



GUADALUPE-BLANCO RIVER AUTHORITY • TEXAS

Comprehensive Annual Financial Report

FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018



Water clarifiers at the San Marcos Water Treatment Plant are used in the pretreatment of drinking water prior to further purification.



Water is released from Canyon Reservoir through a U.S. Army Corps of Engineers conduit.





GUADALUPE-BLANCO RIVER AUTHORITY
TEXAS

Comprehensive Annual Financial Report

FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

Financial information compiled by
the GBRA Accounting Department



GUADALUPE - BLANCO RIVER AUTHORITY

TABLE OF CONTENTS

INTRODUCTORY SECTION

Title Page	1
Table of Contents	2
Vision and Mission	4
Board of Directors	5
Basin Map	6
GBRA Operational Chart.....	7
Government Finance Officers Association (GFOA) Certificate of Achievement.....	8
Financial Letter to the Board of Directors	9-16

FINANCIAL SECTION

Independent Auditor's Report	18-20
Management Discussion and Analysis	22-29
Statements of Net Position	31
Statements of Revenue, Expenses and Changes in Net Position	32
Statements of Cash Flows	33
Notes to Financial Statements	34-60
Required Supplemental Information	
Defined Benefit Pension Plan Schedule of Changes in Employer's Net Pension Liability.....	62-63
Other Supplementary Schedules	
Combining Schedule of Net Position	66-67
Combining Schedule of Revenue, Expenses and changes in Net Position	68-69
Combining Schedule of Cash Flows	70-71
Bond Amortization Schedules	72-78

STATISTICAL SECTION

Index and Explanation	80
Schedule of Net Position by Component	81
Schedule of Changes in Net Position	82
Schedule of Operating Revenues by Source	83
Schedule of Operating Expenses	83
Schedule of Non-operating Revenue and Expenses	83
Schedule of Principal Customers	84
Schedule of Operating Systems	85
Schedule of Debt by Type	86
Schedule of Third Party Debt	87
Demographics	88-89
Schedule of Employees by Division	90
Schedule of Operating Statistics	92-93
Schedule of Capital Asset Additions by Division	94

INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Report on Compliance and Internal Controls	96-97
Principal Offices and Business Locations/Publication Details	98

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018



San Marcos Water Treatment Plant, operated by GBRA, earned the Texas Optimization Award from the Texas Commission on Environmental Quality (TCEQ), placing it among the top one percent of water treatment plants statewide.



GUADALUPE-BLANCO RIVER AUTHORITY

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, and 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. The 10 counties in GBRA's statutory district are represented on a rotating basis. Directors serve six-year terms, with three directors appointed or reappointed every two years. The Board meets monthly to 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 of directors.

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 as well as capital requirements are obtained from the products and services GBRA provides to customers throughout the basin.

VISION

The Guadalupe-Blanco River Authority leads as a regional partner managing watershed resources to protect and support the needs of a growing population, economy and healthy environment.

MISSION

The mission of the GBRA is to support responsible watershed protection and stewardship, provide quality operational service, and a commitment to promote conservation and educational opportunities in order to enhance quality of life for those we serve.

VALUES

SERVICE

- GBRA will maintain high-quality services for our customers
- GBRA will remain steadfast to preserving the natural environment
- GBRA will retain and recruit qualified, professional employees

STEWARDSHIP

- GBRA is dedicated to the continued vitality of our communities
- GBRA will uphold responsible management of watershed resources
- GBRA will foster a supportive and respectful workforce

COMMITMENT

- GBRA will partner with customers and communities to ensure future water and wastewater needs are met
- GBRA will implement a basin-wide water management plan to protect water supplies and quality
- GBRA will invest in our capital and human assets to improve our services and infrastructure to increase the value to our customers

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

GBRA BOARD OF DIRECTORS

Dennis L. Patillo

Chair

Victoria County

Don B. Meador

Vice-Chair

Hays County

Kenneth A. Motl, DVM

Secretary/Treasurer

Calhoun County

Rusty Brockman

Immediate Past Chair

Comal County

William R. Carbonara

Director

DeWitt County

Steve Ehrig

Director

Gonzales County

Oscar H. Fogle

Director

Caldwell County

Ronald J. Hermes

Director

Guadalupe County

Tommy Mathews II

Director

Kendall County

GBRA MANAGEMENT

Kevin Patteson, J.D.

General Manager/CEO

Darrell Nichols

Sr. Deputy General Manager

Jonathan Stinson

Deputy General Manager

Alvin Schuerg

Senior Advisor to the General Manager

Thomas Hill, P.E.

Senior Advisor to the General Manager

Darel Ball

Executive Manager Operations and Water Quality

Charles M. Hickman, P.E.

*Executive Manager of Project Engineering and
Development/Project Engineer*

Randy Staats

Executive Manager of Finance/Chief Financial Officer

Vanessa Z. Guerrero

Executive Manager of Administration

George “Tom” Bohl, J.D.

General Counsel

Nathan E. Pence

*Executive Manager of Environmental Science
and Community Affairs*

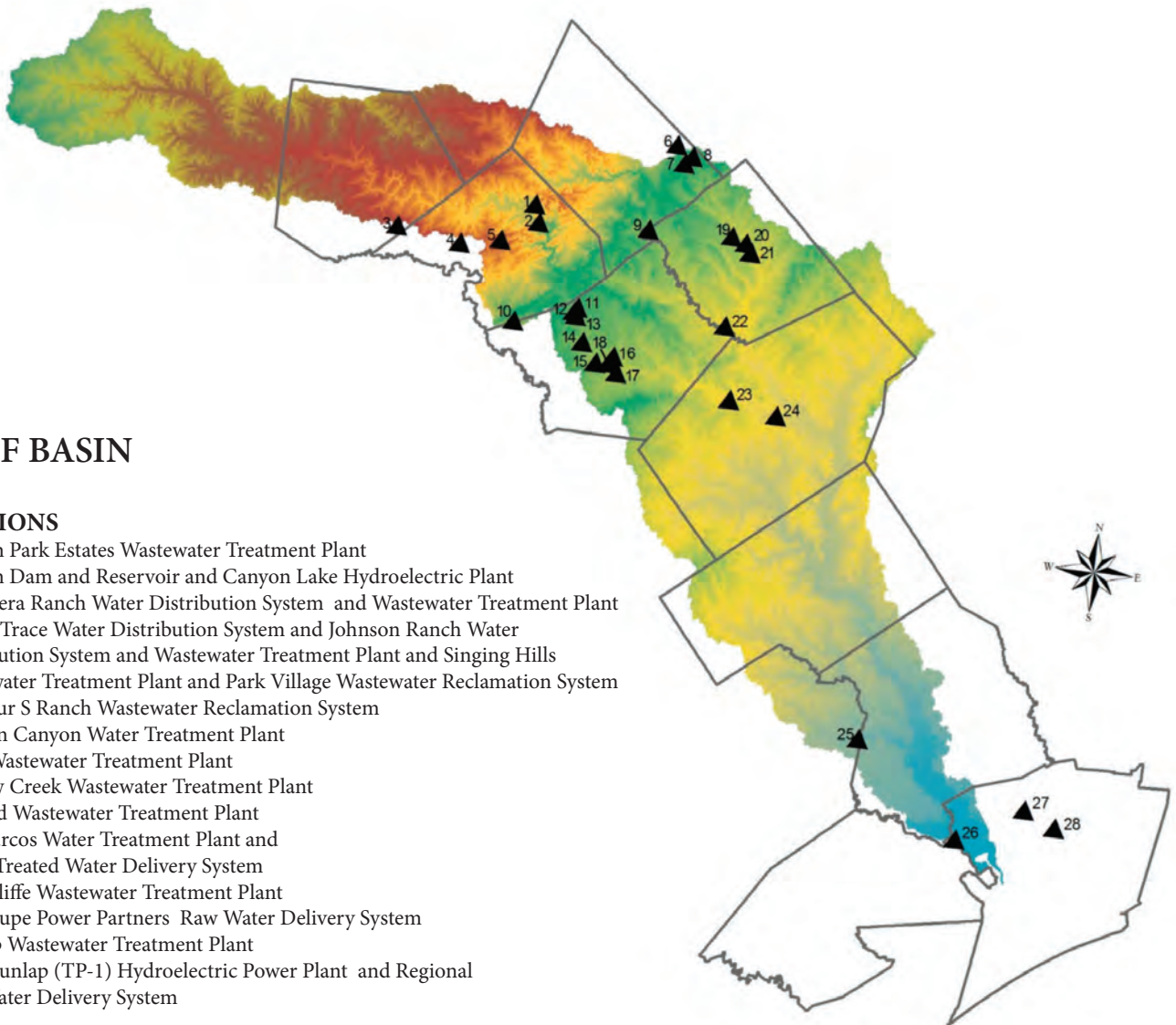


GUADALUPE-BLANCO RIVER AUTHORITY

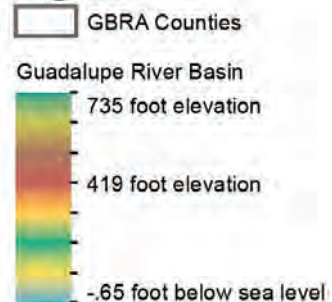
MAP OF BASIN

OPERATIONS

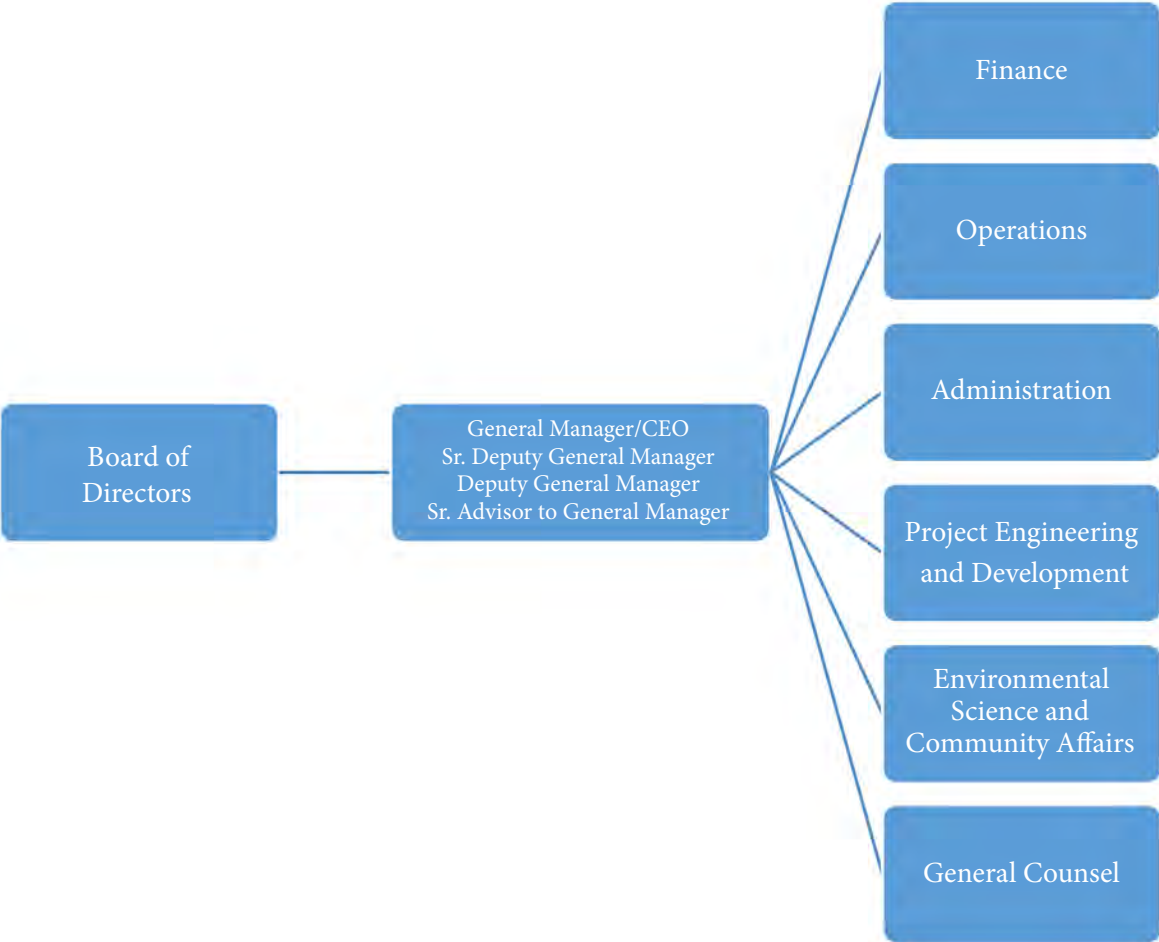
1. Canyon Park Estates Wastewater Treatment Plant
2. Canyon Dam and Reservoir and Canyon Lake Hydroelectric Plant
3. Cordillera Ranch Water Distribution System and Wastewater Treatment Plant
4. Comal Trace Water Distribution System and Johnson Ranch Water Distribution System and Wastewater Treatment Plant and Singing Hills Wastewater Treatment Plant and Park Village Wastewater Reclamation System and Four S Ranch Wastewater Reclamation System
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 Power 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. Lockhart Wastewater Treatment Plant #1
19. Lockhart Wastewater Treatment Plant #2
20. Lockhart Water Treatment Facility
21. Luling Water Treatment Plant and Luling to Lockhart Treated Water Delivery System
22. Lake Gonzales (H-4) Hydroelectric Plant
23. Lake Wood (H-5) Hydroelectric Plant and Lake Wood Recreational Park
24. Coletto Creek Reservoir and Park
25. Diversion Dam & Salt Water Barrier
26. Crestview Subdivision Wastewater Treatment Plant
27. Port Lavaca Water Treatment Plant and Calhoun County Rural Water and Canal Systems
- 28.



Legend



GBRA OPERATIONAL CHART





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, 2018

Christopher P. Morill

Executive Director/CEO



December 18, 2019

The Honorable Dennis L. Patillo, Chair
and Members of the Board of Directors

Dear Chair Patillo and Directors,

The Comprehensive Annual Financial Report (CAFR) of the Guadalupe-Blanco River Authority (GBRA) for the fiscal year ended August 31, 2019, 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 assertion 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 2019. 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 1933 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 86 years of existence, perhaps none are more important than working with the U.S. Army Corps of Engineers on the creation of Canyon Reservoir during the 1950s and 1960s. 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 providing raw water supplies to communities throughout the Guadalupe River basin for municipal, industrial and agricultural needs. In other operations, GBRA provides treated water distribution, water and wastewater services, hydroelectric generation, laboratory analyses, and recreational activities. 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 and an energy charge per kilowatt hour of energy produced. GV Hydro Division personnel provide 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 five 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 five wastewater plants include Canyon Park, Dunlap, Northcliffe, Shadow Creek and Sunfield. The Northcliffe wastewater plant will be decommissioned during fiscal year 2020.

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 water quality laboratory located at the general office in Seguin. The 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, the Carrizo Groundwater Supply Project, and retail, treated water delivery and wastewater treatment systems in Comal and Kendall counties. Included within the Comal County operations are the Comal Trace, Johnson Ranch, Singing Hills, 4S Ranch, Park Village/Ventana, and Cordillera developments. In Kendall County, GBRA operates a wastewater treatment plant on the campus of Boerne ISD's Voss Middle School.

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 1973 and currently operates and maintains a distribution system to supply treated water to 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 Luminant. 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 million gallons per day (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. 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 in 1994. After signing a contract with the City of Lockhart, GBRA assumed the operation of the City's 1.1 MGD wastewater treatment plant and began construction of a new 1.5 MGD plant that became fully operational in February 1999. In October of 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. Texas is the second most populous state in the U.S. and continues to outpace the rest of the nation in terms of both population and economic growth. A United States Census Bureau report noted that from 2010 to 2018, Texas' population increased by 3.5 million, or 14.1%. The Census Bureau also reported five of the top 13 largest cities by population are located in Texas - Houston, San Antonio, Dallas, Austin, and Fort Worth. The population influx can be tied, in part, to job growth created by company expansion and company migration to Texas. With a diverse labor market, "corporate-friendly" tax structure, no individual income tax, transportation infrastructure, and affordable housing, Texas is an attractive state to do business and was ranked number two by CNBC on its list of Top States for Business in July 2019.

According to the Third Quarter 2018 publication of Federal Reserve Bank of Dallas Southwest Economy, if Texas were a country, it would rank as the eighteenth largest economy in the world based on adjusted gross domestic product. The Texas economy is diverse and well represented by Fortune 500 companies in the areas of manufacturing, construction, oil & gas development and production, retail and technology to name a few.

Oil & gas development and production continue to be a major contributor to the state's economy. While oil and natural gas production taxes represent only about 8% of revenues for the state of Texas, the presence of these companies spurs activity in many areas of the economy. The lifting of the ban on crude oil exports in late 2015 provided a new opportunity for expanding production. Counties within Texas' Eagle Ford Shale, two of which are within GBRA's river basin, have continued to benefit from related oil activity.

In his 2020-21 biennial revenue estimate, the Texas Comptroller of Public Accounts projected an 8% increase in general revenues over the previous biennium, led by sales taxes and taxes on oil and natural gas production. Sales taxes account for over 54% of total general revenue. Texas Comptroller Glenn Hegar notes that the biennial estimate is based on a projection of continued, but slowing economic growth. The Federal Reserve Bank of Dallas, in an October 2019 forecast, estimated that

263,700 jobs will have been added to the state during calendar year 2019. Additionally, Texas' unemployment rate, which is at historic lows, continues to be lower than the United States rate. While Texas' economy continues to grow, some headwinds such as U.S. trade policy, could affect the rate of growth since Texas is the nation's leading export state, accounting for 20% of U.S. exports.

Due to drought conditions in the summer of 2018, many cities and water utilities were required to issue drought notices, which in most cases restricted water usage. At September 1, 2018, Canyon Reservoir had dropped to an elevation of 901.9, which is more than seven feet below the conservation pool. Entering the fall, most of the river basin was six to seven inches below normal precipitation levels. However, due to heavy rains in September and October of 2018, by the end of the calendar year, total rainfall had returned to normal and many counties were above normal for the year, which allowed Canyon Reservoir's conservation pool to be refilled. The heavier rains were attributed to an El Niño pattern that continued into the spring months. The Guadalupe River flows remained above average through the spring and early summer.

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, IH-10, and State Highway 130 corridors and on to the Texas Gulf Coast. This geographic diversity is reflected in the uniqueness of industries including agriculture, oil & gas, defense, technology, higher education, tourism, seaports, and industrial. This diversity allows the regional economy to be among the State's growth leaders, and outpace the national economy. For reporting purposes, the State Comptroller places most of the GBRA service area into the Alamo Region. The counties in and around the cities of San Antonio and Austin are the most populous of the service area.

The northern region of the GBRA geographic boundaries lies between Austin and San Antonio. The Greater Austin area is the fourth largest metroplex in Texas with a population of over two million. Austin has a diverse economy, but has become known as a hub for technology firms. San Antonio, the second largest city in Texas and the seventh largest city in the United States measured by population, is the principal city in the San Antonio-New Braunfels Metropolitan Statistical Area (MSA). The San Antonio-New Braunfels MSA has a population of 2.5 million. In 2019, New Braunfels was listed as the second fastest growing city in the United States measured by percentage increase, which was 7.2 percent. In recent years, San Marcos has been included on the fast growing cities list as well. The economies of these areas has helped to propel their growth creating a higher profile for GBRA.

Guadalupe County, home of GBRA's main office, is also in a growth phase. County officials have embarked on a comprehensive master plan to create a roadmap to help manage the growth. The area has a strong emphasis on manufacturing as four of the top five employers in Seguin, the county seat, are in the manufacturing area. Caterpillar and Continental Automotive represent the largest.

Heading southeast along the river basin lies the city of Victoria, which is 30 miles inland from the Texas Gulf Coast. Victoria, nicknamed The Crossroads of Texas due to its two-hour proximity to Houston, Austin, San Antonio, and Corpus Christi, is an attractive location for manufacturing, retail and other industries. The mouth of the Guadalupe River empties into the Gulf of Mexico in Calhoun County, which is home to petrochemical plants including Formosa Plastics, Invista, Dow, DuPont and INEOS. These plants contribute to the creation of a vibrant economy by providing over 4,000 jobs.

To continue these results and economic positioning for years into the future, it is part of GBRA's mission to assist the area's economy and population growth by providing high-quality water and wastewater services while also developing future water supplies in order to better assure continued economic vitality.

MAJOR ACTIVITIES

For the Year. Due to the continued growth in the Guadalupe River Basin, one of GBRA's focuses is on the provision of ample water resources. This requires years of planning in order to permit, finance, construct and commit new, future supplies of water. During the fiscal year, GBRA received its first tranche of funding through the sale of bonds with the Texas Water Development Board to plan, design, and construct a 26.8-million-gallons per day groundwater project in Caldwell and Gonzales counties in collaboration with Alliance Regional Water Authority. This project, which is expected to be completed in 2023 and titled the Carrizo Groundwater Supply Project, will eventually deliver 15,000-acre-feet per year of water to its customers, New Braunfels Utilities, City of Lockhart, and Goforth Special Utility District. This is the first phase of GBRA's Mid-Basin Project to develop new groundwater and surface water supplies for the fast-growing areas between Austin and San Antonio. GBRA continues to actively explore other potential water supplies, including surface water reservoirs and evaluating its existing water rights.

GBRA operates 30 separate and distinct operating divisions, each having their own customer base and rate or fee structure that supports them. Funds are not intermingled, although Board policy does allow for interfund loans from the General Division to assist operations with cash flow deficiencies. The majority of GBRA's revenue comes from water and wastewater operations which continue to expand. During fiscal year 2019, GBRA began operations of a small wastewater plant on the campus of a middle school in Boerne Independent School District. All operational divisions are self-sustaining with the exception of the Guadalupe Valley Hydroelectric Division, which has recorded losses eight of the last 10 years. The deregulation of the electricity markets in 2002, coupled with competition from other sources of energy and a reliance on unpredictable river flows, created inconsistent and unsustainable revenue streams.

In fiscal year 2018, repair work began on 10 of 15 spillgates at hydroelectric dams in Guadalupe and Gonzales counties. These gates were initially built in the 1920s and early 1930s which creates challenges for ongoing operations. Repairs continued during fiscal year 2019, until a spillgate at Lake Dunlap failed in May 2019. This incident followed a similar failure at Lake Wood in Gonzales County in 2016. Revenues from the Guadalupe Valley hydroelectric system have been insufficient to fund total replacements of the spillgates which is necessary for continual operation. Searches for funding assistance from local, state, and federal sources have been fruitless as the dams were not built for, nor do they provide, storage for flood control or water supply. GBRA management has been collectively working with lake associations that represent homeowners along the river. Those organizations are working to establish special taxing districts that would allow for taxation of property owners in order to generate a reliable revenue source for replacement of the spillgates and related ongoing operations.

For the Future. As noted above, GBRA's efforts to ensure 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 1 (SB1). One of the principal provisions of that new water plan was 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 50-year water plan for this area of Texas. While a new state water plan was approved and adopted in 2017 by the Texas Water Development Board, the regional planning group continues to update projected future water demands and the water supply projects that are anticipated to meet those demands for the next state water plan. The current plan includes several major water supply projects within the Guadalupe River Basin that will require GBRA's future participation.

It is incumbent on both GBRA and the 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 population of the Guadalupe River Basin. GBRA is currently permitting the next phase of the Mid-Basin Project, and working with stakeholders in the lower basin to develop and implement an off-channel reservoir to provide a drought-proof water supply to serve Victoria and Calhoun counties.

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

In an effort to prepare for future capital needs, during fiscal year 2019, GBRA began planning for the implementation of a comprehensive asset management program. Many of GBRA's assets have been in operation for many years. The primary goal of the asset management program will be to develop a risk-based model to prioritize necessary capital improvements and better manage assets from an operational and maintenance perspective. The program will support the development of a comprehensive long-term capital improvement plan, identification and planning for funding needs, improve field data collection approaches, increase efficiency in generating reports on operations, and develop a dashboard for quicker access to information through the installation of a computer maintenance management system. Coupled with the asset management program is a geographic information system (GIS) that will capture and store geospatial information to assist in planning and operating efforts of the widespread operational facilities and supporting infrastructure.

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 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, GBRA continues to meet its responsibility for sound financial management. GBRA recommends readers pay close attention to each section of this report including the oversight 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 the services provided by GBRA's projects and operations. One strategy 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 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 issuances that are of a regional, multi-customer nature. This coverage factor has allowed GBRA to expand its financial reserves and position the organization to better assimilate the monetary impacts of natural disasters, unscheduled repair projects, and any customer defaults while also providing funds for new project start up. These strategies have been particularly useful during GBRA's history and growth.

INDEPENDENT AUDIT

Section 49.191 of the Texas Water Code requires an annual audit of the GBRA's accounting records by an independent certified public accountant selected by the Board of Directors. The firm of Baker, Tilly, Virchow, Krause LLP served as the independent audit firm for the 2019 fiscal year. We appreciate their professionalism, timeliness and assistance in completing this report. Copies of this report will be filed with the Texas Commission on Environmental Quality, Texas State Comptroller, Texas State Auditor, the county clerk of each county within the GBRA's geographic boundaries as well as other information repositories in the State.

AWARDS AND ACKNOWLEDGEMENTS

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, 2018. 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 45 consecutive years (fiscal years 1974-2018). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for a certificate for fiscal year 2019.

In 2018, the Texas State Comptroller awarded its Transparency Star for Traditional Finances to GBRA. This program recognizes local governments for going above and beyond in their transparency efforts of financial information. The program requires the posting on its website of meaningful information such as audited financial reports, budget documents, public pension information, and check registers to name a few. The Transparency web page is updated with recent information on an ongoing basis.

GBRA was awarded a Certificate of Distinction for its Investment Policy from the Government Treasurer's Organization of Texas in 2019. The Certificate of Distinction program is designed to recognize outstanding examples of written investment policies and provide professional guidance. The certification is valid for two years.

Acknowledgements. 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 finance and public communications departments. 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 the 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,

Kevin Patteson
General Manager/CEO

Randy Staats, CPA
Executive Manager of Finance/CFO

Susan Hubbert, CPA
Deputy CFO – Accounting & Purchasing

Sandra Terry
Deputy CFO – Finance

Financial Section

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Guadalupe-Blanco River Authority

Report on the Financial Statements

We have audited the accompanying financial statements of Guadalupe-Blanco River Authority, as of and for the years ended August 31, 2019 and 2018, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 audits 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 auditors' 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 over financial reporting relevant to the Guadalupe-Blanco River Authority'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 Guadalupe-Blanco River Authority'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 audits opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Guadalupe-Blanco River Authority as of August 31, 2019 and 2018, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, the schedule of changes in the employer's net pension liability and related ratios, and schedule of employer contributions to 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 Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The other supplemental information as listed in the table of contents are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The introductory and statistical sections as identified in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated November 25, 2019 on our consideration of the 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 the 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 the Guadalupe-Blanco River Authority's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Austin, Texas
November 25, 2019



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Management Discussion and Analysis

For the Years Ended August 31, 2019 and 2018 - Unaudited

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 financial statements include this Management Discussion and Analysis (MD&A), the Basic Financial Statements, Required Supplemental Information 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

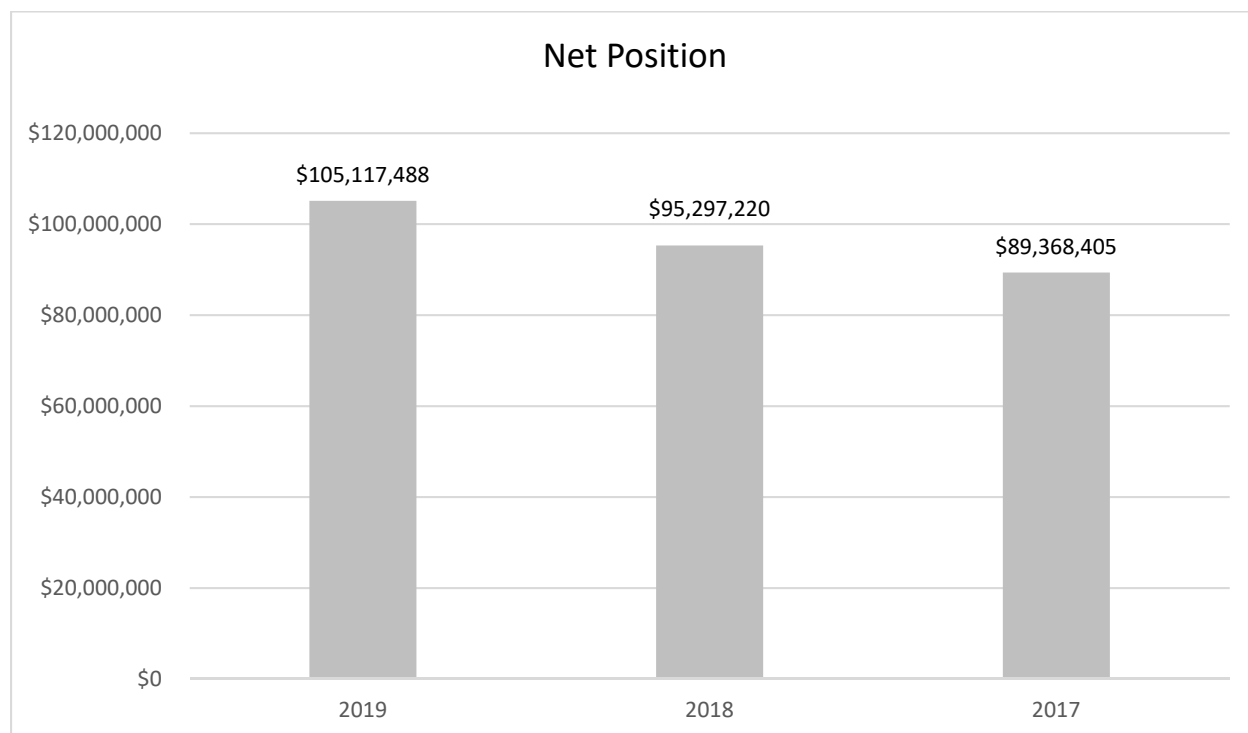
GBRA was created in 1933 as a political subdivision of the State of Texas and structured as a conservation and reclamation district under Article 16, Section 59 of the Texas Constitution. GBRA's principal functions are to control, store, preserve, and distribute the waters of the Guadalupe River Basin for all useful purposes within the 10 county district that GBRA serves. In meeting these principal functions, GBRA does not have the power of taxation nor does it receive appropriations from the State of Texas, but 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; Statement of Cash Flows; and Notes to the Financial Statements.
- **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.

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 2019, 2018, and 2017 respectively, Assets and Deferred Outflows of Resources exceeded Liabilities and Deferred Inflows of Resources by \$105,117,488; \$95,297,220; and \$89,368,405. The following graph depicts the growth in Net Position.



Between FY 2019 and FY 2018, and between FY 2018 and FY 2017 Net Position amounts increased \$9,820,268 and \$5,928,815 respectively, 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 that have averaged \$8,286,665 per year during the period. This has been further demonstrated in an increase of \$3,693,278 in Cash, Cash Equivalents, and Unrestricted Investments during the period. Starting in 2015, GASB Statement 68 requires that governmental organizations recognize in their financial statements any Unfunded Actuarial Accrued Liability associated with a defined benefit pension plan. GBRA recorded in FY 2019, FY 2018 and FY 2017 respectively a Net Pension Liability of \$6,812,495; \$4,958,180; and \$7,716,205. Disclosure requirements that further explain GBRA's pension plan and the requirements of GASB 68 are found in Footnote C and Required Supplemental Information.

The following table presents Condensed Statements of Net Position for August 31, 2019, 2018, and 2017:

GUADALUPE-BLANCO RIVER AUTHORITY			
STATEMENTS OF NET POSITION			
AUGUST 31, 2019, 2018, AND 2017			
ASSETS	2019	2018	2017
Current Assets			
Unrestricted Assets	\$ 44,466,628	\$ 43,387,782	\$ 41,077,693
Restricted Assets	4,305,508	2,884,823	8,922,169
Long-Term Assets			
Restricted Assets	31,221,449	12,463,506	1,353,511
Capital Assets, net	206,852,841	193,705,884	159,584,640
Other Assets	14,139,588	12,695,389	15,901,025
Total Assets	300,986,014	265,137,384	226,839,038
DEFERRED OUTFLOWS OF RESOURCES	5,029,156	1,027,254	4,080,644
Total Assets and Deferred Outflows of Resources	\$ 306,015,170	\$ 266,164,638	\$ 230,919,682
LIABILITIES			
Current Liabilities			
Payable from Unrestricted Assets	\$ 8,350,517	\$ 3,326,776	\$ 4,824,044
Payable from Restricted Assets	7,671,714	6,433,835	5,979,412
Long-Term Liabilities			
Bonds, Loans Payable and Long Term Liabilities	166,561,862	146,335,604	114,328,208
Advances for Operations	611,425	458,380	571,276
Net Pension Liability	6,812,495	4,958,180	7,716,205
Total Liabilities	190,008,013	161,512,775	133,419,145
DEFERRED INFLOWS OF RESOURCES	10,889,669	9,354,643	8,132,132
NET POSITION			
Net Investments in Capital Assets	\$ 34,542,521	\$ 41,767,797	\$ 39,900,766
Restricted for Debt Service	4,268,485	2,911,707	3,211,119
Restricted for Reserves	1,690,313	1,769,764	1,891,227
Restricted for Construction	27,004,321	8,036,342	1,740,198
Restricted for Rate Stabilization	2,526,815	2,590,106	2,608,418
Unrestricted	35,085,033	38,221,504	40,016,677
Total Net Position	105,117,488	95,297,220	89,368,405
Total Liabilities, Deferred Inflows and Net Position	\$ 306,015,170	\$ 266,164,638	\$ 230,919,682

The Total Net Position amount is subdivided into an Unrestricted Net Position amount, Restricted Net Position amounts, and a final amount described as Net Investments in Capital Assets. The restricted Net Position amounts represent debt service payments, reserves, construction, rate stabilization funds, or funds set forth by external restrictions.

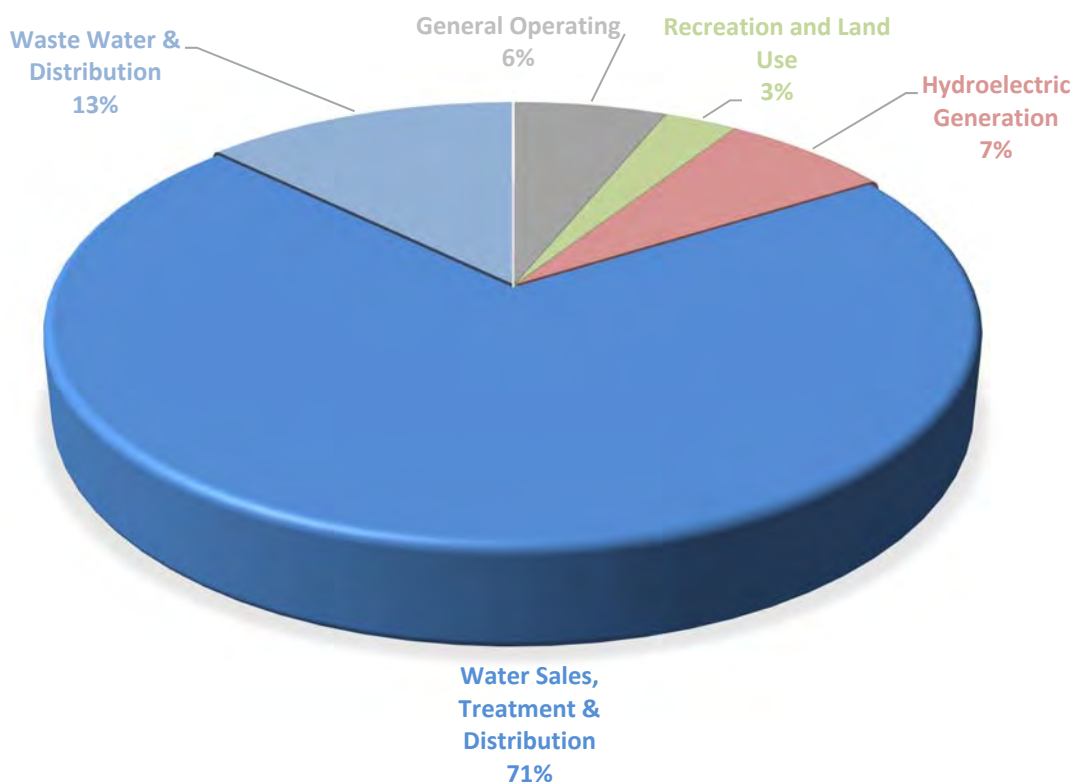
The following table presents Condensed Statements of Revenues, Expenses and Changes in Net Position for years ending August 31, 2019, 2018, and 2017:

GUADALUPE-BLANCO RIVER AUTHORITY			
COMBINED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION			
FISCAL YEARS ENDED AUGUST 31, 2019, 2018, AND 2017			
OPERATING REVENUE	2019	2018	2017
Program Revenues			
General Operating	\$ 3,549,130	\$ 3,174,609	\$ 3,130,212
Recreation and Land Use	1,698,338	1,670,381	1,653,155
Hydroelectric Generation	3,947,957	2,831,998	3,989,554
Water Sales, Treatment, & Distribution	41,159,781	40,499,420	39,820,981
Waste Water Treatment	7,280,641	6,072,296	6,248,343
Interfund Eliminations	(4,904,386)	(4,087,359)	(3,115,380)
Total Operating Revenues	<u>52,731,461</u>	<u>50,161,345</u>	<u>51,726,865</u>
OPERATING EXPENSES			
Program Expenses			
General Operating	598,713	3,338,465	3,607,722
Recreation and Land Use	1,540,602	1,582,890	1,669,325
Hydroelectric Generation	5,157,110	4,924,893	4,185,833
Water Sales, Treatment, & Distribution	30,242,476	28,508,400	30,134,673
Waste Water Treatment	6,469,152	5,506,026	4,974,699
Interfund Eliminations	(4,904,386)	(4,087,359)	(3,115,380)
Total Operating Expenses	<u>39,103,667</u>	<u>39,773,315</u>	<u>41,456,872</u>
NON OPERATING REVENUES (EXPENSES)			
Grant Income	632,641	511,058	3,539,362
Investment Income	1,594,653	456,107	222,968
Gain (Loss) on Disposal of Capital Assets	59,922	-	72,037
Debt issuance Expense	(366,908)	(172,149)	-
Interest Expense	(4,118,584)	(4,465,634)	(4,381,843)
Total Non Operating Revenues (Expenses)	<u>(2,198,276)</u>	<u>(3,670,618)</u>	<u>(547,476)</u>
Net Income Before Recognition of Deferrals	11,429,518	6,717,412	9,722,517
Costs (Revenue) to be Recognized in Future Years	<u>(1,609,250)</u>	<u>(788,597)</u>	<u>(611,604)</u>
Change in Net Position	9,820,268	5,928,815	9,110,913
Net Position September 1, 2018 and 2017 and 2016	95,297,220	89,368,405	80,257,492
Net Position August 31, 2019 and 2018 and 2017	<u>\$ 105,117,488</u>	<u>\$ 95,297,220</u>	<u>\$ 89,368,405</u>

As stated above, changes to GBRA's Net Position is one measure of whether GBRA's financial position is improving or not. The increases in Net Position for Fiscal Years 2019, 2018, and 2017 of \$9,820,268; \$5,928,815; and \$9,110,913 are indicative of strong financial performance and a stable financial position.

Program Revenues between FY 2017 and FY 2018 decreased approximately \$1.5 million due to a decrease in hydroelectric generation of approximately \$1.3 million due to drought conditions and lower river flows. Program revenues increased approximately \$2.6 million between FY 2018 and FY 2019 primarily due to new housing construction and the demand for wastewater services, and the initial billings for the Carrizo Groundwater Supply Project. Non-Operating Expenses increased approximately \$2.9 million between FY 2017 and FY 2018 due to decreases in grant revenue. Between FY 2018 and FY 2019, Non-Operating Expenses decreased approximately \$1.5 million primarily due to favorable market conditions resulting in increased investment income. The graph on the following page outlines the distribution of program revenues.

PROGRAM REVENUES



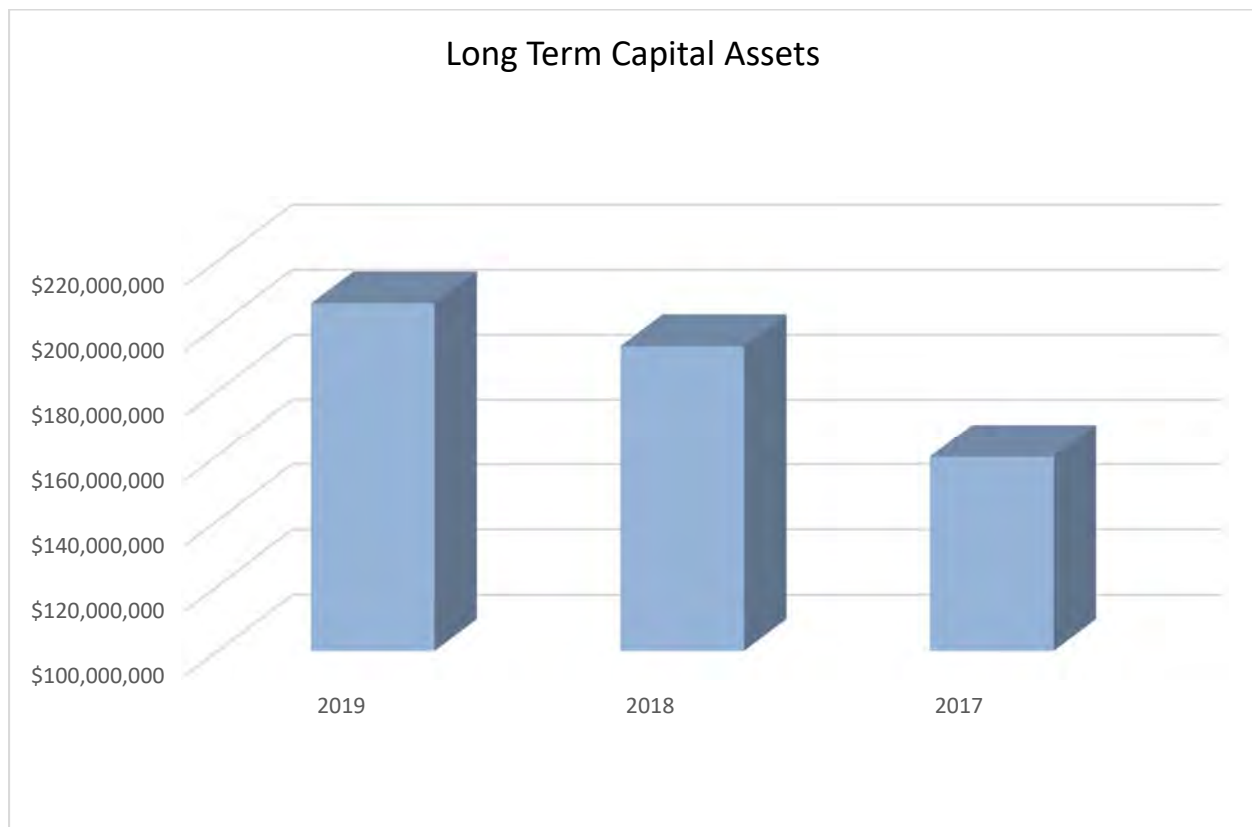
Program Expenses between FY 2017 and FY 2018 decreased approximately \$1.7 million, primarily due to a decrease in project development costs of \$2.7 million, partially offset by an increase in spillgate repairs and maintenance in the Guadalupe Valley Hydroelectric Division of \$1.3 million. From FY 2018 to FY 2019, program costs decreased approximately \$700,000. This was primarily due to the freezing of the Defined Benefit Pension Plan as of December 31, 2018. The change in actuarial assumptions resulted in an overall negative defined benefit pension plan expense.

Capital Asset and Long-Term Debt Activity

As of August 31, 2019, 2018, and 2017 respectively, GBRA's total investment in Long-Term Capital Assets net of depreciation were \$206,852,841; \$193,705,884; and \$159,584,640. 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 infrastructure. Capital assets increased 21.4% from FY 2017 to FY 2018 primarily due to the purchase of the outstanding equity interests of Texas Water Alliance LLC for \$31 million. The underlying assets included the groundwater leases for 164 tracts of land in Gonzales County, along with 50 acres of land, also in Gonzales County. The completion of this purchase allows the Carrizo Groundwater Supply Project to proceed, which will ultimately supply 15,000 acre-feet of water to New Braunfels Utilities, the City of Lockhart, and Goforth Special Utility District. Capital Assets increased from FY 2018 to FY 2019 by 6.78% or \$13,146,997. This was due to increased construction activity, which

included \$6.4 million on the Carrizo Groundwater Supply Project, \$4.5 million for building a regional raw water delivery system pump station, \$1.4 million for the disinfection byproducts (DBP) system at the Western Canyon Water Treatment Plant, and \$1.3 million for water expansion infrastructure to the Boerne Independent School District.

The graph below depicts the increase in Long-Term Capital Assets.



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, 2019, 2018, and 2017 respectively were \$160,175,000; \$138,195,000; and \$107,995,000. Between Fiscal Years 2017 and 2019, revenue bonds outstanding increased by a net amount of \$52,180,000. This includes the issuance in FY 2018 of \$31,140,000 in General Improvement Subordinate Lien Bonds to purchase the equity interests of Texas Water Alliance LLC. The FY 2018 bonds were replaced in FY 2019 with \$58,210,000 of bonds issued by the Texas Water Development Board for the construction of the Carrizo Groundwater Supply Project.

GBRA's long-term loans outstanding as of fiscal year end 2019, 2018 and 2017 respectively amounted to \$4,480,039; \$5,546,930; and \$6,042,597. These varying amounts represent the annual principal repayments of the various loans.

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 for businesses, GBRA has always recorded the historical cost of Capital Assets and depreciated that cost over the estimated life of the asset.

In FY 2017 GBRA began a comprehensive review of all infrastructure it currently owns and/or operates to develop a long-term repair and replacement capital plan. The area of immediate concern was 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 1920s and 1930s. Due to the age of many of the GV Hydro components, a major emphasis on repair and rehabilitation is required. GBRA spent \$1.6 million in both FY 2018 and FY 2019 for a total of \$3.2 million for repair work as well as engineering and design of new spillgates. Due to drought conditions in recent years resulting in decreased Hydroelectric Power Sales Revenue as well as a general impediment to increased hydroelectric energy charges due to a stable wholesale electric market, funds totaling \$3.8 million and \$5.0 million were transferred from the General Division and the Water Supply Division respectively to finance the project in FY 2018, and FY 2019. Plans are to continue with engineering and design of replacement spillgates in FY 2020.

The Port Lavaca Water Treatment Plant began operations in 1970. This plant provides treated water to the City of Port Lavaca, Port O'Conner Improvement District and rural areas within Calhoun County. Although the plant was expanded and updated in the early 1990s, the facility is reaching its end of useful life. GBRA has been collaborating with city officials on the construction of a new plant. The engineering design and construction will be a multi-year project before the plant becomes operational.

Other Potentially Significant Matters

The GBRA Board of Directors established a rate of \$147 per acre-foot per year for committed, firm raw water effective October 1, 2018. Presently, GBRA contracts with approximately 100 customers throughout the GBRA basin to commit approximately 90,000 acre-feet of firm, raw water. Currently the source of this water is 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.

During FY 2018, GBRA completed the purchase of Texas Water Alliance, a company owning approximately 15,000 acre-feet per year in groundwater leases in Gonzales County. In addition, GBRA signed a contract with Alliance Regional Water Authority to collaborate on a multi-year project to construct a water treatment plant, and transmission mains to deliver treated water to wholesale customers derived from the underground leases. The project is expected to be completed in 2023 through several financing transactions.

Beginning in FY 2018, GBRA began designating unrestricted funds for a capital improvement program. Many of these projects take place over more than one year. During the budget process each year, the list is revisited and adjustments made and new projects identified. The designation of these funds does not meet accounting standard requirements for restriction within the financial statements. However, the use of those funds are designated specifically for identified projects and the expense of funds will be accounted for within the financial statements.

Questions concerning any of the information provided in this report should be addressed to the Executive Manager of Finance/Chief Financial Officer, 933 E. Court St., Seguin, TX 78155.



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GUADALUPE-BLANCO RIVER AUTHORITY
STATEMENTS OF NET POSITION

AUGUST 31, 2019 AND 2018

ASSETS AND DEFERRED OUTFLOWS	2019	2018
CURRENT ASSETS		
Unrestricted Assets		
Cash and Cash Equivalents	\$ 27,644,542	\$ 18,685,732
Investments-Unrestricted	12,784,068	21,703,000
Interest Receivable.....	118,980	101,905
Accounts Receivable-Operating.....	3,153,250	2,176,651
Current Portion Long Term Loans Receivable.....	126,765	197,570
Other Current Assets.....	639,023	522,924
Total Unrestricted Assets.....	<u>44,466,628</u>	<u>43,387,782</u>
Restricted Assets		
Cash and Cash Equivalents	4,268,485	1,646,333
Investments-Restricted	-	1,198,080
Interest Receivable.....	37,023	40,410
Total Restricted Assets.....	<u>4,305,508</u>	<u>2,884,823</u>
Total Current Assets.....	<u>48,772,136</u>	<u>46,272,605</u>
LONG-TERM ASSETS		
Restricted Assets		
Cash and Cash Equivalents	25,873,946	6,629,983
Investments-Restricted	5,347,503	5,833,523
Total Restricted Assets.....	<u>31,221,449</u>	<u>12,463,506</u>
Capital Assets		
Land, Water and Storage Rights.....	72,009,206	70,509,575
Dams, Plants and Equipment.....	209,293,815	209,231,229
Construction In Progress.....	19,689,384	3,984,258
Less Accumulated Depreciation.....	(94,139,564)	(90,019,178)
Total Capital Assets.....	<u>206,852,841</u>	<u>193,705,884</u>
Other Assets		
Long-Term Loans Receivable	4,684,319	4,805,209
Permits and Licenses (Net of Amortization).....	379,976	401,898
Project Development Costs.....	9,075,293	7,488,282
Total Other Assets.....	<u>14,139,588</u>	<u>12,695,389</u>
Total Long-Term Assets.....	<u>252,213,878</u>	<u>218,864,779</u>
DEFERRED OUTFLOWS OF RESOURCES.....	<u>5,029,156</u>	<u>1,027,254</u>
Total Assets and Deferred Outflows of Resources.....	<u>\$ 306,015,170</u>	<u>\$ 266,164,638</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
CURRENT LIABILITIES		
Payable from Unrestricted Assets		
Current Portion of Long-Term Loans Payable.....	\$ 363,455	\$ 402,483
Interest Payable.....	32,688	54,575
Accounts Payable-Operating.....	7,954,374	2,869,718
Total Current Unrestricted Liabilities.....	<u>8,350,517</u>	<u>3,326,776</u>
Payable from Restricted Assets		
Current Portion of Revenue Bonds.....	5,270,000	5,090,000
Current Portion of Long-Term Loans Payable.....	115,000	110,000
Interest Payable.....	2,286,714	1,233,835
Total Current Restricted Liabilities.....	<u>7,671,714</u>	<u>6,433,835</u>
Total Current Liabilities.....	<u>16,022,231</u>	<u>9,760,611</u>
LONG-TERM LIABILITIES		
Long Term Payable.....	3,000,000	3,000,000
Revenue Bonds Payable, net.....	164,830,278	143,391,157
Long-Term Loans Payable.....	4,480,039	5,546,930
Less Current Portion.....	<u>(5,748,455)</u>	<u>(5,602,483)</u>
Total Bonds and Loans Payable, net.....	<u>166,561,862</u>	<u>146,335,604</u>
Advances for Operations.....	611,425	458,380
Net Pension Liability.....	6,812,495	4,958,180
Total Long-Term Liabilities.....	<u>173,985,782</u>	<u>151,752,164</u>
Total Liabilities.....	<u>190,008,013</u>	<u>161,512,775</u>
DEFERRED INFLOWS OF RESOURCES.....	<u>10,889,669</u>	<u>9,354,643</u>
NET POSITION		
Net Investments in Capital Assets	34,542,521	41,767,797
Restricted for Debt Service.....	4,268,485	2,911,707
Restricted for Reserves.....	1,690,313	1,769,764
Restricted for Construction.....	27,004,321	8,036,342
Restricted for Rate Stabilization.....	2,526,815	2,590,106
Unrestricted	35,085,033	38,221,504
Total Net Position.....	<u>105,117,488</u>	<u>95,297,220</u>
Total Liabilities, Deferred Inflows of Resources and Net Position.....	<u>\$ 306,015,170</u>	<u>\$ 266,164,638</u>

The accompanying notes are an integral part of this statement.

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

FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

	2019	2018
OPERATING REVENUE		
Power Sales.....	\$ 3,895,226	\$ 2,710,600
Water Sales, Capacity Charge, Pipeline Transmission and Reservoir Operations.....	38,605,852	38,716,993
Recreation and Land Use.....	801,601	746,099
Waste Water Treatment Services.....	7,309,955	5,585,201
Laboratory Services.....	534,888	528,184
Rental.....	168,307	285,197
Miscellaneous	1,415,632	1,589,071
Total Operating Revenue.....	<u>52,731,461</u>	<u>50,161,345</u>
OPERATING EXPENSES		
Personnel Operating Costs.....	14,718,851	16,000,220
Operating Supplies and Services.....	14,733,284	13,939,447
Maintenance and Repairs	4,303,183	4,522,725
Depreciation and Amortization.....	5,348,349	5,310,923
Total Operating Expenses.....	<u>39,103,667</u>	<u>39,773,315</u>
Operating Income	<u>13,627,794</u>	<u>10,388,030</u>
NONOPERATING REVENUES (EXPENSES)		
Grant Income.....	632,641	511,058
Investment Income.....	1,594,653	456,107
Gain (Loss) on the Disposal of Capital Assets.....	59,922	-
Debt Issuance Expense	(366,908)	(172,149)
Interest Expense	(4,118,584)	(4,465,634)
Total Nonoperating Revenues (Expenses).....	<u>(2,198,276)</u>	<u>(3,670,618)</u>
Income Before Recognition of Deferrals.....	11,429,518	6,717,412
Costs (Revenue) to be Recognized in Future Years	(1,609,250)	(788,597)
Change in Net Position.....	<u>9,820,268</u>	<u>5,928,815</u>
Net Position at September 1, 2018 and 2017.....	95,297,220	89,368,405
Net Position at August 31, 2019 and 2018.....	<u>\$ 105,117,488</u>	<u>\$ 95,297,220</u>

The accompanying notes are an integral part of this statement.

GUADALUPE-BLANCO RIVER AUTHORITY
STATEMENTS OF CASH FLOWS

FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers.....	\$ 51,742,131	\$ 51,727,839
Cash Paid for Personnel Operating Costs.....	(17,102,140)	(15,420,464)
Cash Paid for Other Operating and Maintenance Costs.....	(13,902,134)	(20,055,945)
Net Cash Flows From Operating Activities.....	20,737,857	16,251,430
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Received from Grants.....	632,641	511,058
Cash Flows From Noncapital and Related Activities.....	632,641	511,058
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from Advances from Customers, Developers, and Other Governmental Units.....	161,479	104,324
Proceeds from Revenue Bonds and Loans for Capital Assets and Plant Expansion.....	58,210,000	35,337,378
Proceeds from Sale of Capital Assets.....	62,837	-
Purchase of Capital Assets.....	(2,497,987)	(30,270,081)
Disposal of Capital Assets.....	-	(15,900)
Cash Paid for Construction in Progress and Project Development.....	(17,596,477)	(3,350,130)
Cash Paid for Debt Issuance Expense.....	(366,908)	(172,149)
Interest Paid.....	(3,597,319)	(4,744,520)
Principal Payments on Revenue Bonds.....	(36,230,000)	(5,045,000)
Principal Payments on Loans.....	(1,066,891)	(495,667)
Net Cash Flows Used By Capital and Related Financing Activities.....	(2,921,266)	(8,651,745)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash Received from Investments	20,855,905	14,421,955
Investment Income Received.....	1,580,966	461,413
Cash Paid for Investments	(10,061,178)	(15,569,337)
Net Cash Flows From (Used) by Investing Activities.....	12,375,693	(685,969)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	30,824,925	7,424,774
CURRENT CASH AND CASH EQUIVALENTS:		
At Beginning of Year.....	18,685,732	14,727,002
At End of Year.....	27,644,542	18,685,732
Net Increase.....	8,958,810	3,958,730
RESTRICTED CASH AND CASH EQUIVALENTS:		
At Beginning of Year.....	8,276,316	4,810,272
At End of Year.....	30,142,431	8,276,316
Net Increase.....	21,866,115	3,466,044
TOTAL CASH AND CASH EQUIVALENTS:		
At Beginning of Year.....	26,962,048	19,537,274
At End of Year.....	57,786,973	26,962,048
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	\$ 30,824,925	\$ 7,424,774
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS		
FROM OPERATING ACTIVITIES:		
Operating Income	\$ 13,627,794	\$ 10,388,030
Adjustments to Reconcile Operating Income to Net Cash Flows		
From Operating Activities:		
Depreciation and Amortization.....	5,348,349	5,310,923
Actuarially Determined Net Pension Expense.....	(2,383,289)	624,954
Net Change in Assets and Liabilities from Operating Activities:		
Operating Accounts Receivable.....	(976,599)	1,594,761
Other Current Assets.....	(116,099)	(31,718)
Operating Accounts Payable.....	5,237,701	(1,635,520)
Total Adjustments.....	7,110,063	5,863,400
NET CASH FLOWS FROM OPERATING ACTIVITIES.....	\$ 20,737,857	\$ 16,251,430

NON-CASH TRANSACTIONS SCHEDULE

1. During fiscal year 2019 and 2018, an adjustment of \$201,934 and (\$199,886) respectively, was made to adjust investments to fair value.
2. Cash advance payments for capital assets are recorded as deferred inflows as of FY 2019 year end.

The accompanying notes are an integral part of this statement.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

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.

- Reporting Entity.** Guadalupe-Blanco River Authority is a political subdivision of the State of Texas, created by the Texas Legislature in 1933 and amended 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 governed 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 financial accountability over GBRA; therefore, GBRA is not a part of the State's financial 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.
- 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. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.
- 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.
- Budgets and Budgetary Accounting.** GBRA is not required under its enabling act to adopt a budget; therefore, comparative statements of actual expenses to budgeted expenses are not included within the financial statements.
- 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.
- 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.
- Capital Assets.** Land, land rights, storage rights and water rights are not depreciated since these assets have an indefinite useful life. Property, plant and equipment are recorded at their historical cost. Contributed assets should be recorded at acquisition value at the time of acquisition. 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:

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

- 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.
- Unbilled Revenue.** Revenue relating to unbilled water and waste water treatment services has not been recognized since the amounts are immaterial.
- 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.
- 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 for the value of vested vacation rights which as of August 31, 2019 and 2018 amounted to \$991,060 and \$833,507, respectively.
- 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. GBRA had no contingent liabilities on August 31, 2019 and August 31, 2018.
- 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 reservoir 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.
- 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.
- Restricted Net Position.** GBRA recognizes net position 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, 2019 AND 2018

16. **Capitalization of Interest.** It is GBRA's policy to capitalize net interest costs on funds borrowed to finance the construction of capital assets. GBRA recorded no interest expense or interest income for construction in progress.
17. **Long-Term Receivable.** GBRA recorded a long-term receivable that represents the refunding of the City of San Marcos 2006 Bond Issue that was used to expand the San Marcos Water Treatment Plant for the benefit of GBRA's IH35 customers. The IH35 customers are contracted to pay for the original bond issue as well as the refunding, while the plant asset remains with the City of San Marcos. This Long Term Receivable is recorded in Other Assets. The repayment schedule mirrors the amortization of Contract Revenue Refunding Bonds, Series 2016, San Marcos Water Treatment Plant Project.
18. **Long Term Payable.** In 2017, GBRA purchased groundwater leases in Gonzales and Caldwell Counties for \$31,000,000. Part of the agreement was that there would be a \$3,000,000 holdback to handle any water lease cure costs that may occur after the closing date. The holdback less the aggregate amount of all water lease cure costs incurred between the closing date and June 30, 2021 is due to the seller on June 30, 2021.
18. **Long-Term Loans Payable and Revenue Bonds Payable.** Long-term debt and other obligations are reported as utility liabilities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year end for premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for the loss on refunding is shown as a deferred outflow in the statement of net position.
19. **Deferred Outflows/Inflows.** A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time. A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until the future time.
20. **Net Pension Liability.** A net pension liability is recorded in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment to GASB Statement No. 27*. The liability is the difference between the actuarial total pension liability and the Plan's fiduciary net position as of the measurement date. The net pension liability was \$6.8 million and \$4.9 million at August 31, 2019 and 2018, respectively. For additional information see Note C.
21. **Regulatory Revenue/Expenses.** Revenue and expenses that will be recognized in future years by setting rates sufficient to provide funds for the related debt service are recognized in the Statement of Net Position as Deferred Inflows of Resources and Other Assets, respectively.
22. **Comparative Data.** Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.
23. **Effects of New Accounting Standards on Current Period Financial Statements.** GASB has approved GASB Statement No. 84, *Fiduciary Activities*, Statement No. 87, *Leases*, Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, Statement 90, *Majority Equity Interest*, and Statement 91, *Conduit Debt Obligations*. When they become effective, application of these standards may restate portions of these financial statements.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE B - LONG TERM LIABILITIES

GBRA currently has \$164,655,039 of debt outstanding from long-term loans and revenue bonds. This is exclusive of defeasance, discounts and premiums associated with these bonds.

GBRA utilizes interdivisional loans from the General Division to operating divisions to provide temporary cash flow assistance, cover start up operating transitions and minor capital purchases in lieu of securing external financing. The operating divisions repay these non-interest bearing loans back to the General Division as cash flows suffice. These interdivisional loans are not reflected in the tables below.

The loans and revenue bonds outstanding at August 31, 2019 mature serially through 2053 as follows:

Year Ending August 31	LONG-TERM LOANS				REVENUE BONDS			
	Total	Interest	Principal	Balance of Principal Outstanding	Total	Interest	Principal	Balance of Principal Outstanding
				\$4,480,039				\$160,175,000
2020	609,509	131,054	478,455	4,001,584	9,958,634	4,688,634	5,270,000	154,905,000
2021	605,669	116,722	488,947	3,512,637	10,114,326	4,629,326	5,485,000	149,420,000
2022	576,094	102,258	473,836	3,038,801	10,251,697	4,556,697	5,695,000	143,725,000
2023	546,361	89,208	457,153	2,581,648	10,655,703	4,395,703	6,260,000	137,465,000
2024	547,099	76,119	470,980	2,110,668	11,808,600	4,843,600	6,965,000	130,500,000
2025	547,675	62,626	485,049	1,625,619	11,361,865	4,686,865	6,675,000	123,825,000
2026	548,078	48,717	499,361	1,126,258	11,566,641	4,631,641	6,935,000	116,890,000
2027	196,055	34,797	161,258	965,000	11,796,397	4,561,397	7,235,000	109,655,000
2028	174,810	29,810	145,000	820,000	11,700,160	4,475,160	7,225,000	102,430,000
2029	174,883	24,883	150,000	670,000	11,797,188	4,277,188	7,520,000	94,910,000
2030	179,706	19,706	160,000	510,000	11,384,522	3,954,522	7,430,000	87,480,000
2031	179,279	14,279	165,000	345,000	11,881,751	4,266,751	7,615,000	79,865,000
2032	178,684	8,684	170,000	175,000	12,253,369	4,553,369	7,700,000	72,165,000
2033	177,923	2,923	175,000	--	12,252,437	4,202,437	8,050,000	64,115,000
2034					7,693,133	3,838,133	3,855,000	60,260,000
2035					7,692,675	3,697,675	3,995,000	56,265,000
2036					7,480,298	3,550,298	3,930,000	52,335,000
2037					6,827,706	3,402,706	3,425,000	48,910,000
2038					4,489,138	2,644,138	1,845,000	47,065,000
2039					5,565,198	1,940,198	3,625,000	43,440,000
2040					4,585,958	1,790,958	2,795,000	40,645,000
2041					4,594,142	1,684,142	2,910,000	37,735,000
2042					4,597,888	1,572,888	3,025,000	34,710,000
2043					4,602,200	1,457,200	3,145,000	31,565,000
2044					4,606,948	1,336,948	3,270,000	28,295,000
2045					4,596,362	1,201,362	3,395,000	24,900,000
2046					4,600,578	1,060,578	3,540,000	21,360,000
2047					4,593,740	913,740	3,680,000	17,680,000
2048					4,596,024	761,024	3,835,000	13,845,000
2049					3,141,864	601,864	2,540,000	11,305,000
2050					3,147,898	492,898	2,655,000	8,650,000
2051					3,137,140	377,140	2,760,000	5,890,000
2052					3,136,804	256,804	2,880,000	3,010,000
2053					3,141,236	131,236	3,010,000	--
	<u>\$ 5,241,825</u>	<u>\$ 761,786</u>	<u>\$ 4,480,039</u>		<u>\$ 255,610,220</u>	<u>\$ 95,435,220</u>	<u>\$ 160,175,000</u>	

GUADALUPE BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE B – LONG-TERM LIABILITIES (CONTINUED)

GBRA had the following changes in long-term liabilities for the fiscal years ended August 31, 2019 and 2018.

Series	Date of Issue	Final Maturity	Effective Interest Rate	Original Amount	Outstanding 8/31/2017	Additions During FY 2018	Retired During FY 2018	Outstanding 8/31/2018	Additions During FY 2019	Retired During FY 2019	Outstanding 8/31/2019	Amounts Due Within One Year
OBLIGATIONS PAYABLE DIRECTLY BY GBRA												
RURAL UTILITIES DIVISION												
Regions Loan, Dunlap Collection System-033	03/15/2012	2032	3.34%	\$ 2,600,000	\$ 2,205,000	\$ --	\$ 105,000	\$ 2,100,000	\$ --	\$ 110,000	\$ 1,990,000	\$ 115,000
Regions Loan, Emergency Generator-032	08/29/2014	2019	3.12%	33,000	13,814	--	6,799	7,015	--	7,015	--	--
Regions Loan, Emergency Generator-033	08/29/2014	2019	3.12%	37,000	15,487	--	7,621	7,866	--	7,866	--	--
Wells Fargo Loan, Emergency Generator-033	12/01/2016	2026	3.45%	97,050	90,889	--	8,463	82,426	--	8,757	73,669	9,067
WATER RESOURCE DIVISION												
U. S. Government Loan	01/01/1977	2026	2.5%	8,979,862	2,462,123	--	247,337	2,214,786	--	253,521	1,961,265	259,859
Wells Fargo Loan, Belt Press/Truck-041	12/01/2016	2026	3.45%	407,950	382,051	--	35,579	346,472	--	36,824	309,648	38,114
A. Ussery, Water Rights	09/26/2006	2031	4.50%	343,496	230,016	--	12,149	217,867	--	217,867	--	--
Luling Foundation, Water Rights	09/26/2006	2031	4.50%	584,706	391,530	--	20,679	370,851	--	370,851	--	--
General Improvement & Ref. Rev. Bonds, 2011	03/01/2011	2030	3.0-4.375%	10,745,000	7,380,000	--	520,000	6,860,000	--	545,000	6,315,000	565,000 (1)
General Improvement Revenue Bonds, 2012	04/05/2012	2031	0.14-1.86%	4,400,000	3,285,000	--	220,000	3,065,000	--	225,000	2,840,000	225,000
General Improvement Revenue Bonds, 2015	11/15/2015	2035	1.83-3.17%	2,000,000	2,000,000	--	--	2,000,000	--	--	2,000,000	--
General Improvement Sub Lien Revenue Bonds, 2017	11/15/2017	2020	1.44-5.0%	31,140,000	--	31,140,000	--	31,140,000	--	31,140,000	--	-- (2)
Total Obligations Payable Directly by GBRA				\$ 61,368,064	\$ 18,455,910	\$ 31,140,000	\$ 1,183,627	\$ 48,412,283	\$ --	\$ 32,922,701	\$ 15,489,582	\$ 1,212,040
CONTRACT REVENUE BONDS AND LOANS												
WATER RESOURCE DIVISION												
RRWDS Combination Contract Revenue Bonds												
2007B	09/15/2007	2039	7.10%	5,775,000	5,145,000	--	105,000	5,040,000	--	110,000	4,930,000	120,000
RRWDS Contract Rev Ref Bonds, San Marcos												
2010	08/01/2010	2024	2.0-3.25%	\$6,895,000	3,815,000	--	490,000	3,325,000	--	500,000	2,825,000	520,000 (3)
IH35 Project Combination Contract Revenue Bonds												
2013	04/17/2013	2037	2.0-5.0%	19,470,000	16,755,000	--	585,000	16,170,000	--	600,000	15,570,000	625,000 (4)
Western Canyon Regional Water Supply Project Revenue Bonds												
2013A	07/10/2013	2033	1.0-5.0%	55,265,000	47,070,000	--	2,030,000	45,040,000	--	2,115,000	42,925,000	2,200,000 (5)
Western Canyon Regional Water Supply Project Revenue Bonds												
2013B	07/10/2013	2033	1.909-4.63%	6,830,000	5,735,000	--	270,000	5,465,000	--	275,000	5,190,000	285,000 (5)
San Marcos Water Treatment Plant Revenue Bonds												
2016	11/22/2016	2036	2.0-5.0%	4,850,000	4,850,000	--	90,000	4,760,000	--	95,000	4,665,000	95,000 (6)
RRWDS Contract Revenue Refunding Bonds												
2017	07/20/2017	2039	2.0-4.0%	7,745,000	7,745,000	--	290,000	7,455,000	--	245,000	7,210,000	250,000 (7)
Western Canyon Contract Revenue Bonds												
2017	10/15/2017	2037	2.0-4.0%	4,105,000	--	--	185,000	3,920,000	--	105,000	3,815,000	105,000 (8)
Carrizo General Contract Revenue Bonds, 2018A	11/15/2018	2048	2.41-4.28%	12,030,000	--	--	--	12,030,000	--	--	12,030,000	-- (2)
Carrizo General Contract Revenue Bonds, 2018B	11/15/2018	2048	1.89-3.52%	11,895,000	--	--	--	11,895,000	--	--	11,895,000	-- (2)
Carrizo TWDB Master Repurchase Agreement, 2018	11/15/2018	2053	3.95-4.36%	34,285,000	--	--	--	34,285,000	--	--	34,285,000	-- (2)
PORT LAVACA WATER TREATMENT PLANT DIVISION												
Frost National Bank, Clearwell	03/04/2008	2022	4.00%	400,000	251,687	--	52,040	199,647	--	54,190	145,457	56,415
LULING WATER TREATMENT PLANT DIVISION												
Treated Water Delivery System Contract Revenue Refunding Bonds (City of Lockhart)												
2014	02/26/2014	2030	2.45%	4,950,000	4,215,000	--	260,000	3,955,000	--	275,000	3,680,000	280,000 (9)
Total Contract Revenue Bonds and Loans				\$174,495,000	\$ 95,581,687	\$ --	\$ 4,357,040	\$ 95,329,647	\$ 58,210,000	\$ 4,374,190	\$149,165,457	\$ 4,536,415
Total Bonds & Loans Payable Prior to Defeasance and Accretion of Interest					\$114,037,597			\$143,741,930			\$164,655,039	\$5,748,455
								8/31/2018			8/31/2019	
Total Bonds and Loans Payable Prior to Defeasance and Accretion of Interest								\$143,741,930			\$164,655,039	
Less Revenue Bond Discounts and Deferred Defeasance								(358,570)			(332,545)	
Plus Revenue Bond Premiums								5,554,727			4,987,823	
Net Revenue Bonds and Long-Term Loans Payable								148,938,087			169,310,317	
Less Current Portion								(5,602,483)			(5,748,455)	
TOTAL BONDS AND LOANS PAYABLE								\$143,335,604			\$163,561,862	
INTERDIVISION LOANS ELIMINATED FROM COMBINED BALANCE SHEET												
Long-term loans payable to the General Division are as follows:								8/31/2018			8/31/2019	
GuadalupeValley Hydroelectric Division								\$4,437,257			\$4,138,187	
Rural Utilities Division								2,299,799			1,649,799	
Water Supply Division								68,929			68,929	
Port Lavaca WTP Division								523,689			523,689	
Canyon Hydroelectric Division								15,000			15,000	
Total Long-term loans payable to the General Division								\$7,344,674			\$6,395,604	

GUADALUPE BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE B – LONG-TERM LIABILITIES (CONTINUED)

1. 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.
2. GBRA issued in Fiscal Year 2018 General Improvement Sub Lien Revenue Bonds, Series 2017 totaling \$31,140,000. The proceeds from these bonds were used to purchase ground water rights, to fund one year's lease payments, to fund a portion of monitoring well construction and operating costs, capitalized interest, purchase of certain property and to fund costs of issuance. The bonds were called on November 15, 2018 using proceeds from funds secured from the Texas Water Development Board (TWDB). GBRA utilized a multi-year financial assistance from TWDB to ultimately total \$49,205,000 from the State Water Implementation Revenue Fund of Texas (SWIRFT) and \$116,650,000 in Board Participation funds. In Fiscal Year 2019, Contract Revenue Bonds Series 2018A (deferred) and 2018B (low-interest) were issued for \$12,030,000 and \$11,895,000, respectively and \$34,285,000 was issued from the TWDB Master Agreement.
3. 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.
4. 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.
5. 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.
6. GBRA issued in Fiscal Year 2017 Contract Revenue Refunding Bonds (San Marcos Water Treatment Plant Project), Series 2016. As a result of the refunding, GBRA reduced its total debt service requirements by \$1,371,317 and produced a net present value savings (economic gain) of \$1,031,267. Bonds outstanding that are considered defeased as a result of the 2016 refunding are \$0.
7. GBRA issued in Fiscal Year 2017 Subordinate Lien Contract Revenue Refunding Bonds, Series 2017 (Regional Raw Water Delivery System Expansion Project). As a result of the refunding, GBRA reduced its total debt service requirements by \$2,049,534 and produced a net present value savings (economic gain) of \$1,418,630. Bonds outstanding that are considered defeased as a result of the 2017 refunding are \$0.
8. GBRA issued in Fiscal Year 2018 Contract Revenue Bonds, Series 2017 (Western Canyon Regional Water Supply Project) totaling \$4,105,000. These proceeds from these bonds were used for designing, acquiring, and construction improvements to the Western Canyon Regional Water Supply Project, primarily for aeration facilities to mitigate disinfection by-products.
9. 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.

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; 6) Subordinate Lien Contract Revenue Refunding Bonds, Series 2017 (RRWDS); and 7) Contract Revenue Bonds, Series 2017 (Western Canyon Regional Water Supply Project).

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE C - DEFINED BENEFIT PENSION PLAN

A. GENERAL INFORMATION ABOUT THE DEFINED BENEFIT 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, 2013. 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, Texas 78155. See that report for all information about the plan fiduciary net position. The plan's fiduciary net position in these statements has been determined on the same basis as the plan. The plan was closed as of December 31, 2010 to new participants. As of December 31, 2018, the plan was frozen.

2. Benefits Provided

All full-time GBRA employees who were hired before January 1, 2011 participate in the plan. Effective December 31, 2018, the plan was amended and frozen. The amendment included providing a supplemental benefit for eligible employees in addition to the frozen accrued benefit as of December 31, 2018. The supplemental benefit was designed to attempt to make up for the difference between (a) the projected benefit if the plan were to continue as it was before the amendment and (b) the sum of (i) the frozen accrued benefit in the plan and (ii) the employer-funded portion of the benefit in the Texas County and District Retirement System (TCDRS) pension plan that began January 1, 2019. Employees are 100% vested in the frozen accrued benefit. Normal retirement age is 65. An unreduced benefit is also provided for retirement at ages 60 to 64 with the sum of age and service equal to or greater than 85. 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. Members Covered by the Plan

In the January 1, 2019 and January 1, 2018 actuarial valuations, the following numbers of employees were covered by the plan:

	1/1/2019	1/1/2018
Inactive employees or beneficiaries currently receiving benefits	88	81
Inactive employees entitled to but not yet receiving benefits	43	41
Active Employees	79	88
	<u>210</u>	<u>210</u>

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 management intends to fully fund the plan in not more than 10 years beginning January 1, 2019, expecting to contribute more in the first few years than the minimum required amount to fully fund the plan with level dollar payments over that 10-year period. GBRA will contribute at least the minimum amount each year, usually in December, that will amortize the unfunded actuarial liability (UAL) over the 10-year closed period. 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, 2019 is \$653,540 payable as of December 31, 2019. This amount is expected to amortize the UAL as a level dollar amount over the 10-year period that began January 1, 2019.

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, 2018, the money-weighted rate of return on pension plan investments was -4.66%. 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 net pension liability was measured as of December 31, 2018, and 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019 and 2018.

	2019	2018
Total pension liability	\$ 35,544,198	\$ 35,596,830
Plan fiduciary net position	<u>28,731,703</u>	<u>30,638,650</u>
Employer's net pension liability	\$ 6,812,495	\$ 4,958,180

Plan fiduciary net position as a percentage of total pension liability	80.80%	86.10%
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GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE C - DEFINED BENEFIT PENSION PLAN

1. Actuarial Assumptions

The total pension liability in the January 1, 2019 and 2018 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

January 1, 2019		
Inflation	2.75	percent
Salary increases	2.75	percent, plus merit and promotion increases that vary by age and service
Investment rate of return	6.75	percent, net of pension plan investment expense, including inflation
January 1, 2018		
Inflation	2.75	percent
Salary increases	2.75	percent, plus merit and promotion increases that vary by age and service
Investment rate of return	7.00	percent, net of pension plan investment expense, including inflation

Mortality rates for 1/1/2019 were based on the PubG-2010 total dataset tables for employees and for retirees, projected for mortality improvement generationally using the projection scale MP-2018.

Mortality rates for 1/1/2018 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 4.33%) and by adding expected inflation (2.75%). In addition, the final 6.75% assumption was selected by "rounding down" and thereby reflects a reduction of 0.33% 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%	5.77%
Small cap domestic	7	6.05
International developed	12	6.06
Emerging Markets	3	7.60
Hedge fund of funds	12	2.75
Real estate	10	3.60
Fixed income	26	2.04
Cash	0	0.35
Total	100%	
Weighted Average		4.33%

2. Discount Rate

The discount rate used to measure the total pension liability as of December 31, 2018 was 6.75%. No projection of cash flows was used to determine the discount rate because the January 1, 2019 actuarial valuation showed that expected contributions would amortize the unfunded actuarial accrued liability (UAAL) in ten years. Because of the 10-year closed 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 6.75% was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability. The discount rate used to measure the total pension liability as of December 31, 2017 was 7.00%.

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

The following presents the net pension liability for FY 19 and FY 18 calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

2019	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Employer's Net Pension Liability	\$10,946,107	\$6,812,495	\$3,347,994
2018	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Employer's Net Pension Liability	\$8,848,639	\$4,958,180	\$1,622,770

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE C - DEFINED BENEFIT PENSION PLAN

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.

C. CHANGES IN THE NET PENSION LIABILITY

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Amounts as of August 31, 2018	\$ 35,596,830	\$ 30,638,650	\$ 4,958,180
Changes for the year:			
Service cost	283,744		283,744
Interest	2,454,094		2,454,094
Differences between expected and actual	-		-
Contributions by the employer		1,128,049	(1,128,049)
Contributions by the participant		-	-
Net investment income		(1,390,831)	1,390,831
Benefit payments	(1,644,165)	(1,644,165)	-
Assumption changes	2,358,552		2,358,552
Changes in benefit provisions	(3,504,857)	-	(3,504,857)
Net changes	(52,632)	(1,906,947)	1,854,315
Amounts as of August 31, 2019	\$ 35,544,198	\$ 28,731,703	\$ 6,812,495

Measurements for the fiscal year ended August 31, 2018 were taken as of December 31, 2017.

Measurements for the fiscal year ended August 31, 2019 were taken as of December 31, 2018.

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Amounts as of August 31, 2017	\$ 34,348,580	\$ 26,632,375	\$ 7,716,205
Changes for the year:			
Service cost	310,415		310,415
Interest	2,377,209		2,377,209
Differences between expected and actual	135,472		135,472
Contributions by the employer		1,067,716	(1,067,716)
Contributions by the participant		-	-
Net investment income		4,336,286	(4,336,286)
Benefit payments	(1,397,727)	(1,397,727)	-
Assumption changes	(177,119)		(177,119)
Other	-	-	-
Net changes	1,248,250	4,006,275	(2,758,025)
Amounts as of August 31, 2018	\$ 35,596,830	\$ 30,638,650	\$ 4,958,180

Measurements for the fiscal year ended August 31, 2017 were taken as of December 31, 2016

Measurements for the fiscal year ended August 31, 2018 were taken as of December 31, 2017

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE C - DEFINED BENEFIT PENSION PLAN

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

For the years ended August 31, 2019 and 2018, the GASB 68 pension expense was (\$739,419) and \$1,692,670, respectively. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

1. Components of Pension Expense for the Fiscal Years Ended August 31, 2019 and 2018

	2019	2018
Service Cost	\$ 283,744	\$ 310,415
Interest	2,454,094	2,377,209
Projected earnings on pension plan investments	(2,087,160)	(1,815,346)
Amortization of differences between projected and actual earnings on plan investments	1,115,118	245,263
Amortization of changes of assumptions	754,379	155,610
Amortization of differences between expected and actual experience	245,263	419,519
Pension plan administrative expenses	-	-
Changes of benefit provisions	(3,504,857)	-
Total pension expense	\$ (739,419)	\$ 1,692,670

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
As of August 31, 2019		
Net difference between projected and actual earnings on pension plan investments	\$2,168,787	\$ -
Changes of assumptions	1,963,399	93,887
Differences between expected and actual experience	381,149	
Total	\$4,513,335	\$ 93,887
As of August 31, 2018		
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 194,086
Changes of assumptions	400,842	135,503
Differences between expected and actual experience	626,412	-
Total	\$1,027,254	\$ 329,589

As of August 31, 2019 amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	As of August 31, 2019
Year Ended 31-Aug	Net of Deferred Outflows Minus Deferred Inflows
2020	\$ 1,851,578
2021	1,121,124
2022	751,148
2023	695,598
2024	-
Thereafter	-
Total	4,419,448

3. Deferred Outflow of Resources to be Recognized Next Year

No supplemental contribution was contributed subsequent to the measurement date of the net pension liability. There is no deferred outflow of resources that will be recognized as a reduction in the net pension liability in the fiscal year ending August 31, 2020.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE C - DEFINED BENEFIT PENSION PLAN

E. DEFINED CONTRIBUTION PLAN

The Guadalupe-Blanco River Authority Employees' Defined Contribution Retirement Plan and Trust was effective January 1, 2011 and was amended effective January 1, 2013. The Plan was terminated effective December 31, 2018. All participants as of December 31, 2018 were fully vested in the plan.

For FY 2019, the employer contribution to the Plan was \$191,247, which included forfeitures of \$42,288. For FY 2018, the employer contribution to the Plan was \$199,050 which included forfeitures of \$27,744.

F. DEFERRED COMPENSATION PLAN

The Guadalupe-Blanco River Authority Employee Retirement Savings Plan Trust was effective January 1, 1991 and amended effective December 31, 2018. The Plan is open to all employees. The Plan constitutes an eligible deferred compensation plan as within the meaning of Section 457(b) of the Internal Revenue Code and is administered by the Retirement and Benefit Committee appointed by the GBRA Board. GBRA does not have access to assets of the Trust. Participation in the plan is voluntary. An employee may defer compensation in the calendar month that the participant first becomes an employee. Maximum deferral for any taxable year for a participant shall not exceed the lesser of the section 457 of the IRS Code limits or 100% of the participant's includable compensation. Prior to January 1, 2019, after one year of service, GBRA would match 50% of the employee deferral up to a maximum 3% of includable compensation. The employer contribution when added to all other deferred compensation under the Plan did not exceed the section 457 of the IRS Code limit. A participant is 100% vested in the participant's total amount of deferred compensation. A participant is 100% vested in the employer match after five years of service. The plan amendment effective as of December 31, 2018 discontinued GBRA's employer matching contribution.

GBRA employer matching contributions for FY 2019 prior to the December 31, 2018 effective plan amendment were \$75,510. GBRA employer contributions for FY 2018 were \$230,278.

G. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (TCDRS)

The Guadalupe-Blanco River Authority began participation in the TCDRS on January 1, 2019, and therefore did not have any participating employees as of the TCDRS measurement date, December 31, 2018. A description of the pension plan pursuant to paragraph 40 of GASB Statement No. 68 is as follows:

- a. GBRA participates in TCDRS, which is a statewide, agent multiple employer, public employee retirement system.
- b. A brief description of benefit terms:
 - i. All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
 - ii. The plan provides retirement, disability and survivor benefits.
 - iii. TCDRS is a savings based plan. For the GBRA plan, 5% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest per year on beginning of year balances. At retirement, the account is matched at an employer set percentage (current match is 200%) and is then converted to a lifetime annuity.
 - iv. There are no automatic cost of living adjustments (COLAs). Each year, GBRA may elect an ad hoc COLA for its retirees. There are two COLA types, each limited by actual inflation.
 - v. Benefit terms are established under the TCDRS Act. They may be amended as of January 1 each year, but must remain in conformity with the Act.
- c. As of the measurement date, December 31, 2018, GBRA had no employees covered in TCDRS.
- d. GBRA's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The GBRA contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must confirm with the TCDRS Act. The employee contribution rates are set by GBRA and are currently 5%. The actuarially determined employer contribution rate for 2019 was 5.97%. Contributions to the pension plan from GBRA were \$515,821 for the fiscal year ended August 31, 2019 and are recorded as a deferred outflow as of August 31, 2019 and will be recognized in the subsequent year.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE D - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents for the purpose of the statement of cash flows is defined as having high liquidity with little market risk and includes cash, checking accounts, money market accounts.

1. CASH AND DEPOSITS

At August 31, 2019 and 2018, GBRA held \$8,717,787 and \$6,944,166, respectively in restricted and unrestricted cash. Included in this amount for August 31, 2019 and 2018 was \$2,050 and \$1,850, respectively, 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 and are therefore not subject to deposit custodial credit risk which is the risk that in the event of a financial institution failure, the utility's deposits may not be returned.

2. INVESTMENTS

GBRA investment activities are governed by the Texas Government Code, Chapter 2256, Texas Public Funds Investment Act and GBRA Board Investment Policy - 413. The Act specifies the type and ratings of investments governmental entities are allowed to purchase and the Board Policy further restricts investment activities. All of GBRA deposits and securities are fully collateralized as required by the Act.

GBRA's investment policy provides for diversification to reduce overall portfolio risk. The portfolio should consist of no more than 75% U.S. government, its agencies and instrumentalities securities with no more than 25% of the portfolio in any one instrumentality; 75% public fund investment pools, 75% money market accounts, 50% bank certificates of deposit; or 50% of other types of eligible instruments.

Summary of Cash, Cash Equivalents and Investments:

	2019		2018	
Investments	\$ 61,883,812	82%	\$ 38,411,743	69%
Certificate of Deposits	2,914,323	4%	1,770,401	3%
Bank Money Market Funds	2,402,622	3%	8,570,341	15%
Cash	8,717,787	11%	6,944,166	13%
Total	<u>\$ 75,918,544</u>	<u>100%</u>	<u>\$ 55,696,651</u>	<u>100%</u>

Investments for GBRA are stated at fair value which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined below. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. The Texpool Fund is recorded at amortized cost without any limitation or restrictions on withdrawals.

The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the River Authority has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable values or reflective of future fair values. Furthermore, while GBRA believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE D - CASH, CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the utility will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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, direct obligations of the State of Texas, 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.

	2019		2018	
	Carry Amount	Weighted Average Maturity in Months	Carry Amount	Weighted Average Maturity in Months
U.S. Agencies				
Federal Agricultural Mtg Corp	\$ 5,223,692	22.68	\$ 985,800	27.77
Federal Farm Credit Bank	2,754,270	5.97	598,896	15.30
Federal Home Loan Bank	2,009,200	26.92	7,225,113	22.07
Federal National Mortgage Assn.	6,696,612	6.60	6,838,264	18.53
U. S. Treasury	1,447,796	3.48	13,086,530	15.11
Money Market Mutual Funds	18,241,110	1.00		
Texas Class	173,165	2.75	168,933	2.63
TexPool	25,337,967	1.00	9,508,207	1.07
Total Investments	<u>\$ 61,883,812</u>		<u>\$ 38,411,743</u>	
Portfolio weighted average maturity		4.56		15.87

Interest Rate Risk: Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment.

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.

Credit Risk: Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. GBRA's investments were rated as follows:

	Moody's	S&P
Federal Agricultural Mtg Corp	Aaa	AA+
Federal Farm Credit Bank	Aaa	AA+
Federal Home Loan Bank	Aaa	AA+
Federal National Mortgage Assn.	Aaa	AA+
Texas Class	Aaa	AAAm
TexPool	Aaa	AAAm
Money Markey Mutual Funds	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.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE D - CASH, CASH EQUIVALENTS AND INVESTMENTS

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to a government's investment in a single issuer.

The investment portfolio concentration for governmental securities are as follows:

Description	2019		2018	
	Carrying Amount	% of Portfolio	Carrying Amount	% of Portfolio
Federal Agricultural Mtg Corp	\$ 5,223,692	8.44%	\$ 985,800	2.57%
Federal Home Loan Bank	2,009,200	3.25%	7,225,113	18.81%
Federal National Mortgage Assn.	6,696,612	10.82%	6,838,264	17.80%

Investment Valuation

GBRA categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of assets. GBRA's investments for all funds at fiscal year-end are listed below at fair value, net of accruals. GBRA has the following recurring fair value measurements as of August 31, 2019 and 2018, respectively:

GASB 72	August 31, 2019	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Debt Securities				
Federal Agricultural Mtg Corp	\$ 5,223,692	\$ --	\$ 5,223,692	\$ --
Federal Farm Credit Bank	2,754,270	--	2,754,270	--
Federal Home Loan Bank	2,009,200	--	2,009,200	--
Federal National Mortgage Assn.	6,696,612	--	6,696,612	--
U.S. Treasury Notes	1,447,796	--	1,447,796	--
Total Debt Securities	<u>\$ 18,131,570</u>	<u>\$ --</u>	<u>\$ 18,131,570</u>	<u>\$ --</u>
Total Investments Measured at Fair Value Level	<u>\$ 18,131,570</u>	<u>\$ --</u>	<u>\$ 18,131,570</u>	<u>\$ --</u>
Investments Measured at Amortized Cost:				
TexPool	25,337,967			
Total Investments Measured at Amortized Costs	<u>\$ 25,337,967</u>			
Investments Measured at Net Asset Value:				
Money Market Mutual Funds	18,241,110			
Texas Class	173,165			
Total	<u>\$ 61,883,812</u>			

GASB 72	August 31, 2018	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Debt Securities				
Federal Agricultural Mtg Corp	\$ 985,800	\$ --	\$ 985,800	\$ --
Federal Farm Credit Bank	598,896	--	598,896	--
Federal Home Loan Bank	7,225,113	--	7,225,113	--
Federal National Mortgage Assn.	6,838,264	--	6,838,264	--
U.S. Treasury Notes	13,086,530	--	13,086,530	--
Total Debt Securities	<u>\$ 28,734,603</u>	<u>\$ --</u>	<u>\$ 28,734,603</u>	<u>\$ --</u>
Total Investments Measured at Fair Value Level	<u>\$ 28,734,603</u>	<u>\$ --</u>	<u>\$ 28,734,603</u>	<u>\$ --</u>
Investments Measured at Amortized Cost:				
TexPool	9,508,207			
Total Investments Measured at Amortized Costs	<u>\$ 9,508,207</u>			
Investments Measured at Net Asset Value:				
Money Market Mutual Funds	--			
Texas Class	168,933			
Total	<u>\$ 38,411,743</u>			

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE E – CAPITAL ASSETS

Capital asset activity for FY 2019 and 2018 was as follows:

Classification	ASSETS				
	Balance August 31, 2018	Reclassifications	Additions	Removals	Balance August 31, 2019
Land, Water & Storage Rights	\$ 70,509,575	\$ --	\$ 1,499,631	\$ --	\$ 72,009,206
Construction in Progress	3,984,258	--	16,064,158	(359,032)	19,689,384
Total Assets Not Being Depreciated	74,493,833	--	17,563,789	(359,032)	91,698,590
Structures & Improvements	186,900,568	(9,313,880)	25,707	(131,766)	177,480,629
Specialized Equipment	7,282,631	9,312,731	125,300	(89,907)	16,630,754
Office Buildings & Communications	2,322,263	(836,773)	--	--	1,485,490
Shops & Storerooms	83,673	836,687	--	(2,947)	917,413
Auto & Heavy Equipment	5,130,833	--	607,263	(384,048)	5,354,047
Office Furniture & Equipment	1,564,374	--	357,462	(263,515)	1,658,321
Miscellaneous Equipment	5,946,887	1,235	186,966	(367,928)	5,767,160
Total Dams, Plants and Equipment	209,231,229	0	1,302,697	(1,240,111)	209,293,815
Total Capital Assets	\$ 283,725,062	\$ 0	\$ 18,866,485	\$ (1,599,143)	\$ 300,992,405
Classification	DEPRECIATION				
	Balance August 31, 2018	Reclassifications	Additions	Removals	Balance August 31, 2019
Structures & Improvements	\$ (72,701,563)	\$ 5,942,747	\$ (4,304,021)	\$ 131,766	\$ (70,931,071)
Specialized Equipment	(6,373,935)	(5,965,987)	(262,354)	89,907	(12,512,368)
Office Buildings & Communications	(1,888,295)	770,712	(18,308)	631	(1,135,260)
Shops & Storerooms	(56,189)	(746,237)	(9,138)	2,316	(809,249)
Auto & Heavy Equipment	(3,781,536)	--	(309,871)	381,133	(3,710,274)
Office Furniture & Equipment	(1,415,335)	--	(79,852)	263,515	(1,231,673)
Miscellaneous Equipment	(3,802,325)	(1,235)	(374,038)	367,928	(3,809,670)
Total Accumulated Depreciation	\$ (90,019,178)	\$ --	\$ (5,357,582)	\$ 1,237,196	\$ (94,139,564)
NET CAPITAL ASSETS	\$ 193,705,884	\$ 0	\$ 13,508,904	\$ (361,947)	\$ 206,852,841

In FY 2019, certain capital assets were reclassified from one classification to another based on their function.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE E – CAPITAL ASSETS CONTINUED

Classification	ASSETS			
	Balance	Additions	Removals	Balance
	August 31, 2017			August 31, 2018
Land, Water & Storage Rights	\$ 35,407,117	\$ 35,102,458	\$ --	\$ 70,509,575
Construction in Progress	840,431	3,495,907	(352,080)	3,984,258
Total Assets Not Being Depreciated	36,247,548	38,598,365	(352,080)	74,493,833
Structures & Improvements	186,695,637	223,214	(18,283)	186,900,568
Specialized Equipment	7,282,631	--	--	7,282,631
Office Buildings & Communications	2,322,263	--	--	2,322,263
Shops & Storerooms	83,673	--	--	83,673
Auto & Heavy Equipment	4,803,280	327,553	--	5,130,833
Office Furniture & Equipment	1,484,854	79,520	--	1,564,374
Miscellaneous Equipment	5,380,944	565,943	--	5,946,887
Total Dams, Plants and Equipment	208,053,282	1,196,230	(18,283)	209,231,229
Total Capital Assets	\$ 244,300,830	\$ 39,794,595	\$ (370,363)	\$ 283,725,062
Classification	DEPRECIATION			
	Balance	Additions	Removals	Balance
	August 31, 2017			August 31, 2018
Structures & Improvements	\$ (68,261,676)	\$ (4,455,787)	\$ 15,900	\$ (72,701,563)
Specialized Equipment	(6,290,541)	(83,394)	--	(6,373,935)
Office Buildings & Communications	(1,858,292)	(30,003)	--	(1,888,295)
Shops & Storerooms	(54,375)	(1,814)	--	(56,189)
Auto & Heavy Equipment	(3,463,297)	(318,239)	--	(3,781,536)
Office Furniture & Equipment	(1,370,803)	(44,532)	--	(1,415,335)
Miscellaneous Equipment	(3,417,206)	(385,119)	--	(3,802,325)
Total Accumulated Depreciation	\$ (84,716,190)	\$ (5,318,888)	\$ 15,900	\$ (90,019,178)
NET CAPITAL ASSETS	\$ 159,584,640	\$ 34,475,707	\$ (354,463)	\$ 193,705,884

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE F - 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 periods. Deferred inflows of resources related to operations totaled \$10,795,782 and \$9,025,054 for FY 2019 and FY 2018 respectively.

Deferred inflows and deferred outflows of resources related to GASB 68 reporting for pension plans totaled \$93,887 and \$5,029,156 respectively for FY 2019. Deferred inflows and outflows of resources related to GASB 68 reporting for pension plans totaled \$329,589 and \$1,027,254 respectively for FY 2018.

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 REQUIREMENTS

Under the continuing disclosure agreements of the 1) General Improvement and Refunding Revenue Bonds, Series 2011; 2) General Improvement Revenue Bonds, Series 2012; 3) General Improvement Revenue Bonds, Series 2015; 4) Combined Contract Revenue Refunding Bonds (Western Canyon), Series 2013A and 2013B; and 5) Contract Revenue Bonds, Series 2017 (Western Canyon Regional Water Supply Project), GBRA is obligated to provide certain updated financial information and operating data annually. None of the other bonds require additional disclosure of annual financial information and operating data from GBRA; however, GBRA has included general information and the debt service paid by participants for the i) Contract Revenue Refunding Bonds (IH35), Series 2013, ii) Contract Revenue Refunding Bonds, Series 2016 (San Marcos Water Treatment Plant Project) and iii) Subordinate Lien Contract Revenue Refunding Bonds, Series 2017 (RRWDS). 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.

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, 2019 AND 2018

NOTE H – CONTINUING DISCLOSURE REQUIREMENTS (CONTINUED)

4. The General Improvement and Refunding Revenue Bonds, Series 2011, General Improvement Revenue Bonds, Series 2012, and General Improvement Revenue Bonds, Series 2015 constitute special obligations of GBRA that are payable from and secured by an irrevocable parity 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 Resolutions authorizing such 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 but specifically excludes any revenues received from the sale or commitment of raw water from “run-of-the-river” rights and from any future ground water projects developed by GBRA or in which GBRA has an ownership interest.

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 April 13, 2011, GBRA issued and delivered General Improvement and Refunding Revenue Bonds, Series 2011 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.

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

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.

GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2015

On October 21, 2015, GBRA authorized the issuance of General Improvement Revenue Bonds, Series 2015 in the amount of \$2,000,000 with a delivery date of December 1, 2015. The bonds were sold to the Texas Water Development Board through the SWIRFT Program and as such, no rating was required on these bonds. The bond proceeds were used to fund a feasibility study in connection with the development of an integrated water-power project (IWPP Project) along the Texas Gulf Coast to provide a regional solution that would create a new source of water supply for the Coastal Bend (Region N) and South Central (Region L) and potentially Central Texas (Region K) regional water planning areas, and to pay costs of issuance.

GENERAL IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2011 AND GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012, GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2015 - FUND BALANCES AND COVERAGE

GENERAL IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2011

GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012

AND GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2015

	2019	2018
2011 Bonds: Average Annual Principal and Interest Requirements, 2019 - 2030	\$ 719,807	\$ 727,784
2012 Bonds: Average Annual Principal and Interest Requirements, 2019 - 2031	260,506	260,299
2015 Bonds: Average Annual Principal and Interest Requirements, 2024 - 2035	- ⁽¹⁾	-
Total Average Annual Principal and Interest Requirements	\$ 980,313	\$ 988,083
Coverage of Average Requirements by Pledged Revenues	14.59 x	14.23 x
Coverage of Average Requirements by Net Revenues	5.21 x	6.28 x
2011 Bonds: Maximum Principal and Interest Requirements, 2027	\$ 837,750	\$ 837,750
2012 Bonds: Maximum Principal and Interest Requirements, 2028	262,522	262,522
2015 Bonds: Maximum Principal and Interest Requirements, 2032	204,747	204,747
Total Maximum Principal and Interest Requirements	\$ 1,305,019	\$ 1,305,019
Coverage of Maximum Requirements by Pledged Revenues	10.96 x	10.77 x
Coverage of Maximum Requirements by Net Revenues	3.92 x	4.75 x
2011 Bonds: Interest and Sinking Fund Balance	\$ 72,781	\$ 68,976
2012 Bonds: Interest and Sinking Fund Balance	23,976	21,858
2015 Bonds: Interest and Sinking Fund Balance	-	-
Total Interest and Sinking Fund Balance as of August 31	\$ 96,757	\$ 90,834
Pledged Revenues for the Fiscal Year Ended August 31	\$ 14,300,108 ⁽²⁾	\$ 14,060,690
Net Revenues for Fiscal Year Ended August 31	\$ 5,111,997 ⁽³⁾	\$ 6,203,901

(1) GBRA General Improvement Revenue Bonds, Series 2015 will be included into this table in 2024, when debt payments begin.

(2) See “Raw Water Sales” under “Raw Water Sales” table.

(3) See “Net Revenues” under “Raw Water Sales” table.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE H – CONTINUING DISCLOSURE REQUIREMENTS (CONTINUED)

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

	Fiscal Year Ended August 31				
(1)	2019	2018	2017	2016	2015
Revenue					
Raw Water Sales ⁽²⁾	\$ 14,300,108	\$ 14,060,690	\$ 13,710,485	\$ 13,102,085	\$ 12,655,121
Total Operating Revenue	\$ 14,300,108	\$ 14,060,690	\$ 13,710,485	\$ 13,102,085	\$ 12,655,121
Expense					
Operating Expenses ⁽³⁾	\$ 7,698,761	\$ 6,890,127	\$ 6,386,579	\$ 6,886,569	\$ 6,415,926
Maintenance and Repairs	337,535	54,154	348,492	452,271	451,251
Administrative and General	1,151,815	912,508	899,625	853,048	710,352
Total Operating Expense	\$ 9,188,111	\$ 7,856,789	\$ 7,634,696	\$ 8,191,888	\$ 7,577,529
Net Revenue	\$ 5,111,997	\$ 6,203,901	\$ 6,075,789	\$ 4,910,197	\$ 5,077,592
Less Debt Service for Senior Lien Bonds ⁽⁴⁾					
General Imp & Ref Rev Bonds, 2011	\$ 827,707	\$ 823,506	\$ 823,656	\$ 823,357	\$ 817,457
General Imp Rev Bonds, 2012	262,295	257,603	257,603	257,603	262,603
General Imp Rev Bonds, 2015 ⁽⁵⁾	--	--	--	--	--
Total Debt for Senior Lien Bonds	\$ 1,090,002	\$ 1,081,109	\$ 1,081,259	\$ 1,080,960	\$ 1,080,060
Debt Service Coverage Factor	4.690	5.738	5.619	4.542	4.701
Subordinate Revenues Available	\$ 4,021,995	\$ 5,122,792	\$ 4,994,530	\$ 3,829,237	\$ 3,997,532

(1) The FY 2015-2016 have been restated to eliminate revenues not included within the term "Pledged Revenues," and expenses not included within the term "Operating Expenses," as defined in the bond resolutions.

(2) Pledged Revenues.

(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, the General Improvement Revenue Bonds, Series 2012 (Mid-Basin WIF Project), and the General Improvement Revenue Bonds, Series 2015 (IWPP Project).

(5) Debt service payments for the General Improvement Revenue Bonds, Series 2015 begin in 2024.

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, 2019		August 31, 2018		August 31, 2017		August 31, 2016		August 31, 2015	
	<u>Acre-Feet</u>	<u>% of Total</u>	<u>Acre-Feet</u>	<u>% of Total</u>	<u>Acre-Feet</u>	<u>% of Total</u>	<u>Acre-Feet</u>	<u>% of Total</u>	<u>Acre-Feet</u>	<u>% of Total</u>
Municipal	73,227	80.11%	72,749	80.00%	73,197	80.09%	72,327	79.90%	72,479	79.91%
Domestic	3	0.00%	4	0.00%	4	0.00%	5	0.01%	6	0.01%
Industrial	17,828	19.50%	17,828	19.60%	17,828	19.51%	17,827	19.69%	17,827	19.65%
Irrigation	361	0.39%	363	0.40%	363	0.40%	363	0.40%	388	0.43%
Contracted	91,419	100.00%	90,944	100.00%	91,392	100.00%	90,522	100.00%	90,700	100.00%

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE H – CONTINUING DISCLOSURE REQUIREMENTS (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 95.34% 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, 2019 are shown below:

		Contract Information				
		Total		Contract	Expiration	Renewal
Customer	Type	AF/YR	Revenue ⁽²⁾	Date	Date	Option
Municipal & Retail						
Canyon Regional Water Authority	Regional Water Authority		\$ 1,747,876	10/13/1998	12/31/2039	(1)
City of Marion	City	100				
City of Cibolo	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	1,427,220	01/26/1989	02/25/2050	20 Yrs
City of Seguin	City	1,000	146,833	09/01/2012	08/31/2022	5 Yrs
City of Port Lavaca	City	1,344	197,344	02/20/1968	08/31/2035	
Canyon Lake WSC	Water Supply Corporation	2,000	293,646	10/01/1994	12/31/2044	(1)
Canyon Lake WSC II	Water Supply Corporation	2,000	293,646	08/27/2001	12/31/2050	(1)
Canyon Lake WSC III	Water Supply Corporation	2,000	293,646	09/29/2006	12/31/2050	(1)
SHWSC I	Water Supply Corporation	1,850	271,642	06/26/1967	12/31/2050	(1)
SHWSC II	Water Supply Corporation	1,000	146,833	06/01/2000	12/31/2050	(1)
Green Valley SUD	Special Utility District	1,000	146,833	12/01/2008	12/31/2040	(1)
Regional RWDS Project						
City of San Marcos	City	10,000	1,468,333	10/10/1989	07/01/2047	(1)
City of Kyle	City	5,443	799,214	05/20/2005	12/31/2038	20 Yrs
City of Buda	City	1,680	246,680	04/09/2002	12/31/2042	(1)
CRWA-Hays Project	Regional Water Authority	2,038	299,246	06/04/2003	12/31/2039	(1)
GoForth SUD	Special Utility District	3,027	435,047	03/01/2004	12/31/2039	(1)
Sunfield MUD	Municipal Utility District	1,159	179,597	09/08/2005	12/31/2050	---
Monarch	Utility Company	560	82,227	01/01/2008	12/31/2037	---
GBRA Western Canyon						
Boerne	City	3,611	529,613	02/22/2000	12/31/2037	40 Yrs (2x20 Yrs)
Fair Oaks Ranch	City	1,850	271,333	02/10/2000	12/31/2037	40 Yrs (2x20 Yrs)
SAWS	City	4,000 ⁽³⁾	1,314,627	03/17/2000	12/31/2037	40 Yrs (2x20 Yrs)
Cordillera Ranch	Housing Development	1,500	220,000	10/11/2001	12/31/2037	40 Yrs (2x20 Yrs)
Kendall & Tapatio	Housing Development	750	110,000	03/18/2002	12/31/2037	40 Yrs (2x20 Yrs)
Johnson Ranch	Housing Development	900	132,000	03/28/2003	12/31/2037	40 Yrs (2x20 Yrs)
Miralomas MUD (Lerin Hills)	Municipal Utility District	750	110,000	09/18/2009	12/31/2036	40 Yrs (2x20 Yrs)
GBRA-Comal Trace	River Authority	80	16,003	---	---	---
Bremer Ranch LTD	Municipal	100	14,667	11/01/2013	12/31/2043	20 Yrs
Couser Ranch	Municipal	100	14,667	11/01/2013	12/31/2043	20 Yrs
CLWSC-Bulverde	Water Supply Corporation	400	36,708	02/06/2009	12/31/2040	10 Yrs
CLWSC-Park Village	Water Supply Corporation	322	47,227	03/24/2009	12/31/2040	10 Yrs
Total Major Municipal Customers		70,759	\$ 11,292,708			
Industrial						
Calpine-Guadalupe Energy Center	Electric Generation	6,840	\$ 955,890	03/17/1999	12/31/2021	30 Yrs (6x5 Yrs)
Coletto Creek Power LP	Electric Generation	6,000	881,000	09/01/1975	08/31/2019	(1)
Hays Energy Limited Partners	Electric Generation	2,464	361,797	06/25/1999	12/31/2025	(1)
Ineos USA LLC	Chemical Company	1,100	161,517	02/11/1980	02/11/2020	40 Yrs (15 Yrs + (5x5 Yrs))
Total Major Industrial Customers		16,404	\$ 2,360,204			
Total Major Customers		87,163	\$ 13,652,912			
Total Firm Water Sales		91,419	\$ 14,300,108			
Major Customers as a Percentage of Total		95.34%	95.47%			

(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, 2019 AND 2018

NOTE H – CONTINUING DISCLOSURE REQUIREMENTS (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
135.00	10/1/2015
142.00	10/1/2016
145.00	10/1/2017
147.00	10/1/2018
151.00	10/1/2019

(1) Excludes out-of-district charges.

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GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE H – CONTINUING DISCLOSURE REQUIREMENTS (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 of 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.

CONTRACT REVENUE BONDS (WESTERN CANYON REGIONAL WATER SUPPLY PROJECT), SERIES 2017

On September 20, 2017, GBRA authorized the issuance of Contract Revenue Bonds, Series 2017 in the amount of \$4,105,000 with a delivery date of October 15, 2017. The proceeds were used for (i) designing, acquiring and constructing improvements to the Western Canyon Regional Water Supply Project (primarily aeration facilities to mitigate disinfection by-products), (ii) funding a related account in the debt service fund, and (iii) paying issuance costs on the bonds.

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

Both bond issues, in parity, 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 PROJECT), SERIES 2013A/2013B

CONTRACT REVENUE BONDS (WESTERN CANYON REGIONAL WATER SUPPLY PROJECT), SERIES 2017

In District	Current * (Acre-Feet)	% of Total	Ultimate (Acre-Feet)	% of Total
City of Boerne	1,300	11.61%	3,611	21.49%
City of Fair Oaks	942	8.41%	1,850	11.01%
GBRA - Cordillera	490	4.38%	1,500	8.93%
Johnson Ranch MUD	300	2.68%	900	5.36%
Miralomas MUD (Lerin Hills)	225	2.01%	750	4.46%
Kendall West Utilities	200	1.79%	750	4.46%
Canyon Lake WSC-Bulverde	400	3.57%	400	2.38%
Canyon Lake WSC-Park Village	322	2.88%	322	1.91%
GBRA - Comal Trace	80	0.70%	100	0.60%
Bremer Ranch LTD	20	0.18%	100	0.60%
Couser Ranch	20	0.18%	100	0.60%
Future Participants	--	0.00%	2,417	14.39%
Total In District	4,299		12,800	
SAWS (Initial & Additional)	6,901	61.61%	4,000	23.81%
Total Out of District	6,901		4,000	
Total	11,200	100.00%	16,800	100.00%

* Annual Water Delivery is based on contractual commitments of each participant

WESTERN CANYON REGIONAL WSP - SOURCES OF PLEDGED REVENUES

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

CONTRACT REVENUE BONDS (WESTERN CANYON REGIONAL WATER SUPPLY PROJECT), SERIES 2017

	Fiscal Year Ended August 31				
	2019	2018	2017	2016	2015
Western Canyon O&M Revenue	\$ 3,859,512	\$ 3,990,656	\$ 3,911,323	\$ 3,852,141	\$ 3,737,294
Western Canyon Debt Service Revenue	5,608,376	5,534,627	5,290,894	5,334,466	5,285,307
	<u>\$ 9,467,888</u>	<u>\$ 9,525,283</u>	<u>\$ 9,202,217</u>	<u>\$ 9,186,607</u>	<u>\$ 9,022,601</u>
Operating Expenses	\$ 2,795,217	\$ 2,751,837	\$ 3,004,197	\$ 3,229,970	\$ 2,548,014
Maintenance & Repair	223,127	451,608	227,908	253,229	285,637
Administrative & General	161,653	165,956	164,028	155,616	134,416
Total Operating & Maintenance Expenses	<u>\$ 3,179,997</u>	<u>\$ 3,369,401</u>	<u>\$ 3,396,133</u>	<u>\$ 3,638,815</u>	<u>\$ 2,968,067</u>
Net Revenue	<u>\$ 6,287,891</u>	<u>\$ 6,155,882</u>	<u>\$ 5,806,084</u>	<u>\$ 5,547,792</u>	<u>\$ 6,054,534</u>
Debt Service	\$ 5,078,240	\$ 4,835,394	\$ 4,837,859	\$ 4,839,518	\$ 4,835,186
Debt Service Coverage Factor	1.2382	1.2731	1.2001	1.1464	1.2522

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE H – CONTINUING DISCLOSURE REQUIREMENTS (CONTINUED)

6. 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							
	2019		2018		2017		2016	
Debt Service Component of Gross Contract Revenues	MGD Debt Payments		MGD Debt Payments		MGD Debt Payments		MGD Debt Payments	
From City of Buda, Texas	1.50	\$ 167,523	1.50	\$ 167,523	1.50	\$ 167,523	1.50	\$ 167,523
From City of Kyle, Texas	4.86	542,774	4.86	542,774	4.86	542,774	4.86	542,774
From GoForth Special Utility District *	3.46	377,365	2.46	274,990	2.46	274,990	2.46	274,990
From Sunfield Municipal Utilities District *	1.48	174,345	2.48	276,720	2.48	276,720	2.48	276,720
From Monarch	0.50	55,841	0.50	55,841	0.50	55,841	0.50	55,841
Total Debt Service Commitment & Revenues	11.80	\$ 1,317,848	11.80	\$ 1,317,848	11.80	\$ 1,317,848	11.80	\$ 1,317,848
Annual Debt Service Requirements	\$ 1,201,831		\$ 1,198,531		\$ 1,192,656		\$ 1,201,656	
Debt Service Coverage Factor	1.10		1.10		1.10		1.10	

* 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)

	2019	2018	2017	2016
IH35 O&M Transmission Revenue	\$ 382,875	\$ 527,306	\$ 409,839	\$ 403,268
IH35 Debt Revenue	1,317,848	1,317,848	1,317,848	1,317,848
IH35 Interest Earnings	36,144	26,439	12,551	14,070
Total Revenue	\$ 1,736,867	\$ 1,871,593	\$ 1,740,238	\$ 1,735,186
IH35 Operating Expenses	\$ 310,334	\$ 273,522	\$ 247,391	\$ 247,819
IH35 Maintenance & Repair Expenses	57,561	52,905	46,108	69,296
IH 35 Administrative & General Expenses	14,238	9,473	9,795	10,752
Total Expenses	\$ 382,133	\$ 335,900	\$ 303,294	\$ 327,867
Net Revenue	\$ 1,354,734	\$ 1,535,693	\$ 1,436,944	\$ 1,407,319
Debt Service	\$ 1,201,831	\$ 1,198,531	\$ 1,192,656	\$ 1,201,656
Debt Service Coverage	1.127	1.281	1.205	1.171

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE H – CONTINUING DISCLOSURE REQUIREMENTS (CONTINUED)

7. CONTRACT REVENUE REFUNDING BONDS (SAN MARCOS WATER TREATMENT PLANT PROJECT), SERIES 2016

On July 20, 2016, GBRA authorized the issuance of Contract Revenue Refunding Bonds, Series 2016 (San Marcos Water Treatment Plant Project) in the amount of \$4,850,000. Proceeds from the sale of the Bonds were used to i) refund the City of San Marcos, Texas outstanding Waterworks and Waste Water System Revenue Bonds, Series 2006 and Taxable Series 2006A, ii) purchase a surety bond to fund the Series 2016 Account of the Reserve Fund provided by Assured Guaranty Municipal Corp., and iii) pay issuance on the Bonds. As a result of the refunding, GBRA reduced its total debt service requirements by \$1,371,317 and produced a net present value savings (economic gain) of \$1,031,267. The original proceeds from the Series 2006 and 2006AB bonds were used to expand the capacity of the existing water treatment plant located in San Marcos, Texas.

Moody's Investors Service, Inc. ("Moody's") assigned an underlying rating on the Bonds of "Aa3".

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 (i) the "Gross Contract Revenues," received by GBRA from various public and private entities pursuant to certain "Water Supply Agreements" related to the treatment of water at a water treatment plant located in San Marcos, Texas and (ii) the interest income from funds on deposit in the Revenue Fund, the Interest and Sinking Fund and the Reserve Fund.

CONTRACT REVENUE REFUNDING BONDS, SERIES 2016 (SMWTP)

	Fiscal Year Ended August 31									
	2019		2018		2017		2016		2015	
	MGD	Debt Payments	MGD	Debt Payments	MGD	Debt Payments	MGY	Debt Payments	MGY	Debt Payments
Debt Service Component of Gross Contract Revenues, Series 2011 and 2016										
From City of Buda, Texas	1.50	\$ 94,754	1.50	\$ 94,329	1.50	\$ 83,137	1.50	\$107,421	1.50	\$107,421
From City of Kyle, Texas	4.86	307,004	4.86	305,626	4.86	269,364	4.86	346,344	4.86	348,044
From GoForth Special Utility District ⁽¹⁾	3.46	213,445	2.46	154,842	2.46	136,470	2.46	176,332	2.46	176,332
From Sunfield Municipal Utilities District ⁽¹⁾	1.48	98,613	2.48	155,816	2.48	137,329	2.48	177,442	2.48	177,442
From Monarch Utilities	0.50	31,444	0.50	31,443	0.50	27,712	0.50	35,807	0.50	35,807
Total Debt Service Commitment & Revenues	11.80	\$745,260	11.80	\$742,056	11.80	\$654,012	11.80	\$843,346	11.80	\$845,046
Annual Debt Service Requirements										
City of San Marcos, Texas, Series 2006 and 2006A ⁽²⁾		\$ --		\$ --		\$ --		\$391,883		\$394,063
City of San Marcos, Texas, Series 2011 ⁽²⁾		450,863		450,623		451,823		451,463		450,983
GBRA Contract Revenue Refunding, Series 2016		267,881		264,681		127,614		--		--
Total Debt Service Requirements		\$718,744		\$715,304		\$579,437		\$843,346		\$845,046
GBRA Debt Service Coverage Factor		1.0		1.0		1.1		1.0		1.0

⁽¹⁾ Sunfield MUD's Purchase Commitment is being incrementally transferred to GoForth SUD.

⁽²⁾ Includes a 20% debt coverage factor

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE H – CONTINUING DISCLOSURE REQUIREMENTS (CONTINUED)

8. SUBORDINATE LIEN CONTRACT REVENUE REFUNDING BONDS (REGIONAL RAW WATER DELIVERY), SERIES 2017

On April 19, 2017, GBRA authorized the issuance of Subordinate Lien Contract Revenue Refunding Bonds, Series 2017 (Regional Raw Water Delivery System Expansion Project) in the amount of \$7,745,000. Proceeds from the sale of the Bonds were used to i) refund a portion of the Authority's outstanding obligations (Combination Contract Revenue, Subordinate Water Resources Division Revenue and Surplus Water Project Revenue Bonds, Series 2007A) which were issued to finance or refinance the Authority's "Raw Water Delivery System Expansion Project" for debt service savings, ii) purchase a surety bond to fund the Series 2017 Account of the Subordinate Lien Reserve Fund, and iii) pay the costs associated with the issuance of the Bonds. As a result of the refunding, GBRA reduced its total debt service requirements by \$2,049,534 and produced a net present value savings (economic gain) of \$1,418,630. The original proceeds from the Series 2007A and 2007B bonds were used to refund an outstanding loan and expanding the capacity of the existing Raw Water Delivery System from approximately 16 MGD to 25 MGD to a water treatment plant located in San Marcos, Texas.

Moody's Investors Service, Inc. ("Moody's") assigned an underlying rating on the Bonds of "Aa3".

The bonds constitute special obligations of GBRA that are equally and ratably payable from and secured by an irrevocable 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 "Raw Water Delivery System" which are subordinate to the first and prior lien on such Gross Contract Revenue that have been pledged to GBRA's "Senior Lien Bonds" [Combination Contract Revenue, Subordinate Water Resources Division Revenue, and Surplus Water Project Revenue Bonds, Taxable Series 2007B] that remain outstanding following the issuance of the Bonds. Gross Contract Revenue generally consists of the revenues derived by the Authority from the Participants which constitute the payment of principal and interest requirements and the "Operation and Maintenance Expenses" of the Raw Water Delivery System.

COMBINATION CONTRACT REVENUE REFUNDING BONDS, SERIES 2007A & 2007B (RRWDS)
 CONTRACT REVENUE REFUNDING BONDS, SERIES 2017 (RRWDS)

	Fiscal Year Ended August 31									
	2019		2018		2017		2016		2015	
Debt Service Component of Gross Contract Revenues	GPM	Debt Payments	GPM	Debt Payments	GPM	Debt Payments	GPM	Debt Payments	GPM	Debt Payments
From Canyon Regional Water Authority	1,390	\$ 138,847	1,390	\$ 138,847	1,390	\$ 146,339	1,390	\$ 147,020	1,390	\$ 147,020
From City of Buda, Texas	1,041	103,986	1,041	103,986	1,041	109,597	1,041	110,107	1,041	110,107
From City of Kyle, Texas	3,383	337,928	3,383	337,928	3,383	356,162	3,383	357,820	3,383	357,820
From GoForth Special Utility District *	2,401	234,098	1,707	170,518	1,707	179,719	1,707	180,555	990	109,230
From Sunfield Municipal Utilities District *	1,025	108,118	1,719	171,705	1,719	180,970	1,719	181,813	2,436	253,138
From Hays Energy, LLC	1,528	152,632	1,528	152,632	1,528	160,868	1,528	161,617	1,528	161,617
From Monarch	350	34,962	350	34,962	350	36,848	350	37,020	350	37,020
Total Debt Service Commitment & Revenues	11,118	\$ 1,110,571	11,118	\$ 1,110,578	11,118	\$ 1,170,503	11,118	\$ 1,175,952	11,118	\$ 1,175,952
Annual Debt Service Requirements										
Combination Contract Revenue, Series 2007A	\$	--	\$	--	\$	597,500	\$	596,750	\$	595,500
Combination Contract Revenue, Series 2007B		466,328		468,752		470,822		467,185		468,194
Contract Revenue Refunding, Series 2017		501,531		504,966		--		--		--
Total Debt Service Requirements	\$	967,859	\$	973,718	\$	1,068,322	\$	1,063,935	\$	1,063,694
Debt Service Coverage Factor		1.15		1.14		1.10		1.11		1.11

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

NOTE I - SUBSEQUENT EVENTS

On July 26, 2018 GBRA was awarded a multi-year financial assistance from Texas Water Development Board (TWDB) to ultimately total \$49,205,000 from the State Water Implementation Revenue Fund of Texas (SWIRFT) and \$116,650,000 in Board Participation funds. The first tranche of funding for the project was received during fiscal year 2019 in the amount of \$58,210,000. On November 14, 2019, Contract Revenue Bonds Series 2019 (low-interest) were issued for \$9,740,000 and \$30,260,000 were issued from the TWDB Master Agreement. The funding is related to the Carrizo Groundwater Supply Project, a development project that will generate 15,000 acre-feet per year of groundwater which will be distributed to various customers.

NOTE J – CONTINGENT LITIGATION

Following a failure of one of the spillgates at Lake Dunlap dam on May 14, 2019, GBRA became concerned about the safety of citizens should another failure occur at one of the other 90 year old dams/spillgates in the Guadalupe Valley hydroelectric system. With input from the Texas Parks & Wildlife Department, a plan was developed to dewater the remaining lakes (McQueeney, Placid, Meadow, and Gonzales) in order to eliminate the risk to public safety. In an effort to stop the dewatering plan, two lawsuits were filed against GBRA on September 5, 2019. The cases (Cause No. 19-CV-2053-CV, *Skonnord, et al., v Guadalupe-Blanco River Authority, et al.* and Cause No. 19-CV-2054-CV, *Williams, et al., v Guadalupe-Blanco River Authority and its Officers and Directors*) are pending in the 25th Judicial District Court of Guadalupe County, Texas. In addition to seeking a stop to dewatering the lakes, plaintiffs are alleging a "taking of property" though a decrease in property values arising from the dewatering of the lakes and a claim of "ultra vires" against individuals serving on the Board of Directors.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE J – CONTINGENT LITIGATION

All parties in both suits signed an Agreed Temporary Injunction which involved an investigation by an independent panel of experts to review safety issues before any dewatering was allowed. The results of the investigation were that the lake levels would not be lowered below normal operating levels for the pendency of the lawsuits, but certain areas were declared off-limits or restricted to limited uses for safety reasons.

Discovery in the case has begun and depositions will begin in the near term. A court date for the trial is set for October 5, 2020 to hear the remainder of arguments related to the claims of unconstitutional taking and other claims. Due to the infancy of the case, a contingency is not estimable. GBRA believes the allegations outlined in the lawsuits are without merit and will continue to contest the litigation.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE K - SEGMENT INFORMATION, INCLUDING INTERFUND RECEIVABLES/PAYABLES

GBRA is comprised of ten (10) divisions. 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, 2019 and 2018 are as follows:

AUGUST 31, 2019	Water Sales	Luling Water Plant	Western Canyon WTP	Carrizo Water	Total
REVENUES, EXPENSES AND CHANGES IN NET POSITION					
Operating Revenue	\$ 26,550,491	\$ 1,413,897	\$ 4,058,615	\$ 700,009	\$ 32,723,012
Operating Expenses	(14,199,050)	(946,972)	(3,180,565)	(345)	(18,326,932)
Depreciation and Amortization Exp	(3,521,351)	(125,345)	(217,613)	--	(3,864,309)
Operating Income	8,830,090	341,580	660,437	699,664	10,531,771
Nonoperating Revenue (Expenses)	(2,352,237)	(118,243)	(62,517)	69,814	(2,463,183)
Costs to be Recovered (Deferred Rev)	(1,136,606)	(112,153)	--	(700,000)	(1,948,759)
Change in Net Position	\$ 5,341,248	\$ 111,184	\$ 597,920	\$ 69,479	\$ 6,119,830
NET POSITION ACTIVITIES					
Current Assets	\$ 20,127,691	\$ 1,162,314	\$ 2,340,552	\$ 1,999,103	\$ 25,629,661
Capital Assets	135,967,240	4,440,382	4,937,807	41,505,619	186,851,048
Other Assets	10,435,227	--	1,067,571	24,101,159	35,603,956
Total Assets	\$ 166,530,158	\$ 5,602,696	\$ 8,345,930	\$ 67,605,881	\$ 248,084,665
Current Liabilities	\$ 8,987,598	\$ 374,771	\$ 365,430	\$ 2,741,614	\$ 12,469,413
Long Term Liabilities	96,175,924	3,429,258	3,898,693	61,210,000	164,713,875
Total Liabilities	105,163,522	3,804,029	4,264,123	63,951,614	177,183,288
Deferred Inflows of Resources	4,727,797	426,770	--	700,000	5,854,567
Net Investments in Capital Assets	29,074,429	765,928	1,039,114	(19,704,381)	11,175,091
Restricted	5,871,342	184,401	1,067,571	25,384,828	32,508,142
Unrestricted	21,693,068	421,568	1,975,122	(2,726,180)	21,363,578
Total Net Position	56,638,840	1,371,897	4,081,807	2,954,267	\$ 65,046,810
Total Liabilities, Deferred Inflows and Net Position	\$ 166,530,158	\$ 5,602,696	\$ 8,345,930	\$ 67,605,881	\$ 248,084,665
Revenue Bonds Payable	\$ 98,507,709	\$ 3,394,453	\$ 3,898,693	\$ 58,210,000	\$ 164,010,854
Loans Payable	2,270,913	--	--	--	2,270,913
CASH FLOW ACTIVITIES					
Cash Flows					
Operating Activities	\$ 14,405,501	\$ 339,065	\$ 951,936	\$ 2,281,265	\$ 17,977,768
Capital & Related Financing Activities	(17,210,504)	(245,226)	(2,261,625)	19,894,185	176,830
Noncapital Financing Activities	(4,367,359)	--	--	--	(4,367,359)
Investing Activities	15,838,705	(138,810)	63,546	443,246	16,206,687
	\$ 8,666,343	\$ (44,971)	\$ (1,246,143)	\$ 22,618,696	\$ 29,993,925
Current Cash and Cash Equivalents					
At Beginning of Year	9,501,487	781,333	2,006,600	--	12,289,420
At End of Year	16,622,342	731,626	2,301,536	700,742	20,356,246
Net Increase (Decrease)	\$ 7,120,855	\$ (49,707)	\$ 294,936	\$ 700,742	\$ 8,066,826
Restricted Cash and Cash Equivalents					
At Beginning of Year	4,632,846	179,665	2,608,650	3,466,873	10,888,034
At End of Year	6,178,334	184,401	1,067,571	25,384,828	32,815,133
Net Increase (Decrease)	1,545,488	4,736	(1,541,080)	21,917,955	21,927,099
	\$ 8,666,343	\$ (44,971)	\$ (1,246,143)	\$ 22,618,696	\$ 29,993,925

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2019 AND 2018

NOTE K - SEGMENT INFORMATION, INCLUDING INTERFUND RECEIVABLES/PAYABLES

AUGUST 31, 2018	Water Sales	Luling Water Plant	Western Canyon WTP	Carrizo Water	Total
REVENUES, EXPENSES AND CHANGES IN NET POSITION					
Operating Revenue	\$ 25,577,106	\$ 1,364,123	\$ 4,157,433	\$ --	\$ 31,098,662
Operating Expenses	(10,989,388)	(919,565)	(3,369,401)	(172,149)	(15,450,503)
Depreciation and Amortization Exp	(3,418,046)	(126,251)	(206,398)	--	(3,750,695)
Operating Income	11,169,672	318,307	581,634	(172,149)	11,897,464
Nonoperating Revenue (Expenses)	(3,431,720)	(126,957)	61,624	56,937	(3,440,116)
Costs to be Recovered (Deferred Rev)	(1,032,941)	(97,133)	(103,835)	--	(1,233,909)
Change in Net Position	\$ 6,705,012	\$ 94,217	\$ 539,423	\$ (115,212)	\$ 7,223,440
NET POSITION ACTIVITIES					
Current Assets	\$ 27,703,364	\$ 1,023,719	\$ 2,034,948	\$ --	\$ 30,762,031
Capital Assets	124,436,674	4,565,726	3,132,426	33,596,966	165,731,792
Other Assets	17,136,127	--	2,613,008	3,488,090	23,237,225
Total Assets	\$ 169,276,165	\$ 5,589,445	\$ 7,780,382	\$ 37,085,055	\$ 219,731,048
Current Liabilities	\$ 6,606,398	\$ 466,840	\$ 393,066	\$ 60,267	\$ 7,526,571
Long Term Liabilities	102,449,951	3,708,754	3,903,430	34,140,000	144,202,135
Total Liabilities	109,056,349	4,175,594	4,296,496	34,200,267	151,728,706
Deferred Inflows of Resources	3,591,191	153,138	--	--	3,744,329
Net Investments in Capital Assets	16,992,920	616,777	(876,004)	(543,034)	16,190,659
Restricted	12,919,699	179,666	2,608,650	3,488,090	19,196,105
Unrestricted	26,716,006	464,270	1,751,240	(60,267)	28,871,249
Total Net Position	56,628,625	1,260,713	3,483,886	2,884,789	\$ 64,258,013
Total Liabilities, Deferred Inflows and Net Position	\$ 169,276,165	\$ 5,589,445	\$ 7,780,382	\$ 37,085,056	\$ 219,731,048
Revenue Bonds Payable	\$ 104,293,778	\$ 3,498,949	\$ 4,008,430	\$ 31,140,000	\$ 142,941,157
Loans Payable	3,149,975	--	--	--	3,149,975
CASH FLOW ACTIVITIES					
Cash Flows					
Operating Activities	\$ 14,615,932	\$ 526,967	\$ 998,453	\$ (172,149)	\$ 15,969,203
Capital & Related Financing Activities	(11,748,040)	(400,932)	1,969,195	3,603,302	(6,576,475)
Noncapital Financing Activities	280,948	--	--	--	280,948
Investing Activities	1,445,185	520,404	66,545	35,720	2,067,854
	\$ 4,594,025	\$ 646,439	\$ 3,034,193	\$ 3,466,873	\$ 11,741,530
Current Cash and Cash Equivalents					
At Beginning of Year	5,414,856	306,842	\$ 1,581,057	\$ --	\$ 7,302,755
At End of Year	9,501,487	781,333	2,006,600	--	12,289,420
Net Increase (Decrease)	\$ 4,086,631	\$ 474,491	\$ 425,543	\$ --	\$ 4,986,665
Restricted Cash and Cash Equivalents					
At Beginning of Year	4,125,452	7,717	--	--	4,133,169
At End of Year	4,632,846	179,665	2,608,650	3,466,873	10,888,034
Net Increase (Decrease)	507,394	171,948	2,608,650	3,466,873	6,754,865
	\$ 4,594,025	\$ 646,439	\$ 3,034,193	\$ 3,466,873	\$ 11,741,530

Required Supplemental Information- Unaudited

GUADALUPE-BLANCO RIVER AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION-UNAUDITED
AUGUST 31, 2019

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

	Fiscal Year Ending				
	8/31/2019	8/31/2018	8/31/2017	8/31/2016	8/31/2015
1. Total Pension Liability					
a. Service cost	\$ 283,744	\$ 310,415	\$ 363,322	\$ 383,820	\$ 357,786
b. Interest	2,454,094	2,377,209	2,251,021	2,146,011	2,027,051
c. Changes of benefit provisions	(3,504,857)	0	0	0	0
d. Differences between expected and actual experience	0	135,472	502,207	552,928	0
e. Changes of assumptions	2,358,552	(177,119)	0	477,891	620,672
f. Benefit payments	<u>(1,644,165)</u>	<u>(1,397,727)</u>	<u>(1,124,173)</u>	<u>(841,560)</u>	<u>(698,521)</u>
g. Net Change	(52,632)	1,248,250	1,992,377	2,719,090	2,306,988
h. Beginning	<u>35,596,830</u>	<u>34,348,580</u>	<u>32,356,203</u>	<u>29,637,113</u>	<u>27,330,125³</u>
i. Ending	\$ 35,544,198	\$ 35,596,830	\$ 34,348,580	\$ 32,356,203	\$ 29,637,113
2. Plan Fiduciary Net Position					
a. Employer contributions	\$ 1,128,049	\$ 1,067,716	\$ 1,338,202	\$ 1,733,464	\$ 1,684,302
b. Participant contributions	0	0	0	0	0
c. Net investment income	(1,390,831)	4,336,286	650,186	(440,231)	486,549
d. Benefit payments	(1,644,165)	(1,397,727)	(1,124,173)	(841,560)	(698,521)
e. Administrative expenses	<u>0²</u>	<u>0²</u>	<u>0²</u>	<u>0²</u>	<u>0²</u>
f. Net Change	(1,906,947)	4,006,275	864,215	451,673	1,472,330
g. Beginning	<u>30,638,650</u>	<u>26,632,375</u>	<u>25,768,160</u>	<u>25,316,487</u>	<u>23,844,157</u>
h. Ending	\$ 28,731,703	\$ 30,638,650	\$ 26,632,375	\$ 25,768,160	\$ 25,316,487
3. Employer's Net Pension Liability [Item 1(i) – 2(h)]	\$ 6,812,495	\$ 4,958,180	\$ 7,716,205	\$ 6,588,043	\$ 4,320,626
4. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.8%	86.1%	77.5%	79.6%	85.4%
	\$ 5,826,719	\$ 6,279,213	\$ 7,096,581	\$ 7,565,168	\$ 7,423,408
5. Covered Payroll					
6. Employer's Net Pension Liability as a Percentage of Covered Payroll	116.9%	79.0%	108.7%	87.1%	58.2%

Notes to Schedule:

- ¹ Until a full 10-year trend is compiled, only available information is shown. The measurement date is the December 31 eight months prior to the fiscal year end.
- ² The plan pays only money management fees and bank custody fees. GBRA pays all administrative expenses.
- ³ Determined from the ending total pension liability based on the discount rate of 7.5% (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.

GUADALUPE-BLANCO RIVER AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION-UNAUDITED
AUGUST 31, 2019

B. Schedule of Employer Contributions for the Last 10 Fiscal Years¹

	Plan Year Ending 08/31/2019	Plan Year Ending 08/31/2018	Plan Year Ending 08/31/2017	Plan Year Ending 08/31/2016	Plan Year Ending 08/31/2015
1. Actuarially determined contribution (ADC)	\$ 1,128,049	\$ 1,067,716	\$ 1,038,202	\$ 1,033,464	\$ 984,302
2. Contributions in relation to the ADC	<u>1,128,049</u>	<u>1,067,716</u>	<u>1,338,202</u>	<u>1,733,464</u>	<u>1,684,302</u>
3. Contribution deficiency (excess)	\$ 0	\$ 0	\$ (300,000)	\$ (700,000)	\$ (700,000)
4. Covered payroll	\$ 5,486,201	\$ 6,140,314	\$ 6,510,996	\$ 6,979,424	\$ 6,780,348
5. Contributions as a percentage of covered payroll	20.6%	17.4%	20.6%	24.8%	24.8%

Notes to Schedule:

Actuarially determined contribution amount for the fiscal year ending August 31 was calculated in the January 1 actuarial valuation one year earlier. Methods and assumptions used to determine the actuarially determined contributions:

Actuarial cost method	Entry age
Amortization method	Level percent of payroll, open period
Recalculated amortization period	9, 9, 9, and 10 years, respectively, for years ending in 2018, 2017, 2016, and 2015
Asset valuation method	5-year smoothed market
Inflation	3%, 3%, 3.5%, and 3.75%, respectively, for years ending in 2018, 2017, 2016, and 2014
Salary increases	Inflation plus merit and promotion increases that vary by age and service
Investment rate of return	7%, 7%, 7.25%, and 7.50%, respectively, for years ending in 2018, 2017, 2016 and 2015
Retirement age	Rates that vary by age and service
Mortality	PubG-2010 total dataset tables for employees and for retirees, projected for mortality improvement generationally using the projection scale MP-2018.

¹ 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, 2019

	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.....	\$ 5,761,991	\$ 5,037,496	\$ 3,651,451	\$ 11,051,114	\$ 50,671
Investments-Unrestricted.....	1,002,725	998,600	--	10,581,723	--
Interest Receivable.....	14,139	9,965	2,521	81,420	--
Accounts Receivable-Operating.....	4,239	198,231	160,823	1,914,660	125,794
Current Portion of Loan Receivable.....	--	--	31,765	95,000	--
Other Current Assets.....	21,069	122,112	24,924	333,596	76,250
Total Current Assets.....	6,804,163	6,366,404	3,871,484	24,057,513	252,715
Restricted Assets					
Cash and Cash Equivalents.....	--	--	142,950	3,941,134	--
Investments.....	--	--	--	--	--
Interest Receivable.....	--	--	902	35,705	--
Total Restricted Assets.....	--	--	143,852	3,976,839	--
Total Current Assets.....	6,804,163	6,366,404	4,015,336	28,034,352	252,715
LONG-TERM ASSETS					
Restricted Assets					
Cash and Cash Equivalents.....	--	--	181,378	25,692,568	--
Investments.....	--	--	--	5,347,503	--
Total Restricted Assets.....	--	--	181,378	31,040,071	--
Capital Assets					
Land, Water and Storage Rights.....	1,035,561	2,248,822	228,369	67,503,155	41,424
Dams, Plants and Equipment.....	2,652,198	11,286,657	14,439,227	147,956,677	7,025,712
Construction In Progress.....	--	719,843	529,391	17,813,852	611,298
Less Accumulated Depreciation.....	(1,963,103)	(8,391,953)	(5,873,910)	(55,713,116)	(5,496,458)
Total Capital Assets.....	1,724,656	5,863,369	9,323,077	177,560,568	2,181,976
Other Assets					
Long-Term Loans Receivable.....	--	--	120,434	4,563,885	--
Permits and Licenses (Net of Amortization).....	--	--	--	--	--
Project Development Costs.....	--	--	41,707	9,033,586	--
Interfund Loans Receivable.....	6,395,604	--	--	--	--
Total Other Assets.....	6,395,604	--	162,141	13,597,471	--
Total Long-Term Assets.....	8,120,260	5,863,369	9,666,596	222,198,110	2,181,976
DEFERRED OUTFLOWS OF RESOURCES	5,029,156	--	--	--	--
Total Assets and Deferred Outflows	\$ 19,953,579	\$ 12,229,773	\$ 13,681,932	\$ 250,232,462	\$ 2,434,691
LIABILITIES, DEFERRED INFLOWS AND NET POSITION					
CURRENT LIABILITIES					
Payable from Unrestricted Assets					
Current Portion of Long-Term Loans Payable.....	\$ --	\$ --	\$ 9,067	\$ 297,972	\$ 56,416
Interest Payable.....	--	--	--	32,688	--
Accounts Payable-Operating.....	424,566	367,111	730,971	5,432,449	232,863
Total Current Unrestricted Liabilities.....	424,566	367,111	740,038	5,763,109	289,279
Payable from Restricted Assets					
Current Portion of Debt.....	--	--	115,000	4,990,000	--
Interest Payable.....	--	--	30,464	2,250,960	--
Total Current Restricted Liabilities.....	--	--	145,464	7,240,960	--
Total Current Liabilities.....	424,566	367,111	885,502	13,004,069	289,279
LONG-TERM LIABILITIES					
Long Term Payable.....	--	--	--	3,000,000	--
Revenue Bonds Payable.....	--	--	--	161,155,825	--
Long-Term Loans Payable.....	--	--	2,063,669	2,270,913	145,457
Interfund Loans Payable.....	--	4,138,187	1,649,799	68,929	523,689
	--	4,138,187	3,713,468	166,495,667	669,146
Less Current Portion.....	--	--	(124,067)	(5,287,972)	(56,416)
Total Bonds and Loans Payable.....	--	4,138,187	3,589,401	161,207,695	612,730
Advances for Operations.....	--	--	13,975	64,830	28,250
Net Pension Liability.....	6,812,495	--	--	--	--
Total Long-Term Liabilities.....	6,812,495	4,138,187	3,603,376	161,272,525	640,980
Total Liabilities.....	7,237,061	4,505,298	4,488,878	174,276,594	930,259
DEFERRED INFLOWS OF RESOURCES.....	93,887	--	--	5,427,797	380,427
NET POSITION					
Net Investments in Capital Assets.....	1,724,656	5,863,370	7,259,408	11,133,829	2,036,519
Restricted for Debt Service.....	--	--	142,950	3,941,134	--
Restricted for Reserves.....	--	--	181,378	1,508,935	--
Restricted for Construction.....	--	--	--	27,004,321	--
Restricted for Rate Stabilization.....	--	--	--	2,526,815	--
Unrestricted.....	10,897,975	1,861,105	1,609,318	24,413,037	(912,514)
Total Net Position.....	12,622,631	7,724,475	9,193,054	70,528,071	1,124,005
Total Liabilities, Deferred Inflows and Net Position.....	\$ 19,953,579	\$ 12,229,773	\$ 13,681,932	\$ 250,232,462	\$ 2,434,691

See accompanying independent auditors' report.

Calhoun County Rural Water Supply Division	Coleta Creek Division	Luling Water Treatment Plant Division	Canyon Hydroelectric Division	Lockhart Division	2019 Eliminations	2019 Total
\$ 695,289	\$ 130,178	\$ 731,626	\$ 171,901	\$ 362,825	\$ --	\$ 27,644,542
--	--	201,020	--	--	--	12,784,068
5,176	41	5,504	214	--	--	118,980
113,666	159,305	29,849	390,938	55,745	--	3,153,250
--	--	--	--	--	--	126,765
8,766	8,471	9,498	11,971	22,366	--	639,023
822,897	297,995	977,497	575,024	440,936	--	44,466,628
--	--	184,401	--	--	--	4,268,485
--	--	--	--	--	--	0
--	--	416	--	--	--	37,023
--	--	184,817	--	--	--	4,305,508
822,897	297,995	1,162,314	575,024	440,936	--	48,772,136
--	--	--	--	--	--	25,873,946
--	--	--	--	--	--	5,347,503
--	--	--	--	--	--	31,221,449
51,396	--	875,292	12,187	13,000	--	72,009,206
2,672,808	2,112,080	7,379,957	12,553,881	1,214,618	--	209,293,815
15,000	--	--	--	--	--	19,689,384
(1,945,070)	(1,764,587)	(3,814,867)	(8,372,023)	(804,477)	--	(94,139,564)
794,134	347,493	4,440,382	4,194,045	423,141	--	206,852,841
--	--	--	--	--	--	4,684,319
--	--	--	379,976	--	--	379,976
--	--	--	--	--	--	9,075,293
--	--	--	--	--	(6,395,604)	--
--	--	--	379,976	--	(6,395,604)	14,139,588
794,134	347,493	4,440,382	4,574,021	423,141	(6,395,604)	252,213,878
--	--	--	--	--	--	5,029,156
\$ 1,617,031	\$ 645,488	\$ 5,602,696	\$ 5,149,045	\$ 864,077	(6,395,604)	\$ 306,015,170
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 363,455
--	--	--	--	--	--	32,688
46,249	171,114	89,481	33,499	426,071	--	7,954,374
46,249	171,114	89,481	33,499	426,071	--	8,350,517
--	--	280,000	--	--	--	5,385,000
--	--	5,290	--	--	--	2,286,714
--	--	285,290	--	--	--	7,671,714
46,249	171,114	374,771	33,499	426,071	--	16,022,231
--	--	--	--	--	--	3,000,000
--	--	3,674,453	--	--	--	164,830,278
--	--	--	--	--	--	4,480,039
--	--	--	15,000	--	(6,395,604)	--
--	--	3,674,453	15,000	--	(6,395,604)	172,310,317
--	--	(280,000)	--	--	--	(5,748,455)
--	--	3,394,453	15,000	--	(6,395,604)	166,561,862
--	--	34,805	439,153	30,412	--	611,425
--	--	--	--	--	--	6,812,495
--	--	3,429,258	454,153	30,412	(6,395,604)	173,985,782
46,249	171,114	3,804,029	487,652	456,483	(6,395,604)	190,008,013
--	--	426,770	4,560,788	--	--	10,889,669
794,134	347,492	765,928	4,194,044	423,141	--	34,542,521
--	--	184,401	--	--	--	4,268,485
--	--	--	--	--	--	1,690,313
--	--	--	--	--	--	27,004,321
--	--	--	--	--	--	2,526,815
776,648	126,882	421,568	(4,093,439)	(15,547)	--	35,085,033
1,570,782	474,374	1,371,897	100,605	407,594	--	105,117,488
\$ 1,617,031	\$ 645,488	\$ 5,602,696	\$ 5,149,045	\$ 864,077	(6,395,604)	\$ 306,015,170

GUADALUPE-BLANCO RIVER AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

FISCAL YEAR ENDED AUGUST 31, 2019

	General Division	Guadalupe Valley Hydroelectric Division	Rural Utilities Division	Water Resource Division	Port Lavaca Water Treatment Plant Division
OPERATING REVENUE					
Power Sales.....	\$ --	\$ 3,457,476	\$ --	\$ --	\$ --
Water Sales, Capacity Charge, Pipeline Transmission and Reservoir Operations.....	--	--	--	33,811,446	1,516,231
Recreation and Land Use.....	--	--	--	122,360	--
Waste Water Treatment Services.....	--	--	3,755,797	2,369,399	--
Laboratory Services.....	--	--	--	855,348	--
Rental.....	12,560	12,459	--	200,991	--
Administrative and General.....	3,532,204	--	--	--	--
Miscellaneous.....	4,366	39,947	17,902	1,325,375	4,317
Total Operating Revenue.....	3,549,130	3,509,882	3,773,699	38,684,919	1,520,548
OPERATING EXPENSES					
Personnel Operating Costs.....	(907,053)	2,030,526	933,231	9,330,616	579,834
Operating Supplies and Services.....	1,284,906	414,867	874,343	11,064,111	635,182
Maintenance and Repairs.....	103,853	1,337,107	286,612	1,764,531	109,225
Administrative and General.....	--	478,419	218,416	2,171,759	135,009
Depreciation and Amortization	117,007	213,776	481,614	3,793,707	201,544
Total Operating Expenses	598,713	4,474,695	2,794,216	28,124,724	1,660,794
Operating Income (Loss).....	2,950,417	(964,813)	979,483	10,560,195	(140,246)
NONOPERATING REVENUES (EXPENSES)					
Grant Income.....	--	--	--	632,641	--
Investment Income.....	153,851	73,017	50,661	1,295,159	(11)
Gain (Loss) on Disposal of Capital Assets.....	(428)	5,715	2,224	40,457	--
Debt Issuance Expense.....	--	--	--	(366,908)	--
Interest Expense.....	--	--	(66,804)	(3,912,870)	(7,098)
Total Nonoperating Revenues (Expenses).....	153,423	78,732	(13,919)	(2,311,521)	(7,109)
Income (Loss) Before Recognition of Deferrals.....	3,103,840	(886,081)	965,564	8,248,674	(147,355)
Costs (Revenue) to be Recognized in Future Years	--	--	--	(1,836,606)	95,173
Change in Net Position.....	3,103,840	(886,081)	965,564	6,412,068	(52,182)
Net Position at September 1, 2018.....	9,518,791	3,610,556	8,227,490	69,116,003	1,176,187
Equity Transfer.....		5,000,000			
Equity Transfer.....				(5,000,000)	
Net Position at August 31, 2019	\$ 12,622,631	\$ 7,724,475	\$ 9,193,054	\$ 70,528,071	\$ 1,124,005

Calhoun County Rural Water Supply Division	Coleta Creek Division	Luling Water Treatment Plant Division	Canyon Hydroelectric Division	Lockhart Division	Eliminations	Total
\$ --	\$ --	\$ --	\$ 437,750	\$ --	\$ --	\$ 3,895,226
1,254,230	894,128	1,413,451	--	591,558	(875,192)	38,605,852
--	679,241	--	--	--	--	801,601
56,850	--	--	--	1,127,909	--	7,309,955
--	--	--	--	--	(320,460)	534,888
--	118,827	--	--	--	(176,530)	168,307
--	--	--	--	--	(3,532,204)	--
16,592	6,142	446	325	220	--	1,415,632
1,327,672	1,698,338	1,413,897	438,075	1,719,687	(4,904,386)	52,731,461
481,640	1,044,636	452,777	199,881	572,763	--	14,718,851
472,489	246,830	332,197	71,234	709,307	(1,372,182)	14,733,284
140,762	80,692	58,118	117,397	304,886	--	4,303,183
112,297	129,668	103,880	49,563	133,193	(3,532,204)	--
77,998	38,776	125,345	244,340	54,242	--	5,348,349
1,285,186	1,540,602	1,072,317	682,415	1,774,391	(4,904,386)	39,103,667
42,486	157,736	341,580	(244,340)	(54,704)	--	13,627,794
--	--	--	--	--	--	632,641
7,644	763	13,569	--	--	--	1,594,653
6,671	4,820	--	--	463	--	59,922
--	--	--	--	--	--	(366,908)
--	--	(131,812)	--	--	--	(4,118,584)
14,315	5,583	(118,243)	--	463	--	(2,198,276)
56,801	163,319	223,337	(244,340)	(54,241)	--	11,429,518
--	--	(112,153)	244,336	--	--	(1,609,250)
56,801	163,319	111,184	(4)	(54,241)	--	9,820,268
1,513,981	311,055	1,260,713	100,609	461,835	--	95,297,220
						5,000,000
						(5,000,000)
\$ 1,570,782	\$ 474,374	\$ 1,371,897	\$ 100,605	\$ 407,594	\$ --	\$ 105,117,488

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

FISCAL YEAR ENDED AUGUST 31, 2019

	General Division	Guadalupe Valley Hydroelectric Division	Rural Utilities Division	Water Resource Division
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers.....	\$ --	\$ 3,475,623	\$ 3,813,388	\$ 38,151,946
Cash Received from Interfund Administrative Charges.....	3,532,204	--	--	--
Cash Paid for Personnel Operating Costs.....	(1,476,236)	(2,030,526)	(933,231)	(9,330,616)
Cash Paid for Other Operating and Maintenance Costs.....	(1,243,651)	(1,620,212)	(767,046)	(8,772,252)
Cash Paid for Interfund Administrative Charges.....	--	(478,419)	(218,416)	(2,171,759)
Net Cash Flows From (Used by) Operating Activities.....	812,317	(653,534)	1,894,695	17,877,319
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund Operating Loans Received.....	--	--	--	--
Interfund Operating Loans Made.....	--	--	--	--
Principal Payments Made on Interfund Operating Loans.....	--	(299,070)	(650,000)	--
Principal Payments Received on Interfund Operating Loans.....	949,070	--	--	--
Equity Transfers Received.....	--	--	--	--
Equity Transfers Made.....	--	5,000,000	--	(5,000,000)
Cash Received from Grants.....	--	--	--	632,641
Net Cash Flows From (Used by) Noncapital Financing Activities.....	949,070	4,700,930	(650,000)	(4,367,359)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from Advances from Customers, Developers, and Other Governmental Units.....	--	--	--	--
Proceeds from Revenue and Loans for Capital Assets and Plant Expansions.....	--	--	--	58,210,000
Purchase of Capital Assets.....	(203,199)	(36,211)	(37,645)	(2,130,648)
Disposal of Capital Assets.....	2,487	5,715	2,224	40,457
Cash Paid for Construction in Progress.....	--	(443,937)	(529,391)	(14,991,152)
Cash Paid for Project Development.....	--	--	(5,235)	(1,581,776)
Cash Paid for Debt Issuance Expense.....	--	--	--	(366,908)
Interest Paid.....	--	--	(71,410)	(3,387,105)
Principal Payments on Revenue Bonds.....	--	--	--	(35,955,000)
Principal Payments on Loans.....	--	--	(133,639)	(879,062)
Net Cash Flows Used by Capital and Related Financing Activities.....	(200,712)	(474,433)	(775,096)	(1,041,194)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash Received from Investments.....	1,550,000	1,200,000	2,055,905	16,050,000
Investment Income Received.....	148,704	69,527	61,026	1,280,468
Cash Paid for Investments.....	(631,119)	(15,308)	--	(9,263,187)
Net Cash Flows From (Used by) Investing Activities.....	1,067,585	1,254,219	2,116,931	8,067,281
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	\$ 2,628,260	\$ 4,827,182	\$ 2,586,530	\$ 20,536,047
UNRESTRICTED CASH AND CASH EQUIVALENTS:				
At Beginning of Year.....	3,133,731	210,314	940,603	12,604,954
At End of Year.....	5,761,991	5,037,496	3,651,451	11,051,114
Net Increase (Decrease).....	2,628,260	4,827,182	2,710,848	(1,553,840)
RESTRICTED CASH AND CASH EQUIVALENTS:				
At Beginning of Year.....	--	--	448,646	7,543,815
At End of Year.....	--	--	324,328	29,633,702
Net Increase (Decrease).....	--	--	(124,318)	22,089,887
TOTAL CASH AND CASH EQUIVALENTS:				
At Beginning of Year.....	3,133,731	210,314	1,389,249	20,148,769
At End of Year.....	5,761,991	5,037,496	3,975,779	40,684,816
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	\$ 2,628,260	\$ 4,827,182	\$ 2,586,530	\$ 20,536,047
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS				
FROM OPERATING ACTIVITIES:				
Operating Income (Loss).....	\$ 2,950,417	\$ (964,813)	\$ 979,483	\$ 10,560,195
Adjustments to Reconcile Operating Income to Net Cash Flows				
From Operating Activities:				
Depreciation and Amortization.....	117,007	213,776	481,614	3,793,707
Actuarially Determined Net Pension Expense.....	(2,383,289)	--	--	--
Net Change in Assets and Liabilities From Operating Activities:				
Operating Accounts Receivable.....	(4,195)	(34,259)	39,689	(532,973)
Other Current Assets.....	(7,131)	(9,249)	(3,414)	(80,959)
Operating Accounts Payable.....	139,508	141,011	397,323	4,137,349
Total Adjustments.....	(2,138,100)	311,279	915,212	7,317,124
NET CASH FLOWS FROM OPERATING ACTIVITIES.....	\$ 812,317	\$ (653,534)	\$ 1,894,695	\$ 17,877,319
NON-CASH TRANSACTIONS SCHEDULE				

1. During fiscal year 2019 and 2018, an adjustment of \$201,934 and (\$199,886) respectively, was made to decrease investments to fair value.

2. Cash advance payments for capital assets are recorded as deferred inflows as of FY 2019 year end.

See accompanying independent auditors' report.

Port Lavaca Water Treatment Plant Division	Calhoun County Rural Water Supply Division	Coleta Creek Division	Luling Water Treatment Plant Division	Canyon Hydroelectric Division	Lockhart Division	Eliminations	Total
\$ 1,521,754	\$ 1,319,305	\$ 1,539,625	\$ 1,384,048	\$ 214,818	\$ 1,693,806	\$ (1,372,182)	\$ 51,742,131
--	--	--	--	--	--	(3,532,204)	--
(579,834)	(481,640)	(1,044,636)	(452,777)	(199,881)	(572,763)	--	(17,102,140)
(666,340)	(615,278)	(312,531)	(488,326)	(31,798)	(756,882)	1,372,182	(13,902,134)
(135,009)	(112,297)	(129,668)	(103,880)	(49,563)	(133,193)	3,532,204	--
140,571	110,090	52,790	339,065	(66,424)	230,968	--	20,737,857
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	949,070	--
--	--	--	--	--	--	(949,070)	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	632,641
--	--	--	--	--	--	--	632,641
--	--	--	161,479	--	--	--	161,479
--	--	--	--	--	--	--	58,210,000
--	--	(90,284)	--	--	--	--	(2,497,987)
--	6,671	4,820	--	--	463	--	62,837
(29,986)	(15,000)	--	--	--	--	--	(16,009,466)
--	--	--	--	--	--	--	(1,587,011)
--	--	--	--	--	--	--	(366,908)
(7,099)	--	--	(131,705)	--	--	--	(3,597,319)
--	--	--	(275,000)	--	--	--	(36,230,000)
(54,190)	--	--	--	--	--	--	(1,066,891)
(91,275)	(8,329)	(85,464)	(245,226)	--	463	--	(2,921,266)
--	--	--	--	--	--	--	20,855,905
--	7,604	763	12,754	6	114	--	1,580,966
--	--	--	(151,564)	--	--	--	(10,061,178)
--	7,604	763	(138,810)	6	114	--	12,375,693
\$ 49,296	\$ 109,365	\$ (31,911)	\$ (44,971)	\$ (66,418)	\$ 231,545	\$ --	\$ 30,824,925
1,375	585,924	162,089	781,333	134,129	131,280	--	18,685,732
50,671	695,289	130,178	731,626	171,901	362,825	--	27,644,542
49,296	109,365	(31,911)	(49,707)	37,772	231,545	--	8,958,810
--	--	--	179,665	104,190	--	--	8,276,316
--	--	--	184,401	--	--	--	30,142,431
--	--	--	4,736	(104,190)	--	--	21,866,115
1,375	585,924	162,089	960,998	238,319	131,280	--	26,962,048
50,671	695,289	130,178	916,027	171,901	362,825	--	57,786,973
\$ 49,296	\$ 109,365	\$ (31,911)	\$ (44,971)	\$ (66,418)	\$ 231,545	\$ --	\$ 30,824,925
\$ (140,246)	\$ 42,486	\$ 157,736	\$ 341,580	\$ (244,340)	\$ (54,704)	\$ --	\$ 13,627,794
201,544	77,998	38,776	125,345	244,340	54,242	--	5,348,349
--	--	--	--	--	--	--	(2,383,289)
1,206	(8,367)	(158,713)	(29,849)	(223,257)	(25,881)	--	(976,599)
(8,417)	(1,951)	1,614	(1,338)	(1,558)	(3,696)	--	(116,099)
86,484	(76)	13,377	(96,673)	158,391	261,007	--	5,237,701
280,817	67,604	(104,946)	(2,515)	177,916	285,672	--	7,110,063
\$ 140,571	\$ 110,090	\$ 52,790	\$ 339,065	\$ (66,424)	\$ 230,968	\$ --	\$ 20,737,857

GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES

**REGIONS BANK, DUNLAP WASTEWATER TREATMENT PLANT
EXPANSION & COLLECTION SYSTEM LOAN**

YR END AUG 31	TAX-EXEMPT LOAN		
	PRINCIPAL	INTEREST	TOTAL
2020	\$ 115,000	\$ 64,546	\$ 179,546
2021	115,000	60,708	175,708
2022	120,000	56,780	176,780
2023	125,000	52,689	177,689
2024	130,000	48,430	178,430
2025	135,000	44,005	179,005
2026	140,000	39,412	179,412
2027	145,000	34,653	179,653
2028	145,000	29,810	174,810
2029	150,000	24,883	174,883
2030	160,000	19,706	179,706
2031	165,000	14,279	179,279
2032	170,000	8,684	178,684
2033	175,000	2,923	177,923
	<u>\$ 1,990,000</u>	<u>\$ 501,508</u>	<u>\$ 2,491,508</u>

U.S. GOVERNMENT LOAN, CANYON DAM AND RESERVOIR

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
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>\$ 1,961,265</u>	<u>\$ 200,965</u>	<u>\$ 2,162,230</u>

WELLS FARGO LOAN EQUIPMENT PURCHASE AMORTIZATION SCHEDULE

YR END AUG 31	DUNLAP EMERGENCY GENERATOR			WATER SALES BELT PRESS & TRUCK			TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2020	\$ 9,067	\$ 2,422	\$ 11,489	\$ 38,114	\$ 48,297	\$ 48,297	\$ 59,786
2021	9,384	2,105	11,489	39,448	48,294	48,294	59,783
2022	9,713	1,776	11,489	40,830	48,294	48,294	59,783
2023	10,054	1,435	11,489	42,260	48,293	48,293	59,782
2024	10,406	1,083	11,489	43,739	48,290	48,290	59,779
2025	10,771	718	11,489	45,272	48,291	48,291	59,780
2026	11,148	341	11,489	46,856	48,287	48,287	59,776
2027	3,126	28	3,154	13,129	13,245	13,245	16,399
	<u>\$ 73,669</u>	<u>\$ 9,908</u>	<u>\$ 83,577</u>	<u>\$ 309,648</u>	<u>\$ 351,291</u>	<u>\$ 351,291</u>	<u>\$ 434,868</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	
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>\$ 4,245,000</u>	<u>\$ 1,092,583</u>	<u>\$ 5,337,583</u>	<u>\$ 2,070,000</u>	<u>\$ 402,401</u>	<u>\$ 2,472,401</u>	<u>\$ 7,809,984</u>

**GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012
MID-BASIN PROJECT**

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
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>\$ 2,840,000</u>	<u>\$ 284,288</u>	<u>\$ 3,124,288</u>

**GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2015
IWPP PROJECTS, SWIRF FUNDS**

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2020	\$ --	\$ --	\$ --
2021	--	--	--
2022	--	--	--
2023	--	--	--
2024	145,000	58,295	203,295
2025	145,000	55,267	200,267
2026	150,000	52,080	202,080
2027	155,000	48,404	203,404
2028	160,000	44,294	204,294
2029	160,000	39,789	199,789
2030	165,000	35,096	200,096
2031	170,000	30,075	200,075
2032	180,000	24,747	204,747
2033	185,000	18,969	203,969
2034	190,000	12,916	202,916
2035	195,000	6,591	201,591
	<u>\$ 2,000,000</u>	<u>\$ 426,523</u>	<u>\$ 2,426,523</u>

**GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES**

**GENERAL CONTRACT REVENUE BONDS AND TWDB MASTER AGREEMENT
CARRIZO GROUNDWATER PROJECT**

YR END	SERIES 2018A			SERIES 2018B			SERIES 2018M *			TOTAL
AUG 31	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	TOTAL
2020	\$ --	\$ --	\$ --	\$ --	\$ 359,262	\$ 359,262	\$ --	\$ --	\$ --	\$ 359,262
2021	--	--	--	--	359,262	359,262	--	144,637	144,637	503,899
2022	--	--	--	--	359,262	359,262	--	289,274	289,274	648,536
2023	--	--	--	320,000	359,262	679,262	--	361,593	361,593	1,040,855
2024	265,000	506,714	771,714	335,000	353,214	688,214	--	506,230	506,230	1,966,158
2025	330,000	444,026	774,026	340,000	346,580	686,580	--	687,026	687,026	2,147,632
2026	335,000	435,678	770,678	345,000	339,508	684,508	--	903,982	903,982	2,359,168
2027	350,000	426,800	776,800	350,000	331,988	681,988	--	1,120,937	1,120,937	2,579,725
2028	350,000	417,174	767,174	365,000	324,078	689,078	--	1,337,892	1,337,892	2,794,144
2029	370,000	407,340	777,340	365,000	315,646	680,646	--	1,446,370	1,446,370	2,904,356
2030	375,000	396,314	771,314	375,000	306,704	681,704	--	1,446,370	1,446,370	2,899,388
2031	385,000	384,426	769,426	390,000	296,954	686,954	--	2,071,408	2,071,408	3,527,788
2032	395,000	371,528	766,528	395,000	286,228	681,228	--	2,696,446	2,696,446	4,144,202
2033	410,000	357,664	767,664	405,000	274,852	679,852	--	2,696,446	2,696,446	4,143,962
2034	425,000	342,864	767,864	420,000	262,824	682,824	--	2,696,446	2,696,446	4,147,134
2035	445,000	327,180	772,180	430,000	250,098	680,098	--	2,696,446	2,696,446	4,148,724
2036	455,000	310,448	765,448	445,000	236,810	681,810	--	2,696,446	2,696,446	4,143,704
2037	475,000	293,068	768,068	460,000	222,838	682,838	--	2,696,446	2,696,446	4,147,352
2038	490,000	274,732	764,732	475,000	208,256	683,256	--	2,071,408	2,071,408	3,519,396
2039	515,000	255,132	770,132	490,000	192,628	682,628	1,695,000	1,446,370	3,141,370	4,594,130
2040	530,000	234,790	764,790	505,000	176,752	681,752	1,760,000	1,379,416	3,139,416	4,585,958
2041	555,000	213,856	768,856	520,000	160,390	680,390	1,835,000	1,309,896	3,144,896	4,594,142
2042	575,000	191,932	766,932	535,000	143,542	678,542	1,915,000	1,237,414	3,152,414	4,597,888
2043	600,000	169,220	769,220	560,000	126,208	686,208	1,985,000	1,161,772	3,146,772	4,602,200
2044	625,000	145,520	770,520	575,000	108,064	683,064	2,070,000	1,083,364	3,153,364	4,606,948
2045	650,000	118,770	768,770	595,000	87,824	682,824	2,150,000	994,768	3,144,768	4,596,362
2046	680,000	90,950	770,950	615,000	66,880	681,880	2,245,000	902,748	3,147,748	4,600,578
2047	705,000	61,846	766,846	630,000	45,232	675,232	2,345,000	806,662	3,151,662	4,593,740
2048	740,000	31,672	771,672	655,000	23,056	678,056	2,440,000	706,296	3,146,296	4,596,024
2049							2,540,000	601,864	3,141,864	3,141,864
2050							2,655,000	492,898	3,147,898	3,147,898
2051							2,760,000	377,140	3,137,140	3,137,140
2052							2,880,000	256,804	3,136,804	3,136,804
2053							3,010,000	131,236	3,141,236	3,141,236
	<u>\$ 12,030,000</u>	<u>\$ 7,209,644</u>	<u>\$ 19,239,644</u>	<u>\$ 11,895,000</u>	<u>\$ 6,924,202</u>	<u>\$ 18,819,202</u>	<u>\$ 34,285,000</u>	<u>\$ 41,454,451</u>	<u>\$ 75,739,451</u>	<u>\$ 113,798,297</u>

* The Master Agreement with the Texas Water Development Board includes capitalized interest for FY2020-FY2028 with repayment of the deferrals beginning 8/15/2031 through 2/15/2038.

GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES

**CONTRACT REVENUE BONDS, SERIES 2007B &
CONTRACT REVENUE REFUNDING BONDS, SERIES 2017
RRWDS PROJECT**

YR END AUG 31	SERIES 2007B			SERIES 2017			TOTAL
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2020	\$ 120,000	\$ 348,551	\$ 468,551	\$ 250,000	\$ 251,631	\$ 501,631	\$ 970,182
2021	130,000	340,067	470,067	260,000	244,131	504,131	974,198
2022	135,000	330,876	465,876	270,000	236,331	506,331	972,207
2023	145,000	321,332	466,332	275,000	228,231	503,231	969,563
2024	155,000	311,080	466,080	290,000	217,231	507,231	973,311
2025	170,000	300,122	470,122	295,000	205,631	500,631	970,753
2026	180,000	288,103	468,103	310,000	193,831	503,831	971,934
2027	195,000	275,377	470,377	320,000	181,431	501,431	971,808
2028	205,000	261,590	466,590	330,000	168,631	498,631	965,221
2029	220,000	247,097	467,097	350,000	155,431	505,431	972,528
2030	235,000	231,543	466,543	360,000	141,431	501,431	967,974
2031	255,000	214,928	469,928	375,000	127,031	502,031	971,959
2032	270,000	196,900	466,900	395,000	112,031	507,031	973,931
2033	290,000	177,811	467,811	410,000	96,231	506,231	974,042
2034	310,000	157,308	467,308	420,000	83,931	503,931	971,239
2035	335,000	135,391	470,391	435,000	71,331	506,331	976,722
2036	355,000	111,706	466,706	445,000	58,281	503,281	969,987
2037	380,000	86,608	466,608	460,000	44,375	504,375	970,983
2038	410,000	59,742	469,742	470,000	30,000	500,000	969,742
2039	435,000	30,755	465,755	490,000	15,313	505,313	971,068
	<u>\$ 4,930,000</u>	<u>\$ 4,426,887</u>	<u>\$ 9,356,887</u>	<u>\$ 7,210,000</u>	<u>\$ 2,862,465</u>	<u>\$ 10,072,465</u>	<u>\$ 19,429,352</u>

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

YR END AUG 31	SERIES 2010		
	PRINCIPAL	INTEREST	TOTAL
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>\$ 2,825,000</u>	<u>\$ 228,401</u>	<u>\$ 3,053,401</u>

* The principal and related interest due on September 1, 2019 (FY2020) were paid in fiscal year ending August 31, 2019.

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
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>\$ 15,570,000</u>	<u>\$ 5,987,439</u>	<u>\$ 21,557,439</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	
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>\$ 42,925,000</u>	<u>\$ 17,670,550</u>	<u>\$ 60,595,550</u>	<u>\$ 5,190,000</u>	<u>\$ 1,925,425</u>	<u>\$ 7,115,425</u>	<u>\$ 67,710,975</u>

GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES

CONTRACT REVENUE BONDS, SERIES 2017
WESTERN CANYON REGIONAL WATER SUPPLY PROJECT

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2020	\$ 105,000	\$ 132,100	\$ 237,100
2021	110,000	128,950	238,950
2022	110,000	125,650	235,650
2023	115,000	122,350	237,350
2024	120,000	118,900	238,900
2025	130,000	114,100	244,100
2026	135,000	108,900	243,900
2027	140,000	103,500	243,500
2028	140,000	97,900	237,900
2029	145,000	92,300	237,300
2030	155,000	86,500	241,500
2031	160,000	80,300	240,300
2032	165,000	73,900	238,900
2033	170,000	67,300	237,300
2034	460,000	60,500	520,500
2035	470,000	46,700	516,700
2036	485,000	32,013	517,013
2037	500,000	16,250	516,250
	<u>\$ 3,815,000</u>	<u>\$ 1,608,113</u>	<u>\$ 5,423,113</u>

FROST NATIONAL BANK, PORT LAVACA WTP CLEARWELL

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2020	\$ 56,416	\$ 4,872	\$ 61,288
2021	58,760	2,528	61,288
2022	30,279	362	30,641
	<u>\$ 145,455</u>	<u>\$ 7,762</u>	<u>\$ 153,217</u>

TREATED WATER DELIVERY SYSTEM CONTRACT
REVENUE REFUNDING BONDS, SERIES 2014
CITY OF LOCKHART PROJECT (LULING-TO-LOCKHART PIPELINE)

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
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>\$ 3,680,000</u>	<u>\$ 741,751</u>	<u>\$ 4,421,751</u>

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.

	<u>Page</u>
Financial Trends Information	
<i>These schedules contain trend information to help the reader understand how GBRA's financial performance and well-being have changed over time.</i>	
Net Position by Component.....	81
Schedule of Changes in Net Position.....	82
Schedules of Operating Revenues by Source, Operating Expenses, and Nonoperating Revenue and Expenses.....	83
Revenue Capacity	
<i>These schedules contain information to help the reader assess GBRA's most significant revenue sources and types of operating systems.</i>	
Principal Customers.....	84
Operations.....	85
Debt Capacity	
<i>These schedules present information to help the reader assess and understand GBRA's debt burden.</i>	
Debt by Type.....	86
Third Party Debt.....	87
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which GBRA's financial activities take place.</i>	
District Demographics.....	88-89
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in GBRA's financial report relates to the services GBRA provides and the activities it performs.</i>	
Employees by Division.....	90
Operating Statistics.....	92-93
Capital Assets Additions.....	94

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

	Fiscal Year				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Primary government					
Net investment in capital assets	\$ 34,542,521	\$ 41,767,797	\$ 39,900,766	\$ 45,212,346	\$ 43,492,246
Restricted	35,489,934	15,307,919	9,450,962	8,546,152	8,100,743
Unrestricted	<u>35,085,033</u>	<u>38,221,504</u>	<u>40,016,677</u>	<u>26,498,994</u>	<u>22,926,275</u>
Total primary government net position	<u>\$ 105,117,488</u>	<u>\$ 95,297,220</u>	<u>\$ 89,368,405</u>	<u>\$ 80,257,492</u>	<u>\$ 74,519,264</u>

	Fiscal Year				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Primary government					
Net investment in capital assets	\$ 41,302,982	\$ 36,423,496	\$ 35,853,611	\$ 40,790,810	\$ 43,235,437
Restricted	8,047,563	4,787,708	5,995,312	5,386,547	6,521,324
Unrestricted	<u>27,977,413</u>	<u>30,776,556</u>	<u>25,315,195</u>	<u>18,914,321</u>	<u>15,143,773</u>
Total primary government net positon	<u>\$ 77,327,958</u>	<u>\$ 71,987,760</u>	<u>\$ 67,164,118</u>	<u>\$ 65,091,678</u>	<u>\$ 64,900,534</u>

Guadalupe Blanco River Authority
Changes in Net Position-Unaudited
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 Position</u>
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)
2016	50,215,953	40,744,118	9,471,835	(2,481,361)	6,990,474	-	(1,252,246)	-	5,738,228
2017	51,726,865	41,456,872	10,269,993	(547,476)	9,722,517	-	(611,604)	-	9,110,913
2018	50,161,345	39,773,315	10,388,030	(3,670,618)	6,717,412	-	(788,597)	-	5,928,815
2019	52,731,461	39,103,667	13,627,794	(2,198,276)	11,429,518	-	(1,609,250)	-	9,820,268

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-Unaudited
Last Ten Fiscal Years**

Year	Power Sales	Water Sales and Lake Operations	Rental, Recreation and Land Use	Waste Water Treatment Services	Laboratory Services	Miscellaneous	Total
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
2016	3,980,284	36,351,390	1,064,728	4,481,509	965,329	3,372,713	50,215,953
2017	3,868,917	37,980,929	1,032,079	4,441,652	1,006,168	3,397,120	51,726,865
2018	2,710,600	38,716,993	1,031,296	5,585,201	528,184	1,589,071	50,161,345
2019	3,895,226	38,605,852	969,908	7,309,955	534,888	1,415,632	52,731,461

**Operating Expenses-Unaudited
Last Ten Fiscal Years**

Year	Personnel Operating Costs	Operating Supplies and Services	Maintenance and Repairs	Depreciation and Amortization	Special Items (a)	Total
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
2016	14,335,153	17,397,816	3,393,746	5,617,403	-	40,744,118
2017	15,785,404	16,821,406	3,317,475	5,532,587	-	41,456,872
2018	16,000,220	13,939,447	4,522,725	5,310,923	-	39,773,315
2019	14,718,851	14,733,284	4,303,183	5,348,349	-	39,103,667

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

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

Year	Interest Expense	Investment Income	Grants	Gain (Loss) on Disposal of Capital Assets	Debt Issuance Cost	Total
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)
2016	(4,387,175)	365,520	1,531,700	8,594		(2,481,361)
2017	(4,381,843)	222,968	3,539,362	72,037		(547,476)
2018	(4,465,634)	456,107	511,058	-	(172,149)	(3,670,618)
2019	(4,118,584)	1,594,653	632,641	59,922	(366,908)	(2,198,276)

List of Principal Customers

Guadalupe Valley Electric Cooperative New Braunfels Utilities Coleto Creek Park Customers Lake Wood Recreational Park Customers Nolte Island Park Customers Laboratory Customers Calhoun County Rice Farmers	Boerne ISD Voss Middle School City of Buda City of Bulverde City of Lockhart City of Schertz Cordillera Ranch North Hays County MUD #1 Sunfield Municipal Utility District #4 Johnson Ranch Municipal Utility District Comal County WCID #6
POWER SALES & OTHER SERVICES	WASTEWATER TREATMENT CUSTOMERS
WATER SALES CUSTOMERS	WATER TREATMENT 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 Coleto 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	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 Kendall West Utilities Port O'Connor Improvement 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	Price Per Acre-Foot (1)	Effective Date
\$38.75	10/1/1980	\$88.00	10/1/2004	125.00	10/1/2012
44.76	10/1/1985	92.00	10/1/2005	130.00	10/1/2014
53.03	10/1/1990	96.00	10/1/2006	135.00	10/1/2015
61.00	10/1/1997	100.00	10/1/2007	142.00	10/1/2016
69.00	10/1/2000	105.00	10/1/2008	145.00	10/1/2017
80.00	10/1/2002	110.00	10/1/2010	147.00	10/1/2018
84.00	11/1/2003	114.00	10/1/2011	151.00	10/1/2019

(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 in other GBRA operations include an annual rate adoption by the GBRA Board where the customer pays for some type of service based on a unit of measure at the applicable rate. 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 following table 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
4S Ranch Wastewater Treatment Plant	Comal County WCID #6	Comal
Park Village Wastewater Treatment Plant	Comal County WCID #6	Comal
Singing Hills Wastewater Treatment Plant	City of Bulverde	Comal
Buda Wastewater Treatment Plant	City of Buda	Hays
Boerne ISD Voss Middle School Wastewater Treatment	Boerne ISD	Kendall
Port Lavaca Water Treatment Plant	City of Port Lavaca	Calhoun
Coleto Creek Reservoir	Coleto 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
Water Sales System	Communities, industries, farmers	Entire River Basin
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
Coleto Creek Recreation	Recreational Customers	Victoria/Goliad

Guadalupe Blanco River Authority
Debt By Type-Unaudited
Last Ten Fiscal Years

Year	Net Obligations Payable Directly By GBRA		Net Obligations Payable From Revenue Contracts (a)		Total Net Obligations
	Bonds	Loans	Bonds	Loans	
2010	\$ 3,500,000	\$ 9,981,619	\$ 129,899,199	\$ 378,910	\$ 143,759,728
2011	10,122,346	9,362,340	124,789,055	370,115	144,643,856
2012	14,108,088	11,337,160	119,930,725	360,998	145,736,971
2013	13,453,831	10,583,254	117,364,922	351,463	141,753,470
2014	12,784,574	7,682,733	111,208,494	341,534	132,017,335
2015	12,095,316	6,962,889	106,160,734	331,195	125,550,134
2016	13,391,059	5,752,929	100,974,255	301,662	120,419,905
2017	12,671,801	5,790,910	100,969,477	251,687	119,683,875
2018	43,077,544	5,347,283	100,313,613	199,647	148,938,087
2019	11,173,286	4,334,582	153,656,992	145,457	169,310,318

(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.

In FY 2019, Net Obligations Payable from Revenue Contracts were as follows:

		Customer Revenue Contract
RRWDS Combination Contract Revenue Bonds Series 2007	\$ 4,925,137	Cities of Kyle & Buda, GoForth SUD,
RRWDS Combination Contract Revenue Refunding Bonds Series 2017	7,487,946	Sunfield MUD, Monarch Util,
Contract Revenue Refunding Bonds Series 2016-San Marcos Plant	4,665,000	Hays Energy LP, Canyon Reg Water Authority
RRWDS Combination Revenue Refunding Bonds, San Marcos Series 2010	2,825,000	City of San Marcos
IH 35 Proj Combination Contract Revenue Bonds, Series 2013	15,490,278	Cities of Kyle & Buda, GoForth SUD,
		Monarch Util, Sunfield MUD
Western Canyon Regional WS Project Revenue Bonds, Series 2013 A&B	52,480,485	San Antonio Water System, Cities of Boerne
		& Fair Oaks, Canyon Lake Water Supply Co.,
		Kendall West, Lerin MUD, DH Investments,
		Bremer Ranch, Couser Ranch,
		Retail Operations: Cordillera, Comal Trace,
		Johnson Ranch
Western Canyon Contract Revenue Bonds Series 2017	3,898,693	San Antonio Water System, Cities of Boerne
		& Fair Oaks, Canyon Lake Water Supply Co.,
		Kendall West, Lerin MUD, DH Investments,
		Bremer Ranch, Couser Ranch,
		Retail Operations: Cordillera, Comal Trace,
		Johnson Ranch
Frost National Bank-Clearwell	145,457	Port O'Connor MUD, Calhoun Co Rural Water
Treated Water Delivery System Contract Revenue Refund. Bonds, Series 2014	3,674,453	City of Lockhart
TWDB Carrizo Ground Water, Series 2018A	12,030,000	NB Utilities, City of Lockhart, GoForth SUD
TWDB Carrizo Ground Water, Series 2018B	11,895,000	NB Utilities, City of Lockhart, GoForth SUD
TWDB Carrizo Ground Water, Series 2018M	34,285,000	NB Utilities, City of Lockhart, GoForth SUD
Total Net Obligations Payable from Revenue Contracts	\$ 153,802,449	

Note 1. All balances for bonds and loans outstanding are shown prior to defeasance and accretion of Interest.

Note 2. GBRA has no taxation authority, therefore relating the Authority's debt to personal income or population is not applicable. Further, certain of GBRA's customers are industrial or non-municipal users such that relating the Authority's debt to personal income or population is not applicable.

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

**Pollution Control and
Industrial Development Bonds**

Year	
2010	\$ 40,890,000
2011	40,890,000
2012	40,890,000
2013	40,890,000
2014	40,890,000
2015	40,890,000
2016	40,890,000
2017	-
2018	-
2019	-

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.

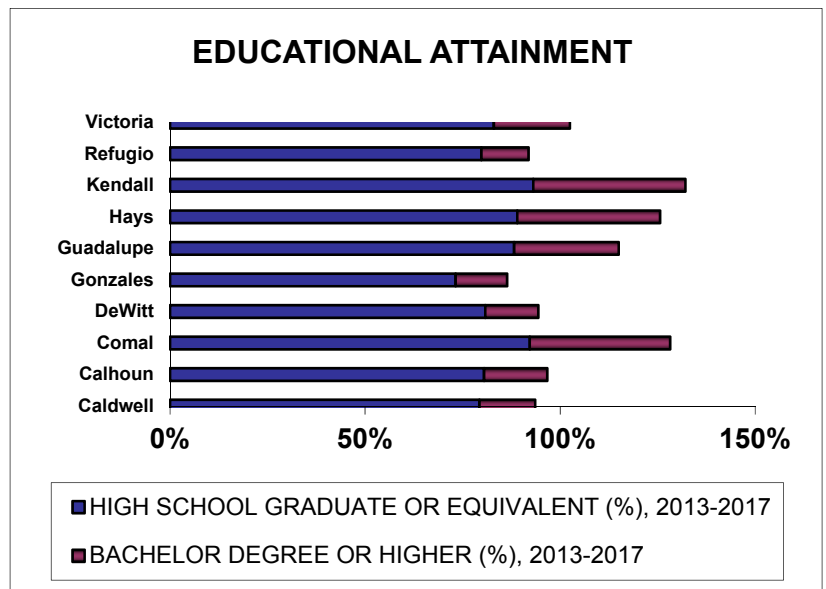
GBRA District Demographics

GBRA provides a variety of services to rural water corporations, electric cooperatives, industries and individuals within this ten-county district. GBRA's operations serve both retail and wholesale customers in an array of services including water sales and distribution, water treatment, wastewater treatment, hydroelectric generation, laboratory analysis and recreation opportunities.

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.

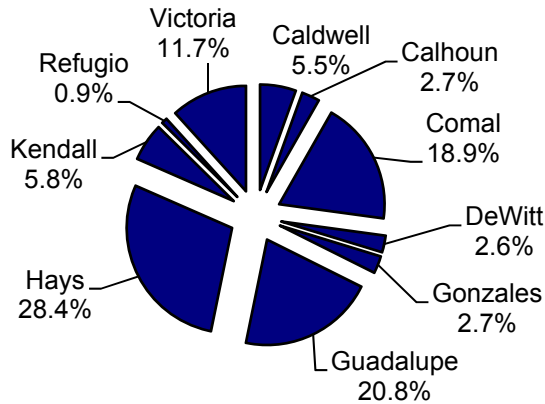
This diversity allows the local economy to be among the State's growth leaders and outpace the national economy as well as weather the effects of any global economic problems better than other areas may. The local economy is also being spurred by tremendous population growth along the I-35 Corridor and for a period of time, 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	79%	14%
Calhoun	81%	16%
Comal	92%	36%
DeWitt	81%	14%
Gonzales	73%	13%
Guadalupe	88%	27%
Hays	89%	37%
Kendall	93%	39%
Refugio	80%	12%
Victoria	83%	20%



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

DISTRICT POPULATION BY COUNTY



SOURCE: U.S. Census Bureau, Estimate 2018

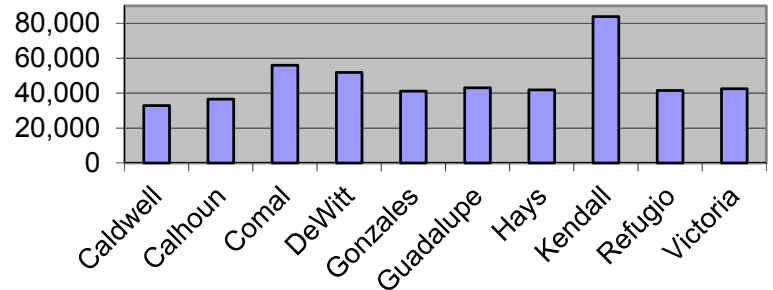
COUNTY POPULATION

COUNTY	POPULATION
Hays	222,631
Guadalupe	163,694
Comal	148,373
Victoria	92,035
Kendall	45,641
Caldwell	43,247
Calhoun	21,561
Gonzales	20,826
DeWitt	20,187
Refugio	7,032

COUNTY PER CAPITA INCOME

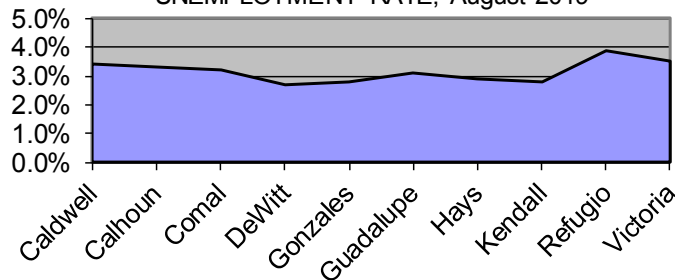
COUNTY	PER CAPITA INCOME
Kendall	83,808
Comal	55,965
Hays	41,902
Guadalupe	43,019
Victoria	42,484
DeWitt	51,896
Calhoun	36,587
Refugio	41,496
Gonzales	41,154
Caldwell	32,889

PER CAPITA INCOME (\$), 2017



SOURCE: Bureau of Economic Analysis, Estimate 2017

UNEMPLOYMENT RATE, August 2019



SOURCE: US Dept. of Labor, Bureau of Labor Statistics as of August 2019

UNEMPLOYMENT

COUNTY	RATE
Comal	3.2%
Caldwell	3.4%
Guadalupe	3.1%
Calhoun	3.3%
Victoria	3.5%
Hays	2.9%
Kendall	2.8%
Gonzales	2.8%
DeWitt	2.7%
Refugio	3.9%
Texas	3.4%
U.S.	3.7%

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

Division	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General	40	41	39	40	39.5	39	35	38.5	34	36
Guadalupe Valley Electric	25	25	26	26	26	26	24	24	23	24
Rural Utilities	7	7	7	7	7	7	7	7.5	7.5	10
Water Resources	48	49	49	49.5	51.5	55.5	50	50.5	57	61.5
Western Canyon	9	9	9	9	9	10	9	10	11	13
Port Lavaca WTP	8	8	8	8	8	8	8	8	8	8
Calhoun County RWSS	4	4	4	4	5	5	4	5	5	5
Victoria Regional WWRS	19	9	-	-	-	-	-	-	-	-
Coleto Creek Park and Reservoir	16	16	16	16	16	16	14.5	14.5	14	13
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	7	7	7	7
Total	194	186	176	177.5	180	184.5	165.5	172	173.5	184.5

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 2009	FY 2010	FY 2011
Water Treatment Customers:			
Total Water Distributed (Gal.)			
Calhoun County Rural Water Supply Division	87,252,000	71,381,000	91,070,000
Total Water Treated (Gal.)			
Lockhart Water Treatment System	554,970,000	542,137,000	613,240,000
Luling Water Treatment Plant Division	677,043,000	634,399,000	675,179,000
Port Lavaca Water Treatment Plant Division	739,501,000	630,210,000	752,918,000
San Marcos Water Treatment Plant System	2,773,635,000	2,685,046,000	3,209,012,000
Western Canyon Water Treatment Plant System	3,669,842,000	3,722,663,000	3,446,937,000
Wastewater Treatment Customers:			
Total Wastewater Treated (Gal.)			
Buda Wastewater Treatment Plant	273,300,000	339,800,000	331,430,000
Crestview Subdivision Wastewater Treatment Plant	2,184,018	3,059,616	2,291,900
Lockhart Wastewater Reclamation System	380,250,000	465,830,000	429,580,000
Rural Utilities Division	168,400,000	239,600,000	195,800,000
Victoria Regional Wastewater Reclamation Division	2,209,000,000	2,579,000,000	819,000,000
Village of Wimberley Wastewater Treatment Plant	4,720,000	3,246,000	4,930,000
North Hays County MUD #1	35,980,000	41,010,000	38,160,000
Sunfield Subdivision Wastewater Treatment	--	2,560,000	9,970,000
Cordillera Ranch	--	6,062,900	8,291,800
Johnson Ranch	--	--	--
4S Ranch			
Park Village Ventana			
Bulverde Singing Hills			
Water Sales Customers:			
Rice Irrigation (Acres)			
Calhoun Canal System	2,153	2,177	2,249
Water Delivered (Gal.)			
Guadalupe Power Partners	1,146,655,000	998,991,000	900,513,000
Regional Raw Water Delivery System	2,908,782,000	3,280,168,000	3,336,852,000
Power Sales & Other Services:			
Total Generation (kWh)			
Guadalupe Valley Hydroelectric Division	25,726,200	71,633,300	42,126,000
Canyon Hydroelectric Division	2,415,841	17,716,632	7,566,158
Annual Permits			
Lake Wood Recreation Area	9	18	19
Coleto Creek Regional Park	252	254	259
Camping Permits			
Lake Wood Recreation Area	2,995	3,204	4,266
Coleto Creek Regional Park	12,941	12,393	13,133
Camping Cabins			
Coleto Creek Regional Park	725	717	766
Day Use Permits			
Lake Wood Recreation Area	2,739	2,776	2,588
Coleto Creek Regional Park	15,139	14,465	16,331

FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
92,377,000	81,818,000	75,749,000	72,753,000	81,715,000	79,187,000	83,300,000	86,693,565
579,122,000	548,963,000	537,896,000	522,285,000	544,955,000	546,343,000	575,461,000	526,173,000
664,541,000	684,728,000	630,906,000	638,074,000	654,244,000	668,198,000	676,748,000	617,172,000
721,578,000	666,194,000	617,275,000	715,451,000	693,981,000	626,247,000	680,921,000	636,943,000
3,324,085,000	3,449,001,000	3,643,600,000	3,619,286,000	3,627,098,000	3,261,793,000	4,173,404,000	3,830,390,000
3,640,904,000	3,663,286,000	3,587,600,000	3,302,315,000	3,641,065,000	3,737,741,000	3,664,963,000	3,651,168,000
376,050,000	363,970,000	479,600,000	426,560,000	435,200,000	412,900,000	394,200,000	428,560,000
2,709,621	2,085,000	1,719,866	3,306,682	2,041,000	2,150,000	2,562,794	3,709,000
453,960,000	395,550,000	413,360,000	483,600,000	491,710,000	451,010,000	399,400,000	366,470,000
186,300,000	186,300,000	199,500,000	239,900,000	229,200,000	190,500,000	181,400,000	209,700,000
--	--	--	--	--	--	--	--
1,750,000	--	--	--	--	--	--	--
43,000,000	46,700,000	54,790,000	56,050,000	65,760,000	64,880,000	61,690,000	71,250,000
19,020,000	23,210,000	43,610,000	41,670,000	36,710,000	44,800,000	54,750,000	83,980,000
92,090	9,445,400	11,630,500	13,896,200	14,048,600	15,410,000	15,206,800	18,040,000
--	--	--	--	5,509,500	9,788,400	14,125,400	19,860,000
							--
							--
							15,190,000
1,917	2,306	1,532	--	1,074	--	291	--
498,819,000	680,145,000	816,222,100	1,224,248,900	1,239,957,000	1,029,213,000	1,152,533,000	1,014,987,000
4,093,251,000	4,281,180,000	4,295,695,000	4,525,209,000	4,803,160,000	4,032,457,000	5,190,054,000	5,032,365,000
31,405,400	23,444,900	18,469,500	37,271,300	68,045,400	63,024,500	28,993,400	62,320,000
--	--	1,599	4,256,771	22,657,028	17,949,565	180,453	15,770,000
27	30	23	10	5	3	1	3
309	320	290	273	285	265	252	241
4,914	5,403	4,932	4,031	2,214	3,140	2,114	2,263
14,368	14,983	14,697	13,136	14,514	13,850	14,962	13,609
985	1,072	1,009	923	990	623	532	391
2,851	3,080	3,855	3,746	2,697	2,064	1,605	1,745
17,503	18,377	16,825	17,455	18,417	17,607	16,547	15,065

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

		Guadalupe			Port Lavaca	Calhoun	Victoria		Luling			
		Valley	Rural	Water	Water	County	Regional		Water	Canyon		
	General	Hydro	Utilities	Resource	Treatment	Rural Water	Wastewater	Coleto	Treatment	Hydro	Lockhart	Total
Year	Division	Division	Division	Division	Division	Division	Division	Division	Division	Division	Division	
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
2016	97,078	76,635	84,285	706,609	5,599	37,225	-	12,991	-	-	13,781	1,034,202
2017	66,672	10,986	1,289,040	993,366	15,279	8,020	-	43,772	8,299	-	-	2,435,433
2018	270,162	-	194,917	35,628,157	-	174,590	-	30,863	-	-	-	36,298,688
2019	318,552	36,211	37,645	2,319,635	61,643	-	-	28,640	-	-	-	2,802,327

Schedule of Capital Asset Additions by Classification-Unaudited
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Land, Water, & Storage Rights	\$ -	\$ 7,000,000	\$ 90,058	\$ 151,757	\$ -	\$ -	\$ -	\$ -	\$ 35,102,458	\$ 1,499,631
Structures & Improve	1,005,294	3,749,160	242,832	2,993,788	71,179	312,900	82,073	1,183,949	223,214	25,707
Specialized Equip	63,522	41,246	4,777	42,542	29,452	5,206	70,054	59,289	-	125,299
Auto & Heavy Equip	205,812	229,186	190,060	312,585	261,102	337,541	335,544	591,189	327,553	607,262
Office Furniture & Equip	23,902	89,353	29,423	58,612	69,113	26,184	26,672	44,949	79,520	357,462
Miscellaneous Equip	326,797	171,895	188,165	246,919	227,867	711,840	519,859	556,056	565,943	186,966
Total	\$ 1,625,327	\$ 11,280,840	\$ 745,315	\$ 3,806,203	\$ 658,713	\$ 1,393,671	\$ 1,034,202	\$ 2,435,432	\$ 36,298,688	\$ 2,802,327

Independent Auditor's Report In Accordance With Government Auditing Standards

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*

Independent Auditors' Report

To the Board of Directors
Guadalupe-Blanco River Authority

We have audited, 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, the financial statements of Guadalupe-Blanco River Authority as of and for the year ended August 31, 2019, and have issued our report thereon dated November 25, 2019.

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 opinion 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 controls 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 the financial statements of Guadalupe-Blanco River Authority's financial statements are free of 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.

Baker Tilly Virchow Krause, LLP

Austin, Texas
November 25, 2019



GUADALUPE-BLANCO RIVER AUTHORITY

PRINCIPAL OFFICES AND BUSINESS LOCATIONS

GENERAL OFFICE

General Division
Canyon Hydroelectric Division
GBRA Laboratory
Rural Utilities Division
Water Resources Division
933 E. Court St.
Seguin, TX 78155
Tel: (830) 379-5822 or (800) 413-5822
Fax: (830) 379-9718
Website: www.gbra.org

BUDA WASTEWATER RECLAMATION PLANT

P.O. Box 216
Buda, TX 78610
Tel: (512) 312-0526
Fax: (512-295-1207)

COLETO CREEK DIVISION

P. O. Box 68
Fannin, TX 77960
Tel: (361) 575-6366
Fax: (361) 575-2267

LAKE WOOD RECREATION AREA

Route 2, Box 158-A
Gonzales, TX 78629
Tel: (830) 672-2779
Fax: (830) 672-2779

LOCKHART WASTEWATER RECLAMATION DIVISION

4435 FM 20 East
Lockhart, TX 78644
Tel: (512) 398-6391
Fax: (512) 398-2036

LOCKHART WATER TREATMENT PLANT

547 Old McMahan Road
Lockhart, TX 78644
Tel: (512) 398-3528

LULING WATER TREATMENT PLANT

350 Memorial Drive
Luling, TX 78648
Tel: (830) 875-2132
Fax: (830) 875-3670

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

SAN MARCOS WATER TREATMENT PLANT

91 Old Bastrop Road
San Marcos, TX 78666
Tel: (512) 353-3888
Fax: (512) 353-3127

WESTERN CANYON REGIONAL TREATED WATER PLANT

4775 S. Cranes Mill Road
Canyon Lake, TX 78132
Tel: (830) 885-2639
Fax: (830) 885-2564

Settled water travels from the clarifiers to filters during the purification process at the San Marcos Water Treatment Plant.





Larremore Wastewater Treatment Plant can treat up to 1.1 million gallons of wastewater per day, and serves the city of Lockhart, TX.



933 E. Court St. • Seguin, Texas 78155
800-413-4130
gbra.org