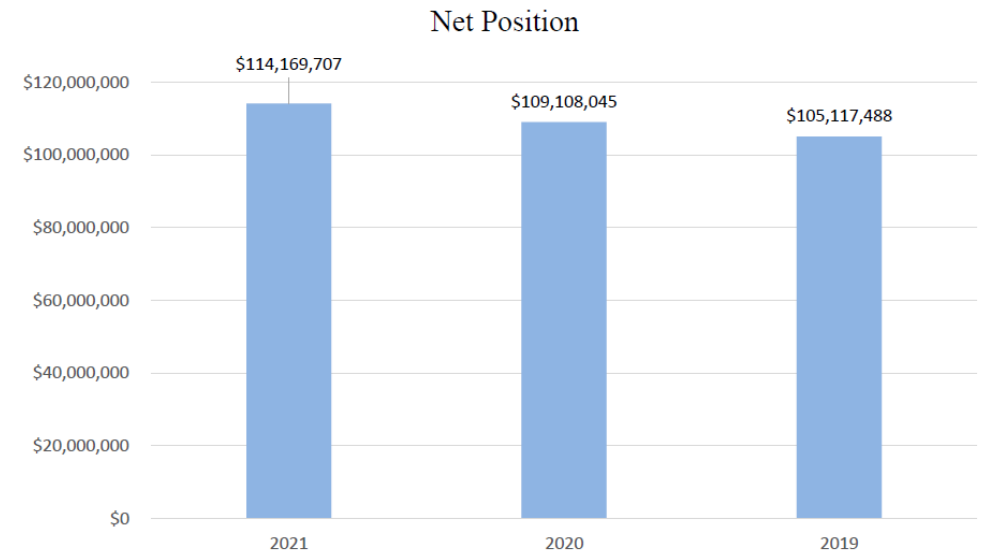
- Total Liabilities – increase of \$84.0 M, 38%
  - Debt: Carrizo, Lake Dunlap, Lake Placid, Western Canyon refunding



# Statements of Net Position

## Net Position

	2021	2020
<b>NET POSITION</b>		
Net Investments in Capital Assets .....	95,973,823	72,580,332
Restricted for Debt Service.....	3,167,506	4,489,154
Restricted for Reserves.....	1,758,728	1,711,069
Restricted for Rate Stabilization.....	3,229,016	2,559,119
Unrestricted .....	10,040,634	27,768,371
<b>Total Net Position.....</b>	<b>114,169,707</b>	<b>109,108,045</b>



- Growth in Net Position - represents improving financial position
  - Restricted related to bond covenants (no relation to financial reserves)

# Statements of Fiduciary Net Position & Changes in Fiduciary Net Position

## STATEMENTS OF FIDUCIARY NET POSITION

AUGUST 31, 2021 AND 2020

	2021	2020
<b>ASSETS</b>		
Investments		
Cash Equivalents .....	\$ 2,196,632	\$ 1,613,626
Equity Securities .....	19,355,931	15,266,618
Fixed Income Securities.....	7,606,155	7,105,243
Alternative Investments.....	8,782,627	9,400,503
Accrued Interest Receivable.....	5,796	6,533
Total Assets.....	<u>\$ 37,947,141</u>	<u>\$ 33,392,523</u>
<b>FIDUCIARY NET POSITION</b>		
Fiduciary Net Position		
Net Position Restricted for Pensions.....	37,947,141	33,392,523
Fiduciary Net Position.....	<u>\$ 37,947,141</u>	<u>\$ 33,392,523</u>

## STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

AUGUST 31, 2021 AND 2020

	2021	2020
<b>ADDITIONS</b>		
Additions to Fiduciary Net Position		
Investment Income		
Net Gain on Sale of Investments .....	\$ 1,693,462	\$ 935,254
Interest Income.....	24,197	53,359
Dividends.....	490,521	394,263
Net Increase in Fair Value of Investments.....	3,314,937	4,098,529
Other Security Receipts.....	20,280	38,690
Employer Contributions.....	1,000,000	1,003,540
Other Contributions - Plan Sponsor.....	35,000	35,000
Total Additions.....	<u>\$ 6,578,397</u>	<u>\$ 6,558,635</u>
<b>DEDUCTIONS</b>		
Deductions to Fiduciary Net Position		
Benefits Paid to Participants.....	\$ 1,945,699	\$ 1,817,087
Trustee Fees .....	78,080	80,728
Total Deductions.....	<u>\$ 2,023,779</u>	<u>\$ 1,897,815</u>
Net Increase (Decrease).....	<u>\$ 4,554,618</u>	<u>\$ 4,660,820</u>
<b>FIDUCIARY NET POSITION</b>		
Beginning of Period	\$ 33,392,523	\$ 28,731,703
Fiduciary Net Position - End of Period.....	<u>\$ 37,947,141</u>	<u>\$ 33,392,523</u>

- GASB 84 – *Fiduciary Activities*
  - New Statement requires inclusion in financials and more detail in notes

# Audit Opinion

(from Independent Auditor's Report)

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## *Opinions*

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Guadalupe-Blanco River Authority as of August 31, 2021 and 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Unmodified Opinion



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Guadalupe-Blanco River Authority  
Texas**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

August 31, 2020

*Christopher P. Morill*

Executive Director/CEO

**47<sup>th</sup> Consecutive Year**

Thank You:

- Finance Team
- Sandra, Oscar, Cheryl