



GUADALUPE-BLANCO RIVER AUTHORITY • TEXAS

Comprehensive Annual Financial Report

FISCAL YEARS ENDED AUGUST 31, 2020 AND 2019



Luling Water Treatment Plant



Aerial view of the Luling Water Treatment Plant. Surface water from the San Marcos River is treated here and delivered to the cities of Luling and Lockhart for distribution. The plant was constructed in 1978 and has a treatment capacity of 2.5 million gallons per day (MGD).



GUADALUPE-BLANCO RIVER AUTHORITY
TEXAS

Comprehensive Annual Financial Report

FISCAL YEARS ENDED AUGUST 31, 2020 AND 2019

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.....	9
Financial Letter to the Board of Directors	10-17

FINANCIAL SECTION

Independent Auditor's Report	18-21
Management Discussion and Analysis	23-30
Statements of Net Position	33
Statements of Revenue, Expenses and Changes in Net Position	32
Statements of Cash Flows	33
Notes to Financial Statements	34-64
Required Supplemental Information	
Defined Benefit Pension Plan and Texas County and District Retirement System Schedule of Changes in Employer's Net Pension Liability and Employee Contributions	66-69
Other Supplementary Schedules	
Combining Schedule of Net Position	72-73
Combining Schedule of Revenue, Expenses and Changes in Net Position	74-75
Combining Schedule of Cash Flows	76-77
Bond Amortization Schedules	78-85

STATISTICAL SECTION

Index and Explanation	88
Schedule of Net Position by Component	89
Schedule of Changes in Net Position	90
Schedule of Operating Revenues by Source	91
Schedule of Operating Expenses	91
Schedule of Non-operating Revenue and Expenses	91
Schedule of Principal Customers	92
Schedule of Operating Systems	93
Schedule of Debt by Type	94
Schedule of Third Party Debt	95
Demographics	96-97
Schedule of Employees by Division	98
Schedule of Operating Statistics	100-101
Schedule of Capital Asset Additions by Division	102

INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Report on Compliance and Internal Controls	104-105
Principal Offices and Business Locations/Publication Details	106

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEARS ENDED AUGUST 31, 2020 AND 2019



Two hundred horsepower membrane feed pumps (foreground) pressure water through the membrane filters at the Western Canyon Water Treatment Plant. The membrane filters (background) are low-pressure filters and only require between 10-40 psi to filter the water.



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, 2020 AND 2019

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

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

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

Senior Advisor to the General Manager

David Harris

Executive Manager of Operations

Charles M. Hickman, P.E.

Executive Manager of Engineering

Randy Staats

Executive Manager of Finance/Chief Financial Officer

Vanessa Z. Guerrero

Executive Manager of Administration

George "Tom" Bohl, J.D.

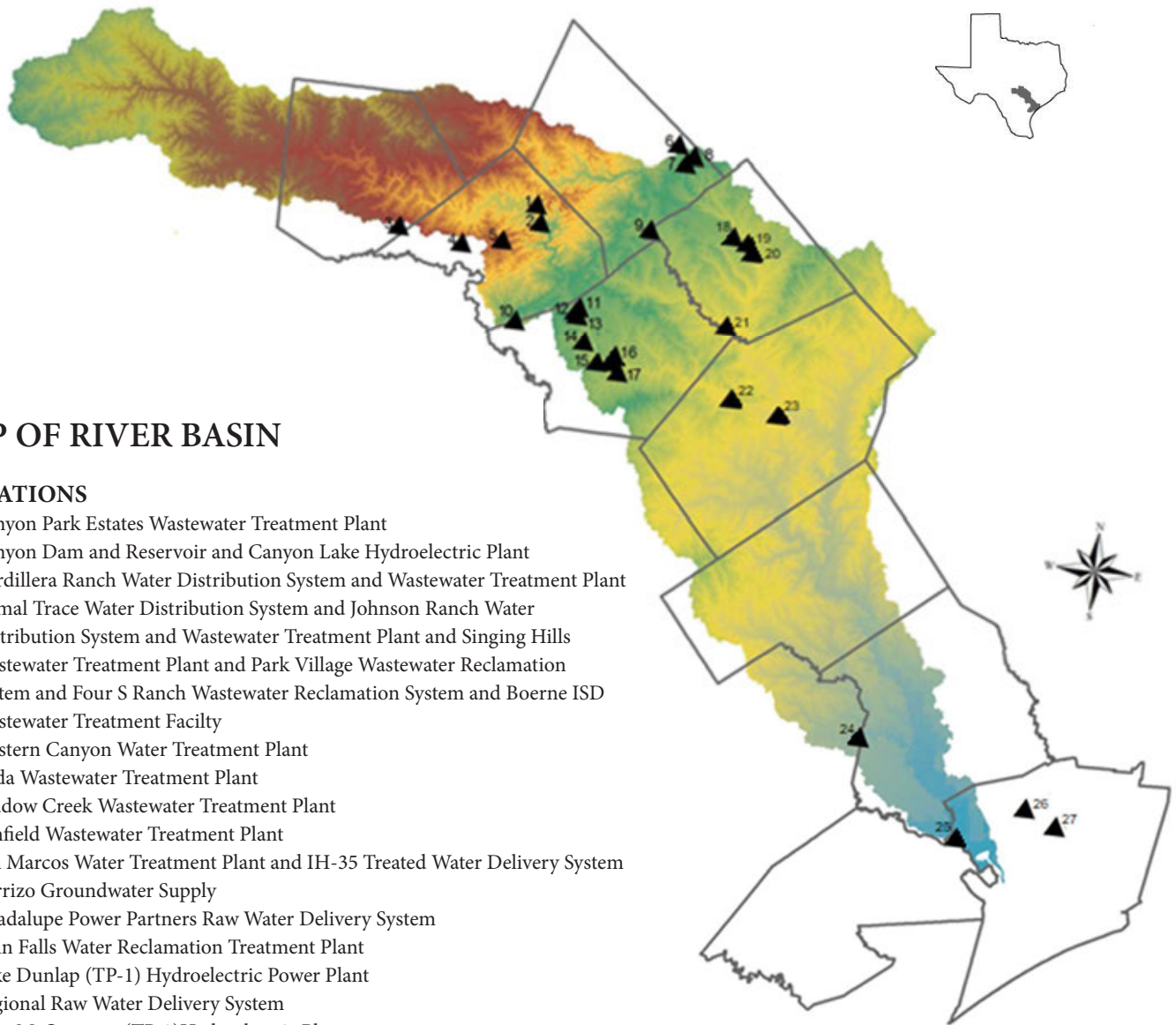
General Counsel

Nathan E. Pence

*Executive Manager of Environmental Science
and Community Affairs*



GUADALUPE-BLANCO RIVER AUTHORITY



MAP OF RIVER 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 and Boerne ISD Wastewater Treatment Facility
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 Carrizo Groundwater Supply
10. Guadalupe Power Partners Raw Water Delivery System
11. Stein Falls Water Reclamation Treatment Plant
12. Lake Dunlap (TP-1) Hydroelectric Power Plant
13. Regional Raw Water Delivery System
14. Lake McQueeney (TP-3) Hydroelectric Plant
15. Lake Placid (TP-4) Hydroelectric Plant
16. GBRA Main Office, Regional Laboratory and Board Room
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

Legend

GBRA Counties

Guadalupe River Basin

735 foot elevation

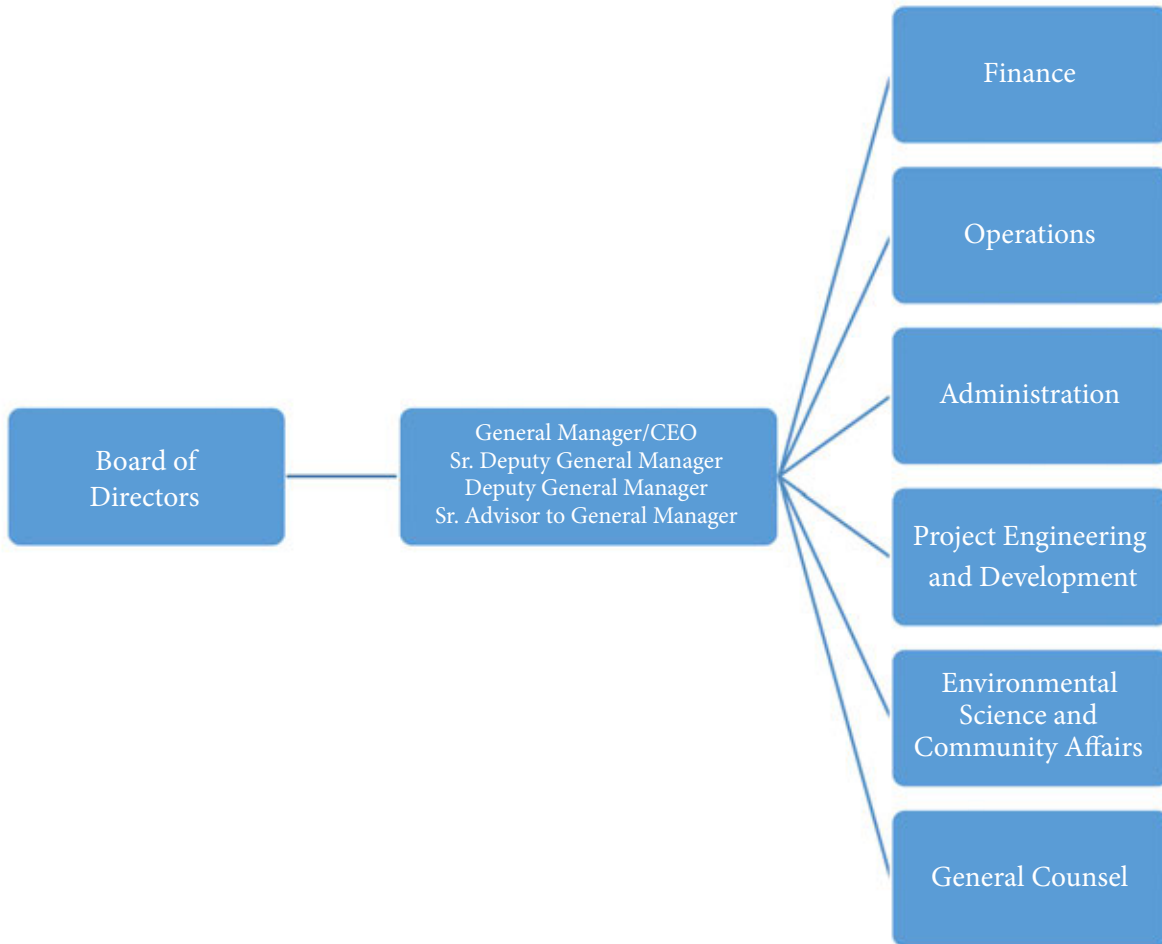
419 foot elevation

-.65 foot below sea level

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEARS ENDED AUGUST 31, 2020 AND 2019

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, 2019

Christopher P. Morrill

Executive Director/CEO



December 16, 2020

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

The Comprehensive Annual Financial Report (CAFR) of the Guadalupe-Blanco River Authority (GBRA) for the fiscal year ended August 31, 2020, 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 understandable source of information related to GBRA's financial activities for fiscal year 2020. 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 87 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. As a result, GBRA holds a Texas Commission on Environmental Quality permit for 90,000 acre-feet of water per year from Canyon Reservoir. Combined with other run of the river surface water rights and groundwater permits, GBRA has access to over 300,000 acre-feet of water for 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* consists of six low-head hydroelectric plants in Guadalupe and Gonzales counties capable of producing 16 megawatts. Two of these plants are currently not operating as a result of failed spillgates in 2016 and 2019. 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 three wastewater treatment plants in Hays and Guadalupe counties. These 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 three wastewater plants include Stein Falls, Shadow Creek, and Sunfield.

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 Canyon Park, 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 wholesale treated water to the City of Port Lavaca and Port O'Connor Improvement District as well as treated water to retail customers of the Calhoun County Rural Water Supply System. The division, which commenced operation in 1970, 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 customers.

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 13 miles southwest of Victoria 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 utilizes user fees to operate and maintain recreation facilities that provide grounds for camping 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 six megawatts, is able to provide ancillary hydroelectric generation 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. With a population approaching 29 million, Texas is the second most populous state in the U.S. and continues to outpace the rest of the nation in terms of population growth. A United States Census Bureau report noted that from 2010 to 2019, Texas' population increased by 3.8 million, or 15.3%. 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, solid transportation infrastructure, and affordable housing, Texas is an attractive state to do business. In its 2020 edition of Best States to Do Business, CNBC ranked Texas number one.

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. According to a 2018 edition of the Federal Reserve Bank of Dallas's publication Southwest Economy, if Texas were a country, it would rank as the 18th largest economy in the world based on adjusted gross domestic product.

However, in the spring of 2020, Texas, along with the rest of the world, entered into an economic downturn as a result of the spread of COVID-19. While the federal government responded with legislation including the Paycheck Protection Program, and the Federal Reserve dropped the Federal Funds Rate to 0-0.25%, the economy has continued to lag behind pre-pandemic levels. The impact has been widespread and reached all segments of the business environment. Some of the hardest hit areas include the restaurant & entertainment industry, travel & tourism and oil & gas.

In July 2020, as a result of the economic contraction associated with the pandemic, the Texas Comptroller of Public Accounts revised its biennial revenue estimate with a reduction of \$11.5 billion (9.5%) to revenue as compared to the October 2019 estimate. A significant decrease in travel has

exacerbated the already volatile price of oil, whose average in 2020 through early November as compared to the prior year's average has declined by approximately 32%. This contraction is reflected in Comptroller Hegar's revision as a decrease of \$4.3 billion in oil and natural gas production taxes as well as motor fuel taxes. Other areas contributing to the revenue revision are sales taxes (Texas' largest revenue source), and taxes on motor vehicle purchases, franchise and hotel taxes.

Going forward, the path of the economy will depend significantly on the course of the virus. Until such time as a proven vaccine is developed, tested and becomes widely distributed to curtail the spread of the virus, economic activity and employment will be negatively affected.

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 industry 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 the majority of GBRA's service area in 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. 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 recent years, New Braunfels, Boerne and San Marcos have been included on lists of fast growth cities. These cities are located in Comal, Kendall and Hays Counties, all of which were noted by the Census Bureau of top ten counties based on percentage growth from 2010 to 2018. The economies of these areas have helped to propel their growth which creates a higher profile for GBRA.

Guadalupe County, home of GBRA's main office, also continues to grow due to its geographic location along major highways and near San Antonio. County officials embarked on a comprehensive master plan to create a roadmap to help manage the growth. The area has a strong emphasis on manufacturing with large employers such as Caterpillar, CMC Steel, and Tyson Foods.

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 many petrochemical plants including Formosa Plastics, Invista, Dow, DuPont and INEOS. These plants contribute to the creation of a vibrant economy by sustaining thousands of 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 supplies of water. During the fiscal year, GBRA received its second 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 operates 29 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 2020, GBRA completed its first full year of 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 were unsuccessful as the dams were not built for, nor do they provide, storage for flood control or water supply. Through a collaborative effort among lake associations representing property owners along the lakes and GBRA's management, water control and improvement districts were formed for Lake Dunlap, Lake McQueeney, and Lake Placid. The districts were confirmed by voters on November 3, 2020, along with the ability to levy a tax to repay debt and pay for the ongoing operations. Contracts have been executed between GBRA and all three districts for financing and operating the dam and hydroelectric facilities. Construction is expected to begin in 2021.

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. During fiscal year 2020, GBRA received approval of a permit for 75,000 acre-feet per year of surface water for the next phase of the Mid-Basin Project which will be a long-term, multi-phased, water supply project. The project will be designed to employ a combination of surface water, groundwater, off-channel storage, and aquifer storage and recovery to efficiently manage a new regional water supply. GBRA has also been 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. 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 implementing 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. Full implementation of the asset management program is expected in the spring of 2021.

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 MD&A, 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 MD&A in order to have a thorough understanding of GBRA, its activities, financial position and results of operations.

In 2020, as part of a bond refunding transaction, Standard & Poor’s assigned and affirmed its AA+ rating with a stable outlook. This high credit rating is testament to the prudent stewardship of customer funds, strong contractual commitments, and solid financial reserves.

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 requirement to include comparative budget to actual expenditure statements in this report. Nevertheless, a Work Plan and Budget is prepared annually, and adopted by the Board of Directors, to strategically plan the use of resources and ensure transparency in efficiently and effectively meeting operational needs.

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, nor does it receive appropriations from the State of Texas, 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 that financial gains and losses may result. A second group of operations are “contract-based” and these operations are structured to yield an exact cost of service to customers with no corresponding financial gain or loss to GBRA. This strategy has allowed GBRA to expand its operations through the years, meet its legislative mandate of providing water and wastewater services, mitigate financial risk, while still accumulating the financial reserves important to any viable organization. Another rate strategy that GBRA has employed is the requirement of a debt coverage factor on all bond 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 US, LLP served as the independent audit firm for the 2020 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, 2019. 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 46 consecutive years (fiscal years 1974-2019). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA to determine its eligibility for a certificate for fiscal year 2020.

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 Treasurers' 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 like to thank the Board of Directors for their leadership and continued support of GBRA's mission. 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, 2020 and 2019, 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 audit 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, 2020 and 2019, 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 audits were 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 23, 2020 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 solely 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 effectiveness of the Guadalupe-Blanco River Authority's 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 US, LLP

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Austin, Texas
November 23, 2020



This page left intentionally blank.

Management Discussion and Analysis

For the Years Ended August 31, 2020 and 2019 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

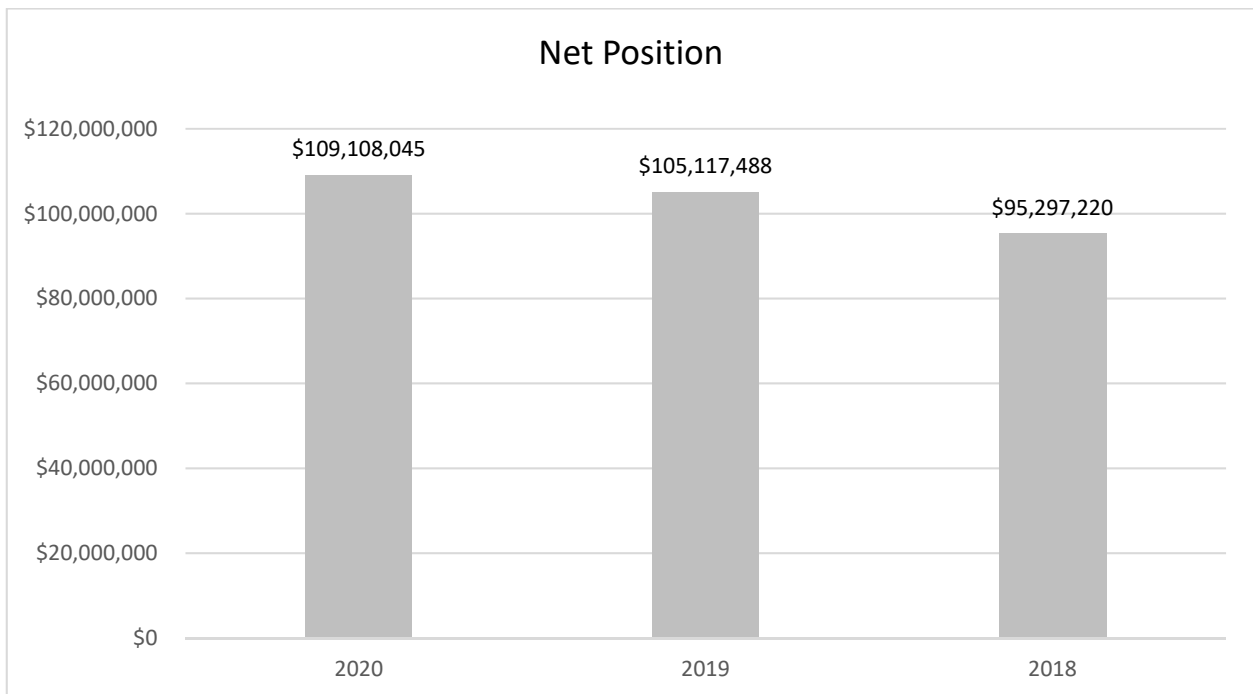
GBRA was created in 1933 as a political subdivision of the State of Texas and structured as a conservation and reclamation district under Article 16, Section 59 of the Texas Constitution. GBRA's principal functions are to control, store, preserve, and distribute the waters of the Guadalupe River Basin 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 2020, 2019, and 2018 respectively, Assets and Deferred Outflows of Resources exceeded Liabilities and Deferred Inflows of Resources by \$109,108,045; \$105,117,488; and \$95,297,220. The following graph depicts the growth in Net Position.



Between FY 2020 and FY 2019, and between FY 2019 and FY 2018 Net Position amounts increased \$3,990,557 and \$9,820,268 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 \$6,579,880 per year 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 2020, FY 2019 and FY 2018 respectively a Net Pension Liability of \$4,748,709; \$6,812,495; and \$4,958,180. Disclosure requirements that further explain GBRA's pension plans 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, 2020, 2019, and 2018:

GUADALUPE-BLANCO RIVER AUTHORITY			
STATEMENTS OF NET POSITION			
AUGUST 31, 2020, 2019, AND 2018			
ASSETS	2020	2019	2018
Current Assets			
Unrestricted Assets	\$ 39,113,543	\$ 44,466,628	\$ 43,387,782
Restricted Assets	4,503,919	4,305,508	2,884,823
Long-Term Assets			
Restricted Assets	63,221,100	31,221,449	12,463,506
Capital Assets, net	219,784,620	206,852,841	193,705,884
Other Assets	14,685,606	14,139,588	12,695,389
Total Assets	<u>341,308,788</u>	<u>300,986,014</u>	<u>265,137,384</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>3,313,992</u>	<u>5,029,156</u>	<u>1,027,254</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 344,622,780</u>	<u>\$ 306,015,170</u>	<u>\$ 266,164,638</u>
LIABILITIES			
Current Liabilities			
Payable from Unrestricted Assets	\$ 10,193,420	\$ 8,350,517	\$ 3,326,776
Payable from Restricted Assets	9,499,687	7,671,714	6,433,835
Long-Term Liabilities			
Bonds, Loans Payable and Long Term Liabilities	197,771,251	166,561,862	146,335,604
Advances for Operations	158,297	611,425	458,380
Net Pension Liability	4,748,709	6,812,495	4,958,180
Total Liabilities	<u>222,371,364</u>	<u>190,008,013</u>	<u>161,512,775</u>
DEFERRED INFLOWS OF RESOURCES	<u>13,143,371</u>	<u>10,889,669</u>	<u>9,354,643</u>
NET POSITION			
Net Investments in Capital Assets	\$ 72,580,332	\$ 61,546,842	\$ 49,804,139
Restricted for Debt Service	4,489,154	4,268,485	2,911,707
Restricted for Reserves	1,711,069	1,690,313	1,769,764
Restricted for Rate Stabilization	2,559,119	2,526,815	2,590,106
Unrestricted	27,768,371	35,085,033	38,221,504
Total Net Position	<u>109,108,045</u>	<u>105,117,488</u>	<u>95,297,220</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 344,622,780</u>	<u>\$ 306,015,170</u>	<u>\$ 266,164,638</u>

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, rate stabilization funds, or funds set forth by external restrictions.

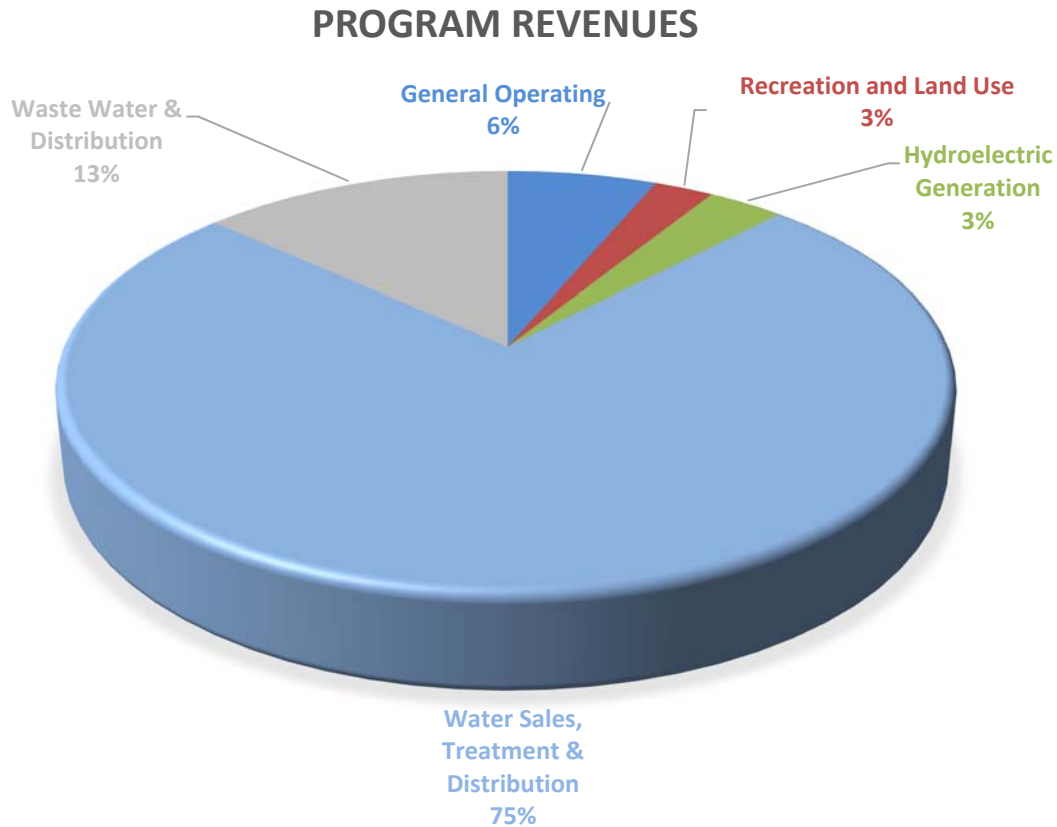
The following table presents Condensed Statements of Revenues, Expenses and Changes in Net Position for years ending August 31, 2020, 2019, and 2018:

GUADALUPE-BLANCO RIVER AUTHORITY			
COMBINED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION			
FISCAL YEARS ENDED AUGUST 31, 2020, 2019, AND 2018			
OPERATING REVENUE	2020	2019	2018
Program Revenues			
General Operating	\$ 4,095,034	\$ 3,549,130	\$ 3,174,609
Recreation and Land Use	1,625,901	1,698,338	1,670,381
Hydroelectric Generation	2,106,115	3,947,957	2,831,998
Water Sales, Treatment, & Distribution	48,169,125	41,159,781	40,499,420
Waste Water Treatment	8,559,010	7,280,641	6,072,296
Interfund Eliminations	(5,556,469)	(4,904,386)	(4,087,359)
Total Operating Revenues	<u>58,998,716</u>	<u>52,731,461</u>	<u>50,161,345</u>
OPERATING EXPENSES			
Program Expenses			
General Operating	4,385,949	598,713	3,338,465
Recreation and Land Use	1,778,289	1,540,602	1,582,890
Hydroelectric Generation	3,675,920	5,157,110	4,924,893
Water Sales, Treatment, & Distribution	38,226,372	30,242,476	28,508,400
Waste Water Treatment	8,103,512	6,469,152	5,506,026
Interfund Eliminations	(5,556,469)	(4,904,386)	(4,087,359)
Total Operating Expenses	<u>50,613,573</u>	<u>39,103,667</u>	<u>39,773,315</u>
NON OPERATING REVENUES (EXPENSES)			
Grant Income	758,313	632,641	511,058
Investment Income	1,090,360	1,594,653	456,107
Gain (Loss) on Disposal of Capital Assets	17,669	59,922	-
Debt issuance Expense	(338,959)	(366,908)	(172,149)
Interest Expense	(4,082,109)	(4,118,584)	(4,465,634)
Total Non Operating Revenues (Expenses)	<u>(2,554,726)</u>	<u>(2,198,276)</u>	<u>(3,670,618)</u>
Net Income Before Recognition of Deferrals	5,830,417	11,429,518	6,717,412
Costs (Revenue) to be Recognized in Future Years	<u>(1,839,860)</u>	<u>(1,609,250)</u>	<u>(788,597)</u>
Change in Net Position	3,990,557	9,820,268	5,928,815
Net Position September 1, 2019 and 2018 and 2017	105,117,488	95,297,220	89,368,405
Net Position August 31, 2020 and 2019 and 2018	<u>\$ 109,108,045</u>	<u>\$ 105,117,488</u>	<u>\$ 95,297,220</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 2020, 2019, and 2018 of \$3,990,557; \$9,820,268; and \$5,928,815 are indicative of strong financial performance and a stable financial position.

Program Revenues between FY 2018 and FY 2019 increased approximately \$2.6 million due primarily to new housing construction and the resulting demand for wastewater services. Program revenues increased approximately \$6.2 million between FY 2019 and FY 2020 due to increased demand for water during drought conditions, growth in connections for both retail water and wastewater services, and revenue from customers of the Carrizo Groundwater Supply Project. 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. Non-Operating expenses increased between FY 2019 and FY 2020 approximately \$350,000 due to less

favorable market conditions resulting in decreased investment income. The following graph outlines the distribution of program revenues.



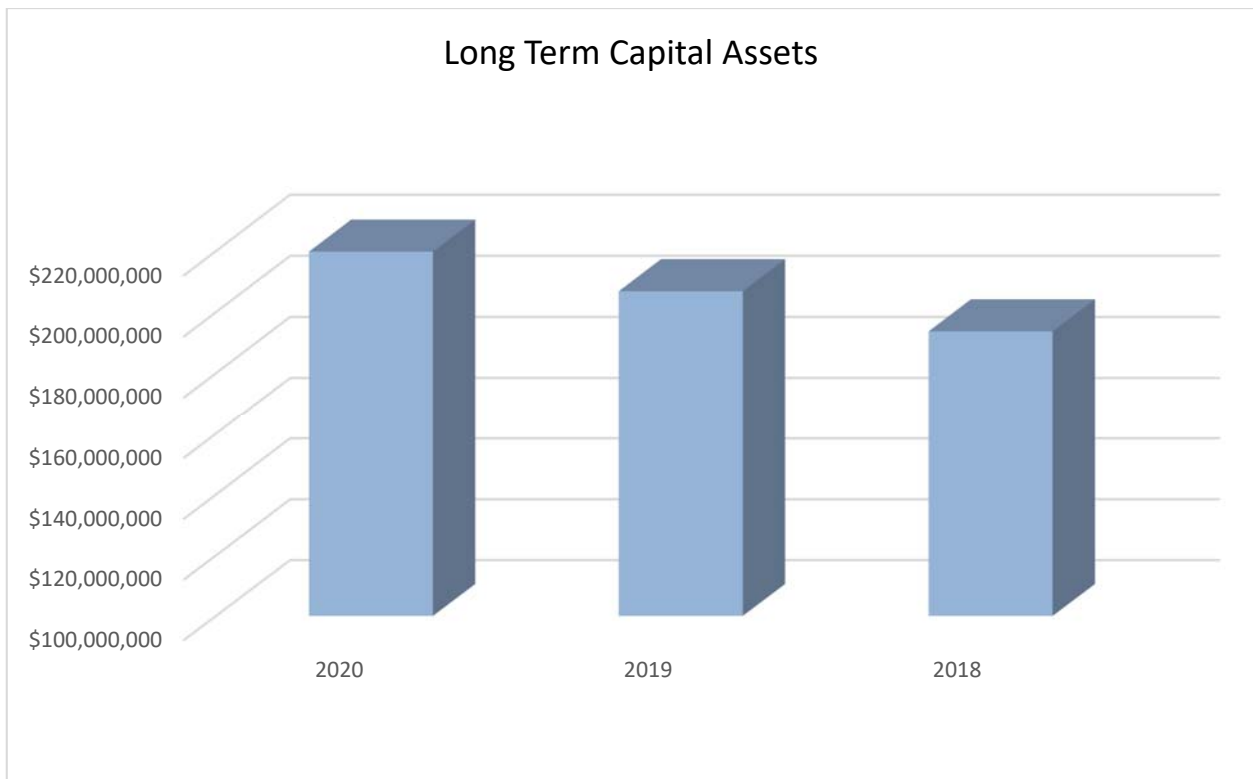
Program Expenses between FY 2018 and FY 2019 decreased approximately \$700,000, primarily due to the freezing of the Defined Benefit Pension Plan as of December 31, 2018. The change in actuarial assumptions resulted in an overall negative defined benefit pension plan expense. Between FY 2019 and FY 2020, program costs increased approximately \$11.5 million. Due to the growth in operations, GBRA's overall staff increased by 15.5 positions resulting in increased personnel operating costs of \$2.0 million, which also included salary raises. Changes in actuarial assumptions, recognition of the differences between projected and actual earnings on pension plan investments, and the recognition of differences between expected and actual experience resulted in an increased expense over FY 2019 for the defined benefit pension plan of approximately \$2.8 million. The pension expense for the Texas County & District Retirement System (TCDRS) for FY 2020 was approximately \$1.1 million versus no expense in FY 2019. Legal fees and contract costs associated with the litigation and repairs of the dam spillgates of the Guadalupe Valley hydroelectric lakes were approximately \$3.4 million. Operating lease payments made for the Carrizo groundwater project were approximately \$869,000.

Additional information about the Guadalupe Valley Hydroelectric litigation can be found in Footnote J of the Footnotes to the Basic Financial Statements.

Capital Asset and Long-Term Debt Activity

As of August 31, 2020, 2019, and 2018 respectively, GBRA's total investment in Long-Term Capital Assets net of depreciation were \$219,784,620; \$206,852,841; and \$193,705,884. 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 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. Capital Assets increased from FY 2019 to FY 2020 by 6.25% or \$12,931,779. The primary construction activity in FY 2020 was for the Carrizo Groundwater Supply Project, \$10 million; and the Stein Falls Collection System Expansion, \$3.3 million.

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, 2020, 2019, and 2018 respectively were \$194,455,000; \$160,175,000; and \$138,195,000. Between Fiscal Years 2018 and 2020, revenue bonds outstanding increased by a net amount of \$56,260,000. This is related to the issuance in FY 2018 of General Improvement Bonds to purchase the equity interests of Texas Water Alliance LLC. The bonds were defeased in FY 2019 as part of a \$58,210,000 bond issuance by the Texas Water Development Board for the construction of the Carrizo Groundwater Supply Project. In FY 2020, the Texas Water Development Board issued the second round of funding for the Carrizo Groundwater Supply Project totaling \$40,000,000. In addition, during FY 2020, the 2011 General Improvement and Refunding Bonds were redeemed and refunded with 2020 General Improvement Revenue Refunding Bonds.

GBRA's long-term loans outstanding as of fiscal year end 2020, 2019 and 2018 respectively amounted to \$3,997,159; \$4,480,039; and \$5,546,930. The declining loan balances are a result of the annual principal repayments on 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 Note E and information about GBRA's long-term debt is available in Note B.

Infrastructure

GBRA recognizes all equipment and infrastructure with an original cost greater than \$5,000 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 \$4.6 million in Fiscal Years 2018-2020 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 in FY 2018 and FY 2019 to finance the initial repairs and the engineering and design of the project. Plans are to start construction of the Lake Dunlap dam spillgate in FY 2021 once financing is finalized. Additional information concerning the spillgate financing can be found in Note I of the footnotes to the Basic Financial Statements.

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 \$151 per acre-foot per year for committed, firm raw water effective October 1, 2019. 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 East Court Street, Seguin, Texas 78155.



This page left intentionally blank.

**GUADALUPE-BLANCO RIVER AUTHORITY
STATEMENTS OF NET POSITION**

AUGUST 31, 2020 AND 2019

ASSETS AND DEFERRED OUTFLOWS	2020	2019
CURRENT ASSETS		
Unrestricted Assets		
Cash and Cash Equivalents	\$ 24,887,353	\$ 27,644,542
Investments-Unrestricted	7,762,484	12,784,068
Interest Receivable.....	96,124	118,980
Accounts Receivable-Operating.....	5,404,008	3,153,250
Current Portion Long Term Loans Receivable.....	133,353	126,765
Other Current Assets.....	830,221	639,023
Total Unrestricted Assets.....	<u>39,113,543</u>	<u>44,466,628</u>
Restricted Assets		
Cash and Cash Equivalents	4,489,154	4,268,485
Interest Receivable.....	14,765	37,023
Total Restricted Assets.....	<u>4,503,919</u>	<u>4,305,508</u>
Total Current Assets.....	<u>43,617,462</u>	<u>48,772,136</u>
LONG-TERM ASSETS		
Restricted Assets		
Cash and Cash Equivalents	63,119,827	25,873,946
Investments-Restricted	101,273	5,347,503
Total Restricted Assets.....	<u>63,221,100</u>	<u>31,221,449</u>
Capital Assets		
Land, Water and Storage Rights.....	72,282,602	72,009,206
Dams, Plants and Equipment.....	216,983,974	209,293,815
Construction In Progress.....	30,112,607	19,689,384
Less Accumulated Depreciation.....	(99,594,563)	(94,139,564)
Total Capital Assets.....	<u>219,784,620</u>	<u>206,852,841</u>
Other Assets		
Long-Term Loans Receivable	4,550,966	4,684,319
Permits and Licenses (Net of Amortization).....	358,055	379,976
Project Development Costs.....	9,776,585	9,075,293
Total Other Assets.....	<u>14,685,606</u>	<u>14,139,588</u>
Total Long-Term Assets.....	<u>297,691,326</u>	<u>252,213,878</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>3,313,992</u>	<u>5,029,156</u>
Total Assets and Deferred Outflows of Resources.....	<u>\$ 344,622,780</u>	<u>\$ 306,015,170</u>
LIABILITIES , DEFERRED INFLOWS AND NET POSITION		
CURRENT LIABILITIES		
Payable from Unrestricted Assets		
Current Portion of Long-Term Loans Payable.....	\$ 373,947	\$ 363,455
Interest Payable.....	28,357	32,688
Accounts Payable-Operating.....	9,791,116	7,954,374
Total Current Unrestricted Liabilities.....	<u>10,193,420</u>	<u>8,350,517</u>
Payable from Restricted Assets		
Current Portion of Revenue Bonds.....	4,895,000	5,270,000
Current Portion of Long-Term Loans Payable.....	115,000	115,000
Interest Payable.....	4,489,687	2,286,714
Total Current Restricted Liabilities.....	<u>9,499,687</u>	<u>7,671,714</u>
Total Current Liabilities.....	<u>19,693,107</u>	<u>16,022,231</u>
LONG-TERM LIABILITIES		
Long Term Payable.....	-	3,000,000
Revenue Bonds Payable, net.....	199,158,039	164,830,278
Long-Term Loans Payable.....	3,997,159	4,480,039
Total Long-Term Liabilities.....	<u>203,155,198</u>	<u>172,310,317</u>
Less Current Portion.....	<u>(5,383,947)</u>	<u>(5,748,455)</u>
Total Bonds and Loans Payable, net.....	<u>197,771,251</u>	<u>166,561,862</u>
Advances for Operations.....	158,297	611,425
Net Pension Liability.....	4,748,709	6,812,495
Total Long-Term Liabilities.....	<u>202,678,257</u>	<u>173,985,782</u>
Total Liabilities.....	<u>222,371,364</u>	<u>190,008,013</u>
DEFERRED INFLOWS OF RESOURCES	<u>13,143,371</u>	<u>10,889,669</u>
NET POSITION		
Net Investments in Capital Assets	72,580,332	61,546,842
Restricted for Debt Service.....	4,489,154	4,268,485
Restricted for Reserves.....	1,711,069	1,690,313
Restricted for Rate Stabilization.....	2,559,119	2,526,815
Unrestricted	27,768,371	35,085,033
Total Net Position.....	<u>109,108,045</u>	<u>105,117,488</u>
Total Liabilities, Deferred Inflows of Resources and Net Position.....	<u>\$ 344,622,780</u>	<u>\$ 306,015,170</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, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUE		
Power Sales.....	\$ 2,093,180	\$ 3,895,226
Water Sales, Capacity Charge, Pipeline Transmission and Reservoir Operations.....	43,603,806	38,605,852
Recreation and Land Use.....	765,152	801,601
Waste Water Treatment Services.....	8,570,641	7,309,955
Laboratory Services.....	575,781	534,888
Rental.....	175,909	168,307
Miscellaneous	3,214,247	1,415,632
Total Operating Revenue.....	<u>58,998,716</u>	<u>52,731,461</u>
OPERATING EXPENSES		
Personnel Operating Costs.....	20,320,990	14,718,851
Operating Supplies and Services.....	20,518,760	14,733,284
Maintenance and Repairs	4,161,813	4,303,183
Depreciation and Amortization.....	5,612,010	5,348,349
Total Operating Expenses.....	<u>50,613,573</u>	<u>39,103,667</u>
Operating Income	8,385,143	13,627,794
NONOPERATING REVENUES (EXPENSES)		
Grant Income.....	758,313	632,641
Investment Income.....	1,090,360	1,594,653
Gain (Loss) on the Disposal of Capital Assets.....	17,669	59,922
Debt Issuance Expense	(338,959)	(366,908)
Interest Expense	(4,082,109)	(4,118,584)
Total Nonoperating Revenues (Expenses).....	<u>(2,554,726)</u>	<u>(2,198,276)</u>
Income Before Recognition of Deferrals.....	5,830,417	11,429,518
Costs (Revenue) to be Recognized in Future Years	(1,839,860)	(1,609,250)
Change in Net Position.....	3,990,557	9,820,268
Net Position at September 1, 2019 and 2018.....	105,117,488	95,297,220
Net Position at August 31, 2020 and 2019.....	<u>\$ 109,108,045</u>	<u>\$ 105,117,488</u>

The accompanying notes are an integral part of this statement.

**GUADALUPE-BLANCO RIVER AUTHORITY
STATEMENTS OF CASH FLOWS**

FISCAL YEARS ENDED AUGUST 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers.....	\$ 56,747,958	\$ 51,742,131
Cash Paid for Personnel Operating Costs.....	(19,139,965)	(17,102,140)
Cash Paid for Other Operating and Maintenance Costs.....	(26,035,029)	(13,902,134)
Net Cash Flows From Operating Activities.....	<u>11,572,964</u>	<u>20,737,857</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Received from Grants.....	758,313	632,641
Cash Flows From Noncapital and Related Activities.....	<u>758,313</u>	<u>632,641</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds (Returns) Advances from Customers, Developers, and Other Government Units.....	(453,129)	161,479
Proceeds from Revenue Bonds and Loans for Capital Assets and Plant Expansion.....	45,852,006	58,210,000
Proceeds from Sale of Capital Assets.....	19,685	62,837
Purchase of Capital Assets.....	(1,670,118)	(2,497,987)
Cash Paid for Construction in Progress and Project Development.....	(17,748,525)	(17,596,477)
Cash Paid for Debt Issuance Expense.....	(338,959)	(366,908)
Interest Paid.....	(2,360,917)	(3,597,319)
Principal Payments on Revenue Bonds.....	(11,020,000)	(36,230,000)
Principal Payments on Loans.....	(482,880)	(1,066,891)
Net Cash Flows Used By Capital and Related Financing Activities.....	<u>11,797,163</u>	<u>(2,921,266)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash Received from Investments.....	9,445,447	20,855,905
Investment Income Received.....	1,135,474	1,580,966
Cash Paid for Investments.....	-	(10,061,178)
Net Cash Flows From (Used) by Investing Activities.....	<u>10,580,921</u>	<u>12,375,693</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	<u>\$ 34,709,361</u>	<u>\$ 30,824,925</u>
CURRENT CASH AND CASH EQUIVALENTS:		
At Beginning of Year.....	\$ 27,644,542	\$ 18,685,732
At End of Year.....	<u>24,887,353</u>	<u>27,644,542</u>
Net Increase (Decrease).....	<u>(2,757,189)</u>	<u>8,958,810</u>
RESTRICTED CASH AND CASH EQUIVALENTS:		
At Beginning of Year.....	30,142,431	8,276,316
At End of Year.....	<u>67,608,981</u>	<u>30,142,431</u>
Net Increase.....	<u>37,466,550</u>	<u>21,866,115</u>
TOTAL CASH AND CASH EQUIVALENTS:		
At Beginning of Year.....	57,786,973	26,962,048
At End of Year.....	<u>92,496,334</u>	<u>57,786,973</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	<u>\$ 34,709,361</u>	<u>\$ 30,824,925</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS		
FROM OPERATING ACTIVITIES:		
Operating Income.....	\$ 8,385,143	\$ 13,627,794
Adjustments to Reconcile Operating Income to Net Cash Flows		
From Operating Activities:		
Depreciation and Amortization.....	5,612,010	5,348,349
Actuarially Determined Net Pension Expense.....	1,181,025	(2,383,289)
Net Change in Assets and Liabilities from Operating Activities:		
Operating Accounts Receivable.....	(2,250,758)	(976,599)
Other Current Assets.....	(191,198)	(116,099)
Operating Accounts Payable.....	(1,163,258)	5,237,701
Total Adjustments.....	<u>3,187,821</u>	<u>7,110,063</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES.....	<u>\$ 11,572,964</u>	<u>\$ 20,737,857</u>

NON-CASH TRANSACTIONS SCHEDULE

1. During fiscal year 2020 and 2019, an adjustment of \$153,402 and \$201,934 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, 2020 AND 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. **Reporting Entity.** Guadalupe-Blanco River Authority is a political subdivision of the State of Texas, created by the Texas Legislature in 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.
2. **Principles of Accounting.** The accompanying financial statements have been prepared on the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.
3. **Fund Reporting.** GBRA's accounting system is one enterprise fund consisting of ten divisions. These divisions account for the acquisition, construction, operation and maintenance of GBRA's facilities and services which are entirely or predominately self-supporting through charges to customers.
4. **Budgets and Budgetary Accounting.** GBRA is not required under its enabling act to adopt a budget; therefore, comparative statements of actual expenses to budgeted expenses are not included within the financial statements.
5. **Accounts Receivable.** GBRA considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operating expenses when that determination is made.
6. **Restricted Assets.** Contractually restricted cash, investments, interest receivable and accounts receivable balances are reported as separate line items in the asset section of the statement of net position. Such amounts are physically segregated from other enterprise fund assets pursuant to provisions of the applicable bond indentures. It is GBRA's policy to first apply restricted resources when an expense is incurred for which both unrestricted and restricted assets are available.
7. **Capital Assets.** Land, 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 \$5,000. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives as follows:

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

8. **Other Assets.** Included within other assets are contract development costs, permits and licenses and project development costs. With the exception of project development costs, these assets are amortized on a straight-line basis over the life of the related contract, or license. Project development costs represent the capitalization of expenditures during the initial stage of a new project. These costs are accumulated until the viability of the new project is determined. If a project is determined to be viable, the costs are either transferred to capital or intangible assets. If a project is determined not to be viable, the costs are expensed.
9. **Unbilled Revenue.** Revenue relating to unbilled water and waste water treatment services has not been recognized since the amounts are immaterial.
10. **Administrative and General Charges.** The operating divisions of GBRA pay administrative and general charges to the General Division for the administrative oversight the General Division provides. These interdivision charges and revenues have been eliminated in the combined statements.
11. **Vacation and Sick Leave.** GBRA allows employees to accumulate vacation and sick leave within certain limitations. Pursuant to Governmental Accounting Standards Board pronouncements, GBRA does not accrue nor record as an expense non-vested sick leave rights. GBRA does record as an expense and liability for the value of vested vacation rights which as of August 31, 2020 and 2019 amounted to \$1,254,973 and \$991,060, respectively.
12. **Contingent Liabilities.** GBRA provides for contingent liabilities when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. GBRA had no contingent liabilities on August 31, 2020 and August 31, 2019.
13. **Operating and Nonoperating Activities.** Proprietary funds, like GBRA, distinguish operating revenues and expenses from nonoperating revenues and expenses. Operating activities result from providing services in connection with GBRA's principal ongoing operations. GBRA's primary operating revenues include charges for water sales and 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.
14. **Management's Use of Estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, as well as, reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, realization of project development costs, and net pension liability. Actual results may differ from these estimates.
15. **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, 2020 AND 2019

16. **Capitalization of Interest.** It is GBRA's policy to capitalize net interest costs on funds borrowed to finance the construction of capital assets. Capitalized interest was \$2,735,035 for the fiscal year ended August 31, 2020 and \$1,279,377 for the fiscal year ended August 31, 2019. 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 on the Defined Benefit Pension Plan was \$4.4 million and \$6.8 million at August 31, 2020 and 2019, respectively. GBRA joined the Texas County and District Retirement System (TCDRS) in January 2019. The net pension liability for TCERS at August 31, 2020 was \$347,190. There was no net pension liability at August 31, 2019. 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*, Statement 91, *Conduit Debt Obligations*, Statement No. 92, *Omnibus*, Statement No. 93, *Replacement of Interbank Offered Rates*, Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, Statement No. 96, *Subscription-Based Information Technology Arrangements*, Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The statements referenced above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years. 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, 2020 AND 2019

NOTE B - LONG TERM LIABILITIES

GBRA currently has \$198,452,159 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, 2020 mature serially through 2054 as follows:

Year Ending	LONG-TERM LOANS			Balance of Principal Outstanding	REVENUE BONDS			Balance of Principal Outstanding	
	August 31	Total	Interest		Principal	Total	Interest		Principal
				\$3,997,159				\$194,455,000	
2021		605,669	116,722	488,947	3,508,212	10,656,060	5,761,060	4,895,000	189,560,000
2022		575,675	102,258	473,417	3,034,795	11,298,133	5,713,133	5,585,000	183,975,000
2023		546,361	89,208	457,153	2,577,642	11,894,333	5,564,333	6,330,000	177,645,000
2024		547,099	76,119	470,980	2,106,662	13,321,922	6,001,922	7,320,000	170,325,000
2025		547,675	62,626	485,049	1,621,613	12,885,322	5,870,322	7,015,000	163,310,000
2026		548,078	48,717	499,361	1,122,252	13,090,929	5,825,929	7,265,000	156,045,000
2027		192,049	34,797	157,252	965,000	13,325,697	5,760,697	7,565,000	148,480,000
2028		174,810	29,810	145,000	820,000	13,230,730	5,680,730	7,550,000	140,930,000
2029		174,883	24,883	150,000	670,000	13,321,483	5,486,483	7,835,000	133,095,000
2030		179,706	19,706	160,000	510,000	12,912,927	5,167,927	7,745,000	125,350,000
2031		179,279	14,279	165,000	345,000	13,412,484	5,477,484	7,935,000	117,415,000
2032		178,684	8,684	170,000	175,000	13,788,939	5,758,939	8,030,000	109,385,000
2033		177,923	2,923	175,000	--	13,782,124	5,402,124	8,380,000	101,005,000
2034						9,226,204	5,031,204	4,195,000	96,810,000
2035						9,228,848	4,883,848	4,345,000	92,465,000
2036						9,019,215	4,729,215	4,290,000	88,175,000
2037						8,363,235	4,573,235	3,790,000	84,385,000
2038						6,020,980	3,805,980	2,215,000	82,170,000
2039						7,103,012	3,093,012	4,010,000	78,160,000
2040						7,699,840	2,934,840	4,765,000	73,395,000
2041						7,710,897	2,765,897	4,945,000	68,450,000
2042						7,720,418	2,590,418	5,130,000	63,320,000
2043						7,718,303	2,408,303	5,310,000	58,010,000
2044						7,724,721	2,219,721	5,505,000	52,505,000
2045						7,718,573	2,013,573	5,705,000	46,800,000
2046						7,727,642	1,797,642	5,930,000	40,870,000
2047						7,723,052	1,573,052	6,150,000	34,720,000
2048						7,719,977	1,339,977	6,380,000	28,340,000
2049						6,272,990	1,097,990	5,175,000	23,165,000
2050						5,758,254	903,254	4,855,000	18,310,000
2051						5,751,376	711,376	5,040,000	13,270,000
2052						5,757,152	512,152	5,245,000	8,025,000
2053						5,774,755	304,755	5,470,000	2,555,000
2054						2,643,403	88,403	2,555,000	--
		\$ 4,627,891	\$ 630,732	\$ 3,997,159		\$ 317,303,930	\$ 122,848,930	\$ 194,455,000	

GUADALUPE BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019

NOTE B – LONG-TERM LIABILITIES (CONTINUED)

GBRA had the following changes in long-term liabilities for the fiscal years ended August 31, 2020 and 2019.

Series	Date of Issue	Final Maturity	Effective Interest Rate	Original Amount	Outstanding 8/31/2018	Additions During FY 2019	Retired During FY 2019	Outstanding 8/31/2019	Additions During FY 2020	Retired During FY 2020	Outstanding 8/31/2020	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	\$ 2,100,000	\$ --	\$ 110,000	\$ 1,990,000	\$ --	\$ 115,000	\$ 1,875,000	\$ 115,000
Regions Loan, Emergency Generator-032 *	08/29/2014	2019	3.12%	33,000	7,015	--	7,015	--	--	--	--	--
Regions Loan, Emergency Generator-033 *	08/29/2014	2019	3.12%	37,000	7,866	--	7,866	--	--	--	--	--
Wells Fargo Loan, Emergency Generator-033 *	12/01/2016	2026	3.45%	97,050	82,426	--	8,757	73,669	--	9,835	63,834	9,384
WATER RESOURCE DIVISION												
U. S. Government Loan *	01/01/1977	2026	2.5%	8,979,862	2,214,786	--	253,521	1,961,265	--	259,859	1,701,406	266,355
Wells Fargo Loan, Belt Press/Truck-041 *	12/01/2016	2026	3.45%	407,950	346,472	--	36,824	309,648	--	41,349	268,299	39,448
A. Ussery, Water Rights	09/26/2006	2031	4.50%	343,496	217,867	--	217,867	--	--	--	--	--
Luling Foundation, Water Rights	09/26/2006	2031	4.50%	584,706	370,851	--	370,851	--	--	--	--	--
General Improvement & Ref. Rev. Bonds, 2011	03/01/2011	2030	3.0-4.375%	10,745,000	6,860,000	--	545,000	6,315,000	--	6,315,000	--	-- (1)
General Improvement Revenue Bonds, 2012 *	04/05/2012	2031	0.14-1.86%	4,400,000	3,065,000	--	225,000	2,840,000	--	225,000	2,615,000	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	--	--	--	--	--
General Improvement Revenue Refunding Bonds, 2020	08/18/2020	2030	2.0-3.0%	5,300,000	--	--	--	--	5,300,000	--	5,300,000	-- (1)
Total Obligations Payable Directly by GBRA				\$ 66,668,064	\$ 48,412,283	\$ --	\$ 32,922,701	\$ 15,489,582	\$ 5,300,000	\$ 6,966,043	\$ 13,823,539	\$ 655,187
CONTRACT REVENUE BONDS AND LOANS												
WATER RESOURCE DIVISION												
RRWDS Combination Contract Revenue Bonds												
2007B	09/15/2007	2039	7.10%	5,775,000	5,040,000	--	110,000	4,930,000	--	120,000	4,810,000	130,000
RRWDS Contract Rev Ref Bonds, San Marcos												
2010	08/01/2010	2024	2.0-3.25%	\$6,895,000	3,325,000	--	500,000	2,825,000	--	520,000	2,305,000	540,000 (2)
IH35 Project Combination Contract Revenue Bonds												
2013	04/17/2013	2037	2.0-5.0%	19,470,000	16,170,000	--	600,000	15,570,000	--	625,000	14,945,000	640,000 (3)
Western Canyon on Regional Water Supply Project Revenue Bonds												
2013A	07/10/2013	2033	1.0-5.0%	55,265,000	45,040,000	--	2,115,000	42,925,000	--	2,200,000	40,725,000	2,305,000 (4)
Western Canyon on Regional Water Supply Project Revenue Bonds												
2013B	07/10/2013	2033	1.909-4.63%	6,830,000	5,465,000	--	275,000	5,190,000	--	285,000	4,905,000	295,000 (4)
San Marcos Water Treatment Plant Revenue Bonds												
2016	11/22/2016	2036	2.0-5.0%	4,850,000	4,760,000	--	95,000	4,665,000	--	95,000	4,570,000	100,000 (5)
RRWDS Contract Revenue Refunding Bonds												
2017	07/20/2017	2039	2.0-4.0%	7,745,000	7,455,000	--	245,000	7,210,000	--	250,000	6,960,000	260,000 (6)
Western Canyon Contract Revenue Bonds												
2017	10/15/2017	2037	2.0-4.0%	4,105,000	3,920,000	--	105,000	3,815,000	--	105,000	3,710,000	110,000 (7)
Carrizo General Contract Revenue Bonds, 2018A *	11/15/2018	2048	2.41-4.28%	12,030,000	--	12,030,000	--	12,030,000	--	--	12,030,000	-- (8)
Carrizo General Contract Revenue Bonds, 2018B *	11/15/2018	2048	1.89-3.52%	11,895,000	--	11,895,000	--	11,895,000	--	--	11,895,000	-- (8)
Carrizo TWDB Master Repurchase Agreement, 2018 *	11/15/2018	2053	3.95-4.36%	34,285,000	--	34,285,000	--	34,285,000	--	--	34,285,000	-- (8)
Carrizo General Contract Revenue Bonds, 2019 *	11/01/2019	2049	1.10-2.77%	9,740,000	--	--	--	9,740,000	--	--	9,740,000	-- (8)
Carrizo TWDB Master Repurchase Agreement, 2019 *	11/01/2019	2054	3.27-3.46%	30,260,000	--	--	--	30,260,000	--	--	30,260,000	-- (8)
PORT LAVACA WATER TREATMENT PLANT DIVISION												
Frost National Bank, Clearwell *	03/04/2008	2022	4.00%	400,000	199,647	--	54,190	145,457	--	56,837	88,620	58,760
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	3,955,000	--	275,000	3,680,000	--	280,000	3,400,000	290,000 (9)
Total Contract Revenue Bonds and Loans				\$214,495,000	\$ 95,329,647	\$58,210,000	\$ 4,374,190	\$ 149,165,457	\$40,000,000	\$ 4,536,837	\$184,628,620	\$ 4,728,760
Total Bonds & Loans Payable Prior to Defeasance and Accretion of Interest					\$143,741,930			\$164,655,039			\$198,452,159	\$5,383,947
								8/31/2019			8/31/2020	
Total Bonds and Loans Payable Prior to Defeasance and Accretion of Interest								\$164,655,039			\$198,452,159	
Less Revenue Bond Discounts and Deferred Defeasance								(332,545)			(258,211)	
Plus Revenue Bond Premiums								4,987,823			4,961,250	
Net Revenue Bonds and Long-Term Loans Payable								169,310,317			203,155,198	
Less Current Portion								(5,748,455)			(5,383,947)	
TOTAL BONDS AND LOANS PAYABLE								\$163,561,862			\$197,771,251	
INTERDIVISION LOANS ELIMINATED FROM COMBINED BALANCE SHEET												
Long-term loans payable to the General Division are as follows:								8/31/2019			8/31/2020	
GuadalupeValley Hydroelectric Division								\$4,138,187			\$4,603,766	
Rural Utilities Division								1,649,799			1,649,799	
Water Supply Division								68,929			--	
Port Lavaca WTP Division								523,689			578,268	
Canyon Hydroelectric Division								15,000			209,980	
Total Long-term loans payable to the General Division								\$6,395,604			\$7,041,813	

* Direct Borrowing or Direct Placement Issue

GUADALUPE BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019

NOTE B – LONG-TERM LIABILITIES (CONTINUED)

1. GBRA issued in Fiscal Year 2020 General Improvement and Refunding Revenue Bonds, Series 2020. These bonds were issued to retire the General Improvement Revenue Bonds, Series 2011 which were issued for the expansion of the office facilities 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 2011 General Improvement Revenue Bonds produced an economic savings of \$898,525. Bonds outstanding that are considered defeased as a result of the 2020 refunding are \$0.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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 for the development of the Carrizo Groundwater project. In 2020, the TWDB approved an amendment to the commitment amount increasing the total financial assistance to \$212,955,000 for the project. 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. In Fiscal Year 2020, Contract Revenue Bonds Series 2019 (low-interest) were issued for \$9,740,000 and \$30,260,000 was issued from the TWDB Master Agreement.
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 following represents direct borrowing and placement obligations held by GBRA:

	Direct Borrowing & Direct Placement		Other Bonds		Total Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 713,947	\$ 1,894,987	\$ 4,670,000	\$ 3,982,795	\$ 5,383,947	\$ 5,877,782
2022	698,417	2,023,585	5,360,000	3,791,806	6,058,417	5,815,391
2023	1,007,153	2,080,941	5,780,000	3,572,600	6,787,153	5,653,541
2024	1,740,980	2,748,949	6,050,000	3,329,092	7,790,980	6,078,041
2025	1,830,049	2,854,315	5,670,000	3,078,633	7,500,049	5,932,948
2026-2030	8,236,613	16,530,496	30,835,000	11,549,183	39,071,613	28,079,679
2031-2035	7,455,000	22,130,971	25,940,000	4,448,514	33,395,000	26,579,485
2036-2040	11,745,000	18,503,524	7,325,000	632,758	19,070,000	19,136,282
2041-2045	26,595,000	11,997,912	-	-	26,595,000	11,997,912
2046-2050	28,490,000	6,711,915	-	-	28,490,000	6,711,915
2051-2055	18,310,000	1,616,686	-	-	18,310,000	1,616,686
Total	<u>\$106,822,159</u>	<u>\$ 89,094,281</u>	<u>\$ 91,630,000</u>	<u>\$ 34,385,381</u>	<u>\$198,452,159</u>	<u>\$123,479,662</u>

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) Contract Revenue Bonds (IH35), Series 2013; 2) Combined Contract Revenue Bonds (Western Canyon), Series 2013; 3) Combined Contract Revenue Bonds (RRWDS), Series 2007; 4) RRWDS Contract Revenue Refunding Bonds (City of San Marcos), Series 2010; 5) Subordinate Lien Contract Revenue Refunding Bonds, Series 2017 (RRWDS); 6) Contract Revenue Bonds, Series 2017 (Western Canyon Regional Water Supply Project); and 7) General Improvement and Refunding Revenue Bonds, Series 2020.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019

NOTE C - PENSION PLANS

A. GENERAL INFORMATION ABOUT THE SINGLE EMPLOYER RETIREMENT 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 to be frozen and to provide a supplemental benefit in addition to the frozen accrued benefit as of December 31, 2018. The supplemental benefit is designed 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 a plan in the Texas County and District Retirement System (TCDRS) 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, 2020 and January 1, 2019 actuarial valuations, the following numbers of employees were covered by the plan:

	1/1/2020	1/1/2019
Inactive employees or beneficiaries currently receiving benefits	96	88
Inactive employees entitled to but not yet receiving benefits	41	43
Active Employees	<u>73</u>	<u>79</u>
	210	210

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 was \$653,540 payable as of December 31, 2019; and \$1,128,049 for the plan year ended December 31, 2018. This amount is expected to amortize the UAL as a level dollar amount over the 10-year period that began January 1, 2019. In November, 2019, in addition to the recommended contribution of \$653,540, GBRA contributed an additional \$350,000 for a total of \$1,003,540.

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 years ending December 31, 2019 and December 31, 2018 the money-weighted rate of return on pension plan investments was 19.62% and -4.66% respectively. 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, 2019, and 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020 and 2019.

	2020	2019
Total pension liability	\$ 37,794,042	\$ 35,544,198
Plan fiduciary net position	<u>33,392,523</u>	<u>28,731,703</u>
Employer's net pension liability	\$ 4,401,519	\$ 6,812,495
Plan fiduciary net position as a percentage of total pension liability	88.40%	80.80%

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019

NOTE C - PENSION PLANS

1. Actuarial Assumptions

The total pension liability in the January 1, 2020 and 2019 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

January 1, 2020	
Inflation	2.75 percent
Salary increases	2.75 percent, plus merit and promotion increases that vary by age and service
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation
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

Mortality rates 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.

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 4.30%) and by adding expected inflation (2.75%). In addition, the final 6.50% assumption was selected by "rounding down" and thereby reflects a reduction of 0.55% 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	Long-Term Expected Net
		Real Rate of Return	Real Rate of Return
		12/31/19	12/31/18
Equities			
Large cap domestic	30%	5.77%	5.77%
Small cap domestic	7	6.05	6.05
International developed	12	6.06	6.06
Emerging markets	3	7.6	7.6
Hedge fund of funds	12	2.75	2.75
Real estate	10	3.6	3.6
Fixed income	26	1.92	2.04
Cash	0	0.35	0.35
Total	100%		
Weighted Average		4.30%	4.33%

2. Discount Rate

The discount rate used to measure the total pension liability as of December 31, 2019 was 6.50%. No projection of cash flows was used to determine the discount rate because the January 1, 2020 actuarial valuation showed that expected contributions would amortize the unfunded actuarial accrued liability (UAAL) in the remaining nine years of the closed amortization period. Because of the nine-year amortization period of the UAAL, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 6.50% 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, 2018 was 6.75%.

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

The following presents the net pension liability for FY 20 and FY 19 calculated using the discount rate of 6.50% and 6.75% respectively, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50% and 5.75%) or 1-percentage-point higher (7.50% and 7.75%) than the current rate:

2020	1%	Current	1%
	Decrease	Discount	Increase
	(5.5%)	Rate (6.5%)	(7.5%)
Employer's Net Pension Liability	\$8,756,685	\$4,401,519	\$748,235
2019	1%	Current	1%
	Decrease	Discount	Increase
	(5.75%)	Rate (6.75%)	(7.75%)
Employer's Net Pension Liability	\$10,946,107	\$6,812,495	\$3,347,994

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019

NOTE C - PENSION PLANS

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 (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Amounts as of August 31, 2019	\$ 35,544,198	\$ 28,731,703	\$ 6,812,495
Changes for the year:			
Service cost	-		-
Interest	2,337,907		2,337,907
Differences between expected and actual	756,092		756,092
Contributions by the employer		1,003,540	(1,003,540)
Contributions by the participant		-	-
Net investment income		5,474,367	(5,474,367)
Benefit payments	(1,817,087)	(1,817,087)	-
Assumption changes	972,932		972,932
Changes in benefit provisions	-	-	-
Net changes	<u>2,249,844</u>	<u>4,660,820</u>	<u>(2,410,976)</u>
Amounts as of August 31, 2020	\$ 37,794,042	\$ 33,392,523	\$ 4,401,519

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

Measurements for the fiscal year ended August 31, 2020 were taken as of December 31, 2019.

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (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	<u>(52,632)</u>	<u>(1,906,947)</u>	<u>1,854,315</u>
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

GUADALUPE-BLANCO RIVER AUTHORITY
 NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
 AUGUST 31, 2020 AND 2019

NOTE C - PENSION PLANS

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

For the years ended August 31, 2020 and 2019, the GASB 68 pension expense was \$2,081,653 and (\$739,419), 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, 2020 and 2019

	2020	2019
Service Cost	\$ -	\$ 283,744
Interest	2,337,907	2,454,094
Projected earnings on pension plan investments	(1,883,708)	(2,087,160)
Amortization of differences between projected and actual earnings on plan investments	149,391	1,115,118
Amortization of changes of assumptions	1,016,774	754,379
Amortization of differences between expected and actual experience	461,289	245,263
Changes of benefit provisions	-	(3,504,857)
Total pension expense	\$ 2,081,653	\$ (739,419)

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, 2020		
Net difference between projected and actual earnings on pension plan investments	\$ -	\$1,571,263
Changes of assumptions	1,877,941	52,271
Differences between expected and actual experience	675,952	-
Total	\$2,553,893	\$1,623,534
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, 2020 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, 2020	
Year Ended 31-Aug	Net of Deferred Outflows Minus Deferred Inflow
2021	\$ 896,999
2022	527,023
2023	224,469
2024	(718,132)
2025	-
Thereafter	-
Total	930,359

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, 2021.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019

NOTE C - PENSION PLANS

E. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (TCDRS)

1. Plan Description

The Guadalupe-Blanco River Authority provides retirement, disability, and death benefits for all of its full-time and part-time employees through Texas County and District Retirement System (TCDRS). GBRA began participation in the TCERS on January 1, 2019. TCERS is a statewide, agent multiple employer, public employee retirement system administered by the board of trustees of TCERS. TCERS issues a comprehensive annual financial report (CAFR) on a calendar year basis. The most recent comprehensive annual financial report for TCERS can be found at www.tcders.org.

2. Benefits Provided

1. 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.
2. The plan provides retirement, disability and survivor benefits.
3. TCERS is a savings based plan. For the GBRA plan, in CY 2019, 5% of each employee's pay and in CY 2020, 6% of each employee's pay was deposited into his or her TCERS 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. Benefit terms are established under the TCERS Act. They may be amended by the GBRA Board of Directors as of January 1 each year, but must remain in conformity with the Act. Members can retire at ages sixty and above with eight or more years of service, with thirty years of service at any age, or when the sum of their age and years of service equals eighty or more.
4. 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.

3. Members Covered by the Plan

	12/31/2019
Retirees and beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	-
Active Employees	198
	198

4. Contributions

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 TCERS funding policy adopted by the TCERS Board of Trustees and must conform with the TCERS Act. The employee contribution rates are set by GBRA and are currently 6%. The actuarially determined employer contribution rate for CY 2020 was 7.17% and 5.97% for CY 2019. Contributions to the pension plan from GBRA were \$949,251 for the fiscal year ended August 31, 2020 and \$515,821 for the fiscal year ended August 31, 2019. Contributions made from January 1, 2020 through August 31, 2020 are recorded as a deferred outflow and will be recognized in the subsequent year.

5. Net Pension Liability

	12/31/2019
Total pension liability	\$ 1,775,343
Plan fiduciary net position	1,428,153
Employer's net pension liability	\$ 347,190
Plan fiduciary net position as a percentage of total pension liability	80.44%

The net pension liability was measured as of December 31, 2019. Since GBRA did not join the plan until 1/1/19, there was no liability as of 12/31/18. The total pension liability was determined by an actuarial valuation as of December 31, 2019.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019

NOTE C - PENSION PLANS

E. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (TCDRS) cont'd

6. Actuarial Assumptions

	12/31/2019
Inflation	2.75%
Salary Increases	2.00%
Investment Rate of Return (net of expenses)	8.00%

For the December 31, 2019 actuarial valuation, the mortality rates for depositing members were based on 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on April 2020 information for a 10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a long-term time horizon; the most recent analysis was performed in 2017. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2013 through December 31, 2016 for more details.

LONG TERM EXPECTED RATE OF RETURN BY ASSET CLASS
based on April 2020 information for a 10-year time horizon

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
U.S. Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.20%
Private Equity	Cambridge Associates Global Equity & Venture Capital Index	20.00%	8.20%
Global Equities	MSCI World (net) Index	2.50%	5.50%
Int'l Equities-Developed Markets	MSCI World Ex USA (net) Index	7.00%	5.20%
Int'l Equities-Emerging Markets	MSCI Emerging Markets (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-.20%
Strategic Credit	FTSE High Yield Cash-Pay Capped Index	12.00%	3.14%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.16%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	6.90%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% SAP Global REIT (net) Index	3.00%	4.50%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.50%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	8.00%	2.30%

GUADALUPE-BLANCO RIVER AUTHORITY
 NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
 AUGUST 31, 2020 AND 2019

NOTE C - PENSION PLANS

E. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (TCDRS) cont'd

7. Discount Rate

The discount rate used to measure the total pension liability as of December 31, 2019 was 8.1%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8%, plus 0.10% adjustment to be gross of administrative expenses. The projection of cash flows used to determine the discount rate assumed that the contributions from GBRA will meet the minimum funding requirements as supplied by the actuarially determined computation and required under the TCDRS Act. Based on those assumptions, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments of current and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

The following presents the net pension liability of GBRA for FY 20 calculated using the discount rate of 8.1%, as well as what the net pension liability would be if it were calculated using a discount rate this is 1-percentage-point lower (7.1%) or 1-percentage point higher (9.1%) than the current rate:

FY 2020	TCDRS Net Pension Liability		
	1%	Current	1%
	Decrease (7.10%)	Discount Rate (8.10%)	Increase (9.10%)
Total pension liability	\$2,087,225	\$1,775,343	\$1,520,418
Fiduciary net position	<u>1,428,152</u>	<u>1,428,153</u>	<u>1,428,152</u>
Net pension liability	\$659,073	\$347,190	\$92,266

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report that may be obtained on the Internet at www.tcdrs.org.

9. Changes in Net Pension Liability-TCDRS

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of August 31, 2019	\$ -	\$ -	\$ -
Changes for the year:			
Service cost	1,399,065	-	1,399,065
Interest on pension liability	113,324	-	113,324
Effect of plan changes	261,653	-	261,653
Effect of economic/demographic gains or losses	1,301	-	1,301
Effect of assumption changes or inputs	-	-	-
Refund of contributions	-	-	-
Benefit payments	-	-	-
Administrative expenses	-	(1,088)	1,088
Member contributions	-	630,399	(630,399)
Net investment income	-	(1,405)	1,405
Employer contributions	-	752,695	(752,695)
Other	-	47,552	(47,552)
Balances as of August 31, 2020	\$ 1,775,343	\$ 1,428,153	\$ 347,190

Measurements for the fiscal year ended August 31, 2020 were taken as of December 31, 2019.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019

NOTE C - PENSION PLANS

E. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (TCDRS) cont'd

10. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to TCDRS

For the year ended August 31, 2020, the pension expense for the TCDRS plan was \$1,052,162. There was no expense for the year ended August 31, 2019.

1. Components of Pension Expense for the Fiscal Year Ended August 31, 2020.

	2020
Service Cost	\$ 1,399,065
Interest on total pension liability (1)	113,324
Effect of plan changes	261,653
Administrative expenses	1,088
Member contributions	(630,399)
Expected investment return of net investment expenses	(56,770)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	118
Recognition of assumption changes or inputs	-
Recognition of investment gains or losses	11,635
Other-relating to allocation of system-wide items	(47,552)
Total pension expense	<u>\$ 1,052,162</u>

(1) Reflects the change in liability due to the time value of money. TCDRS does not charge fees or interest.

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

As of August 31, 2020	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 46,540
Changes of assumptions	-
Differences between expected and actual experience	1,183
Contributions made subsequent to measurement date*	<u>712,376</u>
Total	<u>\$ 760,099</u>

* For Fiscal Year ending August 31, 2020, a total of \$712,376 was contributed subsequent to the measurement date of the net pension liability, respectively. The amounts are recorded in deferred outflows of resources that will be recognized as a decrease in the net pension liability in the Fiscal Years ending August 31, 2020 respectively.

As of August 31, 2020 amounts reported as deferred outflows of resources and deferred inflows of resources related to the TCDRS pension will be recognized in pension expense as follows:

As of August 31, 2020	
Year Ended	Net of Deferred Outflows Minus Deferred Inflows
31-Aug	
2021	\$ 11,753
2022	11,753
2023	11,753
2024	11,753
2025	118
Thereafter (2)	<u>593</u>
Total	<u>\$ 47,723</u>

(2) Total remaining balance to be recognized in future years, if any. Additional future deferred inflows and outflows of resources may impact these numbers.

**GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019**

NOTE C - PENSION PLANS

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.

There were no GBRA employer matching contributions for FY 2020. GBRA employer matching contributions for FY 2019 prior to the December 31, 2018 effective plan amendment were \$75,510.

G. 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.

**GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019**

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, and money market accounts.

1. CASH AND DEPOSITS

At August 31, 2020 and 2019, GBRA held \$4,154,126 and \$8,717,787, respectively in restricted and unrestricted cash. Included in this amount for August 31, 2020 and 2019 was \$2,150 and \$2,050, 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 authority's deposits may not be returned. GBRA's investment policy requires all deposits be collateralized for any amount in excess of FDIC coverage.

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:

	2020		2019	
Investments	\$ 80,357,532	80%	\$ 61,883,812	82%
Certificate of Deposits	1,686,572	2%	2,914,323	4%
Bank Money Market Funds	14,161,861	14%	2,402,622	3%
Cash	4,154,126	4%	8,717,787	11%
Total	<u>\$ 100,360,091</u>	<u>100%</u>	<u>\$ 75,918,544</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), significant other observable inputs (Level 2 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).

**GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019**

NOTE D - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, GBRA 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.

	2020		2019	
	Carry Amount	Weighted Average Maturity in Months	Carry Amount	Weighted Average Maturity in Months
U.S. Agencies				
Federal Agricultural Mtg Corp	\$ 4,314,576	15.38	\$ 5,223,692	22.68
Federal Farm Credit Bank	--		2,754,270	5.97
Federal Home Loan Bank	2,041,440	14.97	2,009,200	26.92
Federal National Mortgage Assn.	1,507,740	3.93	6,696,612	6.60
U. S. Treasury	--		1,447,796	3.48
Money Market Mutual Funds	49,943,650	1.00	18,241,110	1.00
Texas Class	175,890	2.80	173,165	2.75
TexPool	22,374,236	1.07	25,337,967	1.00
Total Investments	<u>\$ 80,357,532</u>		<u>\$ 61,883,812</u>	
Portfolio weighted average maturity		2.21		4.56

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 of Fiscal Year 2020 and 2019 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	AAA m
TexPool	Aaa	AAA m
Money Markey Mutual Funds	Aaa	AAA m

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 Hermes, 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 Hermes. 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. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian.

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, 2020 AND 2019

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	2020		2019	
	Carrying Amount	% of Portfolio	Carrying Amount	% of Portfolio
Federal Agricultural Mtg Corp	\$ 4,314,576	5.37%	\$ 5,223,692	8.44%
Federal National Mortgage Assn.	1,507,740	1.88%	6,696,612	10.82%

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, 2020 and 2019, respectively:

GASB 72	2020	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Debt Securities				
Federal Agricultural Mtg Corp	\$ 4,314,576	\$ --	\$ 4,314,576	\$ --
Federal Home Loan Bank	2,041,440	--	2,041,440	--
Federal National Mortgage Assn.	1,507,740	--	1,507,740	--
Total Debt Securities	\$ 7,863,756	\$ --	\$ 7,863,756	\$ --
Total Investments Measured at Fair Value Level	\$ 7,863,756	\$ --	\$ 7,863,756	\$ --
Investments Measured at Amortized Cost:				
TexPool	22,374,236			
Total Investments Measured at Amortized Costs	\$ 22,374,236			
Investments Measured at Net Asset Value:				
Money Market Mutual Funds	49,943,650			
Texas Class	175,890			
Total	\$ 80,357,532			

GASB 72	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	\$ 18,131,570	\$ --	\$ 18,131,570	\$ --
Total Investments Measured at Fair Value Level	\$ 18,131,570	\$ --	\$ 18,131,570	\$ --
Investments Measured at Amortized Cost:				
TexPool	25,337,967			
Total Investments Measured at Amortized Costs	\$ 25,337,967			
Investments Measured at Net Asset Value:				
Money Market Mutual Funds	18,241,110			
Texas Class	173,165			
Total	\$ 61,883,812			

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019

NOTE E – CAPITAL ASSETS

Capital asset activity for FY 2020 and 2019 was as follows:

FY 2020 Classification	ASSETS			Balance August 31, 2020
	Balance August 31, 2019	Additions	Removals	
Land, Water & Storage Rights	\$ 72,009,206	\$ 273,396	\$ --	\$ 72,282,602
Construction in Progress	19,689,384	17,047,233	(6,624,011)	30,112,607
Total Assets Not Being Depreciated	91,698,590	17,320,630	(6,624,011)	102,395,209
Structures & Improvements	177,480,629	6,995,732	--	184,476,361
Specialized Equipment	16,630,754	5,419	(3,500)	16,632,673
Office Buildings & Communications	1,485,490	--	--	1,485,490
Shops & Storerooms	917,413	--	--	917,413
Auto & Heavy Equipment	5,354,047	807,719	(165,595)	5,996,171
Office Furniture & Equipment	1,658,321	21,448	--	1,679,769
Miscellaneous Equipment	5,767,160	28,937	--	5,796,097
Total Dams, Plants and Equipment	209,293,815	7,859,254	(169,095)	216,983,974
Total Capital Assets	\$ 300,992,405	\$ 25,179,883	\$ (6,793,105)	\$ 319,379,183
	DEPRECIATION			
Classification	Balance August 31, 2019	Additions	Removals	Balance August 31, 2020
Structures & Improvements	\$ (70,931,071)	\$ (4,473,535)	\$ --	\$ (75,404,606)
Specialized Equipment	(12,512,368)	(257,606)	3,500	(12,766,474)
Office Buildings & Communications	(1,135,260)	(17,677)	--	(1,152,937)
Shops & Storerooms	(809,249)	(9,137)	--	(818,386)
Auto & Heavy Equipment	(3,710,274)	(448,135)	163,578	(3,994,831)
Office Furniture & Equipment	(1,231,673)	(99,879)	--	(1,331,552)
Miscellaneous Equipment	(3,809,670)	(316,107)	--	(4,125,777)
Total Accumulated Depreciation	\$ (94,139,564)	\$ (5,622,076)	\$ 167,078	\$ (99,594,563)
NET CAPITAL ASSETS	\$ 206,852,841	\$ 19,557,807	\$ (6,626,028)	\$ 219,784,620

Amounts may not foot due to rounding.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019

NOTE E – CAPITAL ASSETS CONTINUED

FY 2019 Classification	ASSETS				Balance August 31, 2019
	Balance August 31, 2018	Reclassifications	Additions	Removals	
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
DEPRECIATION					
Classification	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

Amounts may not foot due to rounding.

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, 2020 AND 2019

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 \$11,519,837 and \$10,795,782 for FY 2020 and FY 2019 respectively.

Deferred inflows and deferred outflows of resources related to GASB 68 reporting for pension plans totaled \$1,623,534 and \$3,313,992 respectively for FY 2020. Deferred inflows and outflows of resources related to GASB 68 reporting for pension plans totaled \$93,887 and \$5,029,156 respectively for FY 2019.

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 Revenue Bonds, Series 2012; 2) General Improvement Revenue Bonds, Series 2015; 3) Combined Contract Revenue Refunding Bonds (Western Canyon), Series 2013A and 2013B; 4) Contract Revenue Bonds, Series 2017 (Western Canyon Regional Water Supply Project) and 5) General Improvement and Refunding Revenue Bonds, Series 2020, 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 2007B and 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, 2020 AND 2019**

NOTE H – CONTINUING DISCLOSURE REQUIREMENTS (CONTINUED)

4. The General Improvement Revenue Bonds, Series 2012, General Improvement Revenue Bonds, Series 2015 and General Improvement and Refunding Revenue Bonds, Series 2020 constitute special obligations of GBRA that are payable from and secured by an irrevocable parity lien and the Combined Contract Revenue, Subordinate Water Resources Division Revenue and Surplus Water Project Revenue Bonds, Series 2007B subordinate constitute a combined 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.

COMBINED CONTRACT REVENUE SUBORDINATE WATER RESOURCE DIVISION REVENUE BONDS, SERIES 2007B

In 2007, GBRA authorized the issuance of Combination Contract Revenue, Subordinate Water Resources Division Revenue, and Surplus Water Project Revenue Bonds, Taxable Series 2007B for the refunding of original project bonds for the development of a regional water supply project to meet future needs and reduce dependence on the Edwards Aquifer by providing an alternative source of water to City of San Marcos and surrounding Hays, Caldwell, Guadalupe and Travis Counties.

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 2020

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. This issue was for \$10,745,000

On August 18, 2020, GBRA refunded the Series 2011 bonds with General Improvement Revenue Refunding Bonds, Series 2020 in the amount of \$5,300,000 due to favorable interest rate environment yielding net present value savings totaling \$898,524.92.

REGIONAL RAW WATER DELIVERY CONTRACT REFUNDING REVENUE BONDS, SERIES 2007B

GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012

GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2015

AND GENERAL IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2020

	2020	2019
Average Annual Principal and Interest Requirements, 2020 - 2039	\$ 1,088,386	\$ 980,313
Coverage of Average Requirements by Pledged Revenues	13.44 x	14.59 x
Coverage of Average Requirements by Net Revenues	3.19 x	5.21 x
Maximum Principal and Interest Requirements, 2027	\$ 1,768,088	\$ 1,305,019
Coverage of Maximum Requirements by Pledged Revenues	8.27 x	10.96 x
Coverage of Maximum Requirements by Net Revenues	1.97 x	3.92 x
2007B Bonds: Interest and Sinking Fund Balance	\$ 339,693	\$ 337,365
2011 Bonds: Interest and Sinking Fund Balance	-	72,781
2012 Bonds: Interest and Sinking Fund Balance	21,755	23,976
2015 Bonds: Interest and Sinking Fund Balance	-	-
2020 Bonds: Interest and Sinking Fund Balance	69,124	-
Total Interest and Sinking Fund Balance as of August 31	\$ 430,572	\$ 434,122
Pledged Revenues for the Fiscal Year Ended August 31	\$ 14,629,354 ⁽¹⁾	\$ 14,300,108
Net Revenues for Fiscal Year Ended August 31	\$ 3,474,308 ⁽²⁾	\$ 5,111,997

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

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

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019

NOTE H – CONTINUING DISCLOSURE REQUIREMENTS (CONTINUED)

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

	Fiscal Year Ended August 31				
(1)	2020	2019	2018	2017	2016
Revenue					
Raw Water Sales ⁽²⁾	\$ 14,629,354	\$ 14,300,108	\$ 14,060,690	\$ 13,710,485	\$ 13,102,085
Total Operating Revenue	\$ 14,629,354	\$ 14,300,108	\$ 14,060,690	\$ 13,710,485	\$ 13,102,085
Expense					
Operating Expenses ⁽³⁾	\$ 9,426,970	\$ 7,698,761	\$ 6,890,127	\$ 6,386,579	\$ 6,886,569
Maintenance and Repairs	386,730	337,535	54,154	348,492	452,271
Administrative and General	1,341,346	1,151,815	912,508	899,625	853,048
Total Operating Expense	\$ 11,155,046	\$ 9,188,111	\$ 7,856,789	\$ 7,634,696	\$ 8,191,888
Net Revenue	\$ 3,474,308	\$ 5,111,997	\$ 6,203,901	\$ 6,075,789	\$ 4,910,197
Less Debt Service for Senior Lien Bonds ⁽⁴⁾					
General Imp & Ref Rev Bonds, 2011	\$ 825,906	\$ 827,707	\$ 823,506	\$ 823,656	\$ 823,357
General Imp Rev Bonds, 2012	261,620	262,295	257,603	257,603	257,603
General Imp Rev Bonds, 2015 ⁽⁵⁾	--	--	--	--	--
General Imp Rev Bonds, 2020	--	--	--	--	--
Total Debt for Senior Lien Bonds	\$ 1,087,526	\$ 1,090,002	\$ 1,081,109	\$ 1,081,259	\$ 1,080,960
Debt Service Coverage Factor	3.195	4.690	5.738	5.619	4.542
Subordinate Revenues Available	\$ 2,386,782	\$ 4,021,995	\$ 5,122,792	\$ 4,994,530	\$ 3,829,237

- (1) The FY 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; additionally, removed \$2,800,000 in FY 2020 for legal expenses related to dam litigation as reserves were used to pay these expenses.
- (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, 2020		August 31, 2019		August 31, 2018		August 31, 2017		August 31, 2016	
	Acre-Feet	% of Total	Acre-Feet	% of Total	Acre-Feet	% of Total	Acre-Feet	% of Total	Acre-Feet	% of Total
Municipal	79,424	86.70%	73,227	80.11%	72,749	80.00%	73,197	80.09%	72,327	79.90%
Domestic	3	0.00%	3	0.00%	4	0.00%	4	0.00%	5	0.01%
Industrial	11,828	12.91%	17,828	19.50%	17,828	19.60%	17,828	19.51%	17,827	19.69%
Irrigation	361	0.39%	361	0.39%	363	0.40%	363	0.40%	363	0.40%
Contracted	91,616	100.00%	91,419	100.00%	90,944	100.00%	91,392	100.00%	90,522	100.00%

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019

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 95.51% 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, 2020 are shown below:

Customer	Type	Total AF/YR	Revenue ⁽²⁾	Contract Information		
				Contract Date	Expiration Date	Renewal Option
Municipal & Retail						
Canyon Regional Water Authority	Regional Water Authority		\$ 1,792,372			(1)
City of Marion	City	100		11/07/2018	12/31/2067	
City of Cibolo	City	1,350		11/07/2018	12/31/2067	
Green Valley SUD	Special Utility District	1,800		11/07/2018	12/31/2067	
Springs Hill WSC	Water Supply Corporation	1,925		11/07/2018	12/31/2067	
East Central WSC	Water Supply Corporation	1,400		11/07/2018	12/31/2067	
SAWS	City	4,000		11/07/2018	12/31/2023	
New Braunfels Utilities	City	9,720	2,293,147	01/26/1989	02/25/2050	20 Yrs
New Braunfels Utilities	City	5,500	0	09/01/2019	08/31/1959	
City of Seguin	City	1,000	150,667	09/01/2012	08/31/2022	5 Yrs
City of Port Lavaca	City	1,792	269,995	02/20/1968	08/31/2035	
Canyon Lake WSC	Water Supply Corporation	2,000	301,292	10/01/1994	12/31/2044	(1)
Canyon Lake WSC II	Water Supply Corporation	2,000	301,292	08/27/2001	12/31/2050	(1)
Canyon Lake WSC III	Water Supply Corporation	2,000	301,292	09/29/2006	12/31/2050	(1)
SHWSC I	Water Supply Corporation	2,200	317,559	06/26/1967	12/31/2050	(1)
SHWSC II	Water Supply Corporation	1,000	164,575	06/01/2000	12/31/2050	(1)
Green Valley SUD	Special Utility District	1,000	150,667	12/01/2008	12/31/2040	(1)
Regional RWDS Project						
City of San Marcos	City	10,000	1,506,667	10/10/1989	07/01/2047	(1)
City of Kyle	City	5,443	820,079	05/20/2005	12/31/2038	20 Yrs
City of Buda	City	1,680	253,120	04/09/2002	12/31/2042	(1)
CRWA-Hays Project	Regional Water Authority	2,038	307,059	06/04/2003	12/31/2039	(1)
GoForth SUD	Special Utility District	3,811	475,856	03/01/2004	12/31/2039	(1)
Sunfield MUD	Municipal Utility District	375	154,834	09/08/2005	12/31/2050	---
Monarch	Utility Company	560	84,373	01/01/2008	12/31/2037	---
GBRA Western Canyon						
Boeme	City	3,611	542,854	02/22/2000	12/31/2037	40 Yrs (2x20 Yrs)
Fair Oaks Ranch	City	1,850	278,117	02/10/2000	12/31/2037	40 Yrs (2x20 Yrs)
SAWS	City	4,000 ⁽³⁾	1,286,101	03/17/2000	12/31/2037	40 Yrs (2x20 Yrs)
Cordillera Ranch	Housing Development	1,500	225,500	10/11/2001	12/31/2037	40 Yrs (2x20 Yrs)
Kendall & Tapatio	Housing Development	750	112,750	03/18/2002	12/31/2037	40 Yrs (2x20 Yrs)
Johnson Ranch	Housing Development	900	135,300	03/28/2003	12/31/2037	40 Yrs (2x20 Yrs)
Miralomas MUD (Lerin Hills)	Municipal Utility District	750	112,750	09/18/2009	12/31/2036	40 Yrs (2x20 Yrs)
GBRA-Comal Trace	River Authority	125	18,237	---	---	---
Bremer Ranch LTD	Municipal	100	15,033	11/01/2013	12/31/2043	20 Yrs
Couser Ranch	Municipal	100	15,033	11/01/2013	12/31/2043	20 Yrs
CLWSC-Bulverde	Water Supply Corporation	400	60,258	02/06/2009	12/31/2040	10 Yrs
CLWSC-Park Village	Water Supply Corporation	322	47,334	03/24/2009	12/31/2040	10 Yrs
Total Major Municipal Customers		77,102	\$ 12,494,113			
Industrial						
Calpine-Guadalupe Energy Center	Electric Generation	6,840	\$ 980,606	03/17/1999	12/31/2021	30 Yrs (6x5 Yrs)
Hays Energy Limited Partners	Electric Generation	2,464	371,243	06/25/1999	12/31/2025	(1)
Ineos USA LLC	Chemical Company	1,100	165,733	02/11/1980	02/11/2020	40 Yrs (15 Yrs + (5x5 Yrs))
Total Major Industrial Customers		10,404	\$ 1,517,582			
Total Major Customers		87,506	\$ 14,011,695			
Total Firm Water Sales		91,616	\$ 14,629,354			
Major Customers as a Percentage of Total		95.51%	95.78%			

(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, 2020 AND 2019

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.

The rest of this page is left intentionally blank.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019

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 *	% of	Ultimate	% of
	(Acre-Feet)	Total	(Acre-Feet)	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	495	4.42%	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	125	1.11%	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	4,349		12,800	
SAWS (Initial & Additional)	6,851	61.16%	4,000	23.81%
Total Out of District	6,851		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				
	2020	2019	2018	2017	2016
Western Canyon O&M Revenue	\$ 3,762,456	\$ 3,859,512	\$ 3,990,656	\$ 3,911,323	\$ 3,852,141
Western Canyon Debt Service Revenue	5,558,905	5,608,376	5,534,627	5,290,894	5,334,466
	<u>\$ 9,321,361</u>	<u>\$ 9,467,888</u>	<u>\$ 9,525,283</u>	<u>\$ 9,202,217</u>	<u>\$ 9,186,607</u>
Operating Expenses	\$ 3,001,731	\$ 2,795,217	\$ 2,751,837	\$ 3,004,197	\$ 3,229,970
Maintenance & Repair	313,671	223,127	451,608	227,908	253,229
Administrative & General	212,720	161,653	165,956	164,028	155,616
Total Operating & Maintenance Expenses	<u>\$ 3,528,122</u>	<u>\$ 3,179,997</u>	<u>\$ 3,369,401</u>	<u>\$ 3,396,133</u>	<u>\$ 3,638,815</u>
Net Revenue	<u>\$ 5,793,239</u>	<u>\$ 6,287,891</u>	<u>\$ 6,155,882</u>	<u>\$ 5,806,084</u>	<u>\$ 5,547,792</u>
Debt Service	\$ 5,077,501	\$ 5,078,240	\$ 4,835,394	\$ 4,837,859	\$ 4,839,518
Debt Service Coverage Factor	1.1410	1.2382	1.2731	1.2001	1.1464

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019

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-way 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							
	2020		2019		2018		2017	
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 *	4.46	405,286	3.46	377,365	2.46	274,990	2.46	274,990
From Sunfield Municipal Utilities District *	0.48	146,424	1.48	174,345	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		\$ 1,196,833		\$ 1,201,831		\$ 1,198,531		\$ 1,192,656
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)

	2020	2019	2018	2017
IH35 O&M Transmission Revenue	\$ 521,299	\$ 382,875	\$ 527,306	\$ 409,839
IH35 Debt Revenue	1,317,848	1,317,848	1,317,848	1,317,848
IH35 Interest Earnings	22,118	36,144	26,439	12,551
Total Revenue	\$ 1,861,265	\$ 1,736,867	\$ 1,871,593	\$ 1,740,238
IH35 Operating Expenses	\$ 419,422	\$ 310,334	\$ 273,522	\$ 247,391
IH35 Maintenance & Repair Expenses	119,829	57,561	52,905	46,108
IH35 Administrative & General Expenses	32,777	14,238	9,473	9,795
Total Expenses	\$ 572,028	\$ 382,133	\$ 335,900	\$ 303,294
Net Revenue	\$ 1,289,237	\$ 1,354,734	\$ 1,535,693	\$ 1,436,944
Debt Service	\$ 1,196,833	\$ 1,201,831	\$ 1,198,531	\$ 1,192,656
Debt Service Coverage	1.077	1.127	1.281	1.205

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019

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									
	2020		2019		2018		2017		2016	
	MGD	Debt Payments	MGD	Debt Payments	MGD	Debt Payments	MGD	Debt Payments	MGY	Debt Payments
Debt Service Component of Gross Contract Revenues, Series 2011 and 2016										
From City of Buda, Texas	1.50	\$ 94,726	1.50	\$ 94,754	1.50	\$ 94,329	1.50	\$ 83,137	1.50	\$107,421
From City of Kyle, Texas	4.86	306,914	4.86	307,004	4.86	305,626	4.86	269,364	4.86	346,344
From GoForth Special Utility District ⁽¹⁾	4.46	229,325	3.46	213,445	2.46	154,842	2.46	136,470	2.46	176,332
From Sunfield Municipal Utilities District ⁽¹⁾	0.48	82,868	1.48	98,613	2.48	155,816	2.48	137,329	2.48	177,442
From Monarch Utilities	0.50	31,431	0.50	31,444	0.50	31,443	0.50	27,712	0.50	35,807
Total Debt Service Commitment & Revenues	11.80	\$745,264	11.80	\$745,260	11.80	\$742,056	11.80	\$654,012	11.80	\$843,346
Annual Debt Service Requirements										
City of San Marcos, Texas, Series 2006 and 2006A ⁽²⁾		\$ --		\$ --		\$ --		\$ --		\$391,883
City of San Marcos, Texas, Series 2011 ⁽²⁾		450,623		450,863		450,623		451,823		451,463
GBRA Contract Revenue Refunding, Series 2016		265,981		267,881		264,681		127,614		--
Total Debt Service Requirements		\$716,604		\$718,744		\$715,304		\$579,437		\$843,346
GBRA Debt Service Coverage Factor		1.0		1.0		1.0		1.1		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, 2020 AND 2019**

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									
	2020		2019		2018		2017		2016	
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	\$ 138,847	1,390	\$ 146,339	1,390	\$ 147,020
From City of Buda, Texas	1,041	103,986	1,041	103,986	1,041	103,986	1,041	109,597	1,041	110,107
From City of Kyle, Texas	3,383	337,928	3,383	337,928	3,383	337,928	3,383	356,162	3,383	357,820
From GoForth Special Utility District *	3,096	251,438	2,401	234,098	1,707	170,518	1,707	179,719	1,707	180,555
From Sunfield Municipal Utilities District *	330	90,776	1,025	108,118	1,719	171,705	1,719	180,970	1,719	181,813
From Hays Energy, LLC	1,528	152,632	1,528	152,632	1,528	152,632	1,528	160,868	1,528	161,617
From Monarch	350	34,962	350	34,962	350	34,962	350	36,848	350	37,020
Total Debt Service Commitment & Revenues	11,118	\$ 1,110,569	11,118	\$ 1,110,571	11,118	\$ 1,110,578	11,118	\$ 1,170,503	11,118	\$ 1,175,952
Annual Debt Service Requirements										
Combination Contract Revenue, Series 2007A		\$ --		\$ --		\$ --		\$ 597,500		\$ 596,750
Combination Contract Revenue, Series 2007B		468,551		466,328		468,752		470,822		467,185
Contract Revenue Refunding, Series 2017		501,631		501,531		504,966		--		--
Total Debt Service Requirements		\$ 970,182		\$ 967,859		\$ 973,718		\$ 1,068,322		\$ 1,063,935
Debt Service Coverage Factor		1.14		1.15		1.14		1.10		1.11

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

NOTE I - SUBSEQUENT EVENTS

In 2018 GBRA was awarded multi-year financial assistance from the 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. In 2020, the TWDB approved an amendment to the commitment amount increasing the total financial assistance to \$212,955,000 for the project. 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 third round of funding was secured on November 17, 2020 with the issuance of Contract Revenue Bonds, Series 2020 (low-interest) totaling \$34,900,000 and an additional \$7,595,000 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. In September, the first construction contract for the project for \$7.7 million was executed.

On November 18, 2020, GBRA closed on Contract Revenue Refunding Bonds, Taxable Series 2020 (Western Canyon Regional Water Supply Project). The issuance of these bonds refunded the outstanding Contract Revenue Refunding Bonds, Series 2013A and 2013B and the Contract Revenue Bonds, Series 2017 which were originally issued for the design and construction of the Western Canyon Water Treatment Plant yielding 11,200 acre-feet of treated water and the construction of aeration facilities within the plant to mitigate disinfection by-products. This refunding results in net present value savings of \$4,202,086 for the customers of the project.

As a result of the dam failure at Lake Dunlap, local property owners united to form water control and improvement districts (WCIDs) for three lakes within Comal and Guadalupe Counties. The districts include Lake Dunlap WCID, Lake McQueeney WCID and Lake Placid WCID. On November 3, 2020, property owners voted to confirm the creation of these districts, establish a slate of board members, establish the taxing authority of the WCID to collect property taxes to finance the construction in order to restore operation of these ninety year old dams. GBRA is currently securing funding for these projects with the Texas Water Development Board (TWDB) through its Clean Water State Revolving Fund.

**GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019**

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” through 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.

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.

In July, GBRA reached a settlement in the *Skonnord* case which allowed both parties to continue moving forward toward finalizing operating and financing agreements with three new water control and improvement districts created by property owners that surround Lakes Dunlap, McQueeney and Placid. On November 3, 2020 voters within the newly formed districts overwhelmingly ratified the creation of the districts and approved the ability to levy ad valorem taxes in order to generate revenues for replacement of the spillgates and dam armoring on those lakes.

In the *Williams* case, GBRA filed a Plea to the Jurisdiction, which was heard and ruled upon in August 2020. The Plea was granted in part for GBRA and in part for the plaintiff. Both GBRA and the *Williams* plaintiffs have appealed the ruling to the Fourth Court of Appeals in San Antonio, Texas. Briefs of legal arguments are due to the court in late 2020. Pending a final decision on the appeals and a mandate issuing to the District Court, discovery and other actions in the District Court are stayed and the injunctions relating to lake levels and use of the lakes remain in effect. GBRA will continue to contest the litigation and believes the allegations are without merit. Therefore, a contingency is neither probable nor measurable.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019

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, 2020 and 2019 are as follows:

AUGUST 31, 2020	Water Sales	Luling Water Plant	Western Canyon WTP	Carrizo Water	Total
REVENUES, EXPENSES AND CHANGES IN NET POSITION					
Operating Revenue	\$ 27,780,267	\$ 2,060,249	\$ 3,999,756	\$ 1,793,260	\$ 35,633,532
Operating Expenses	(19,286,687)	(1,137,295)	(3,528,123)	(869,457)	(24,821,561)
Depreciation and Amortization Exp	(3,726,186)	(124,305)	(171,385)	--	(4,021,876)
Operating Income	4,767,394	798,649	300,249	923,803	6,790,095
Nonoperating Revenue (Expenses)	(2,619,815)	(107,888)	(101,124)	(72,747)	(2,901,574)
Costs to be Recovered (Deferred Rev)	(1,216,792)	(117,153)	--	(730,000)	(2,063,945)
Change in Net Position	\$ 930,787	\$ 573,608	\$ 199,124	\$ 121,057	\$ 1,824,576
NET POSITION ACTIVITIES					
Current Assets	\$ 17,388,390	\$ 1,059,098	\$ 1,741,129	\$ 2,409,987	\$ 22,598,603
Capital Assets	133,978,820	4,789,716	5,967,584	51,575,726	196,311,846
Other Assets	10,395,561	--	847,867	56,257,893	67,501,322
Total Assets	\$ 161,762,770	\$ 5,848,814	\$ 8,556,580	\$ 110,243,607	\$ 286,411,771
Current Liabilities	\$ 7,413,573	\$ 381,103	\$ 596,694	\$ 8,228,284	\$ 16,619,654
Long Term Liabilities	90,973,878	3,139,762	3,678,956	98,210,000	196,002,596
Total Liabilities	98,387,452	3,520,865	4,275,649	106,438,284	212,622,249
Deferred Inflows of Resources	5,805,692	382,444	--	730,000	6,918,136
Net Investments in Capital Assets	30,367,080	1,394,758	3,026,496	6,623,620	41,411,954
Restricted	4,086,526	192,803	99,670	1,481,698	5,860,697
Unrestricted	23,116,021	357,944	1,154,764	(5,029,994)	19,598,735
Total Net Position	57,569,627	1,945,505	4,280,930	3,075,324	\$ 66,871,386
Total Liabilities, Deferred Inflows and Net Position	\$ 161,762,770	\$ 5,848,814	\$ 8,556,580	\$ 110,243,607	\$ 286,411,771
Revenue Bonds Payable	\$ 93,174,206	\$ 3,394,957	\$ 3,788,956	\$ 98,210,000	\$ 198,568,119
Loans Payable	1,969,705	--	--	--	1,969,705
CASH FLOW ACTIVITIES					
Cash Flows					
Operating Activities	\$ 4,947,895	\$ 825,397	\$ 690,898	\$ 1,143,146	\$ 7,607,336
Capital & Related Financing Activities	(11,233,919)	(1,036,744)	(1,548,262)	32,046,750	18,227,825
Noncapital Financing Activities	642,885	--	--	(244,650)	398,235
Investing Activities	2,808,159	59,448	24,463	(365,124)	2,526,946
	\$ (2,834,980)	\$ (151,899)	\$ (832,901)	\$ 32,580,121	\$ 28,760,341
Current Cash and Cash Equivalents					
At Beginning of Year	16,622,342	731,626	2,301,536	700,742	20,356,246
At End of Year	11,566,661	571,325	1,588,668	926,099	14,652,754
Net Increase (Decrease)	\$ (5,055,681)	\$ (160,301)	\$ (712,868)	\$ 225,357	\$ (5,703,492)
Restricted Cash and Cash Equivalents					
At Beginning of Year	6,178,334	184,401	1,067,571	25,384,828	32,815,134
At End of Year	8,399,035	192,803	947,538	57,739,591	67,278,967
Net Increase (Decrease)	2,220,701	8,402	(120,033)	32,354,763	34,463,833
	\$ (2,834,980)	\$ (151,899)	\$ (832,901)	\$ 32,580,121	\$ 28,760,341

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2020 AND 2019

NOTE K - SEGMENT INFORMATION, INCLUDING INTERFUND RECEIVABLES/PAYABLES

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	30,910,021	765,928	2,106,685	4,396,778	38,179,411
Restricted	4,035,751	184,401	--	1,283,669	5,503,821
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 Activites	(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

Required Supplemental Information- Unaudited

GUADALUPE-BLANCO RIVER AUTHORITY
 REQUIRED SUPPLEMENTAL INFORMATION-UNAUDITED
 AUGUST 31, 2020

Defined Benefit Plan

A. Schedule of Changes to the Employer's Net Pension Liability and Related Ratios for the Last 10 Fiscal Years ¹

	<u>Fiscal Year Ending</u>					
	<u>8/31/2020</u>	<u>8/31/2019</u>	<u>8/31/2018</u>	<u>8/31/2017</u>	<u>8/31/2016</u>	<u>8/31/2015</u>
1. Total Pension Liability						
a. Service cost	\$ -	\$ 283,744	\$ 310,415	\$ 363,322	\$ 383,820	\$ 357,786
b. Interest	2,337,907	2,454,094	2,377,209	2,251,021	2,146,011	2,027,051
c. Changes of benefit provisions	-	(3,504,857)	-	-	-	-
d. Differences between expected and actual experience	756,092	-	135,472	502,207	552,928	-
e. Changes of assumptions	972,932	2,358,552	(177,119)	-	477,891	620,672
f. Benefit payments	<u>(1,817,087)</u>	<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	2,249,844	(52,632)	1,248,250	1,992,377	2,719,090	2,306,988
h. Beginning	<u>35,544,198</u>	<u>35,596,830</u>	<u>34,348,580</u>	<u>32,356,203</u>	<u>29,637,113</u>	<u>27,330,125</u>
i. Ending	\$ 37,794,042	\$ 35,544,198	\$ 35,596,830	\$ 34,348,580	\$ 32,356,203	\$ 29,637,113
2. Plan Fiduciary Net Position						
a. Employer contributions	\$ 1,003,540	\$ 1,128,049	\$ 1,067,716	\$ 1,338,202	\$ 1,733,464	\$ 1,684,302
b. Participant contributions	-	-	-	-	-	-
c. Net investment income	5,474,367	(1,390,831)	4,336,286	650,186	(440,231)	486,549
d. Benefit payments	(1,817,087)	(1,644,165)	(1,397,727)	(1,124,173)	(841,560)	(698,521)
e. Administrative expenses	- ²	- ²	- ²	- ²	- ²	- ²
f. Net Change	4,660,820	(1,906,947)	4,006,275	864,215	451,673	1,472,330
g. Beginning	<u>28,731,703</u>	<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	\$ 33,392,523	\$ 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)]	\$ 4,401,519	\$ 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	88.40%	80.80%	86.10%	77.50%	79.60%	85.40%
5. Covered Payroll	\$ 5,636,970	\$ 5,826,719	\$ 6,279,213	\$ 7,096,581	\$ 7,565,168	\$ 7,423,408
6. Employer's Net Pension Liability as a Percentage of Covered Payroll	78.10%	116.90%	79.00%	108.70%	87.10%	58.20%

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.

GUADALUPE-BLANCO RIVER AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION-UNAUDITED
AUGUST 31, 2020

Defined Benefit Plan

B. Schedule of Employer Contributions for the Last 10 Fiscal Years for the Last 10 Fiscal Years ¹

	Plan Year Ending 8/31/2020	Plan Year Ending 8/31/2019	Plan Year Ending 8/31/2018	Plan Year Ending 8/31/2017	Plan Year Ending 8/31/2016	Plan Year Ending 8/31/2015
1. Actuarially determined contribution (ADC)	\$653,540	\$1,128,049	\$1,067,716	\$1,038,202	\$1,033,464	\$984,302
2. Contributions in relation to the ADC	<u>1,003,540</u>	<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)	(\$350,000)	\$0	\$0	(\$300,000)	(\$700,000)	(\$700,000)
4. Covered payroll	\$5,639,094	\$5,486,201	\$6,140,314	\$6,510,996	\$6,979,424	\$6,780,348
5. Contributions as a percentage of covered payroll	17.80%	20.6%	17.4%	20.6%	24.8%	24.8%

¹ Until a full 10-year trend is compiled, only available information is shown.

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	Present value of future benefits in 2020; entry age prior to 2020
Amortization method	Level dollar, 10 year closed period in 2020; level percent of payroll, open period prior to 2020
Amortization period	10 years in 2020; 8,9,9,9 and 10 years, respectively for years 2019-2015
Asset valuation method	5-year smoothed market
Inflation	2.75%, 2.75%,3%,3%,3.5% and 3.75%, respectively for years 2020-2015
Salary increases	2.75% in 2020; inflation plus merit and promotion increases that vary by age and service prior to 2020
Investment rate of return	6.75%, 7%, 7%, 7%, 7.25% and 7.50% respectively for years 2020-2015
Retirement age	Age 65 in 2020; rates that vary by age and service prior to 2020
Mortality	PubG-2010 total dataset tables for employees and for retirees, projected generationally using projection scale MP-2018 in 2020; RP-2000 Combined Healthy Mortality Tables for males and for females projected to 2024 by scale AA prior to 2020

GUADALUPE-BLANCO RIVER AUTHORITY
 REQUIRED SUPPLEMENTAL INFORMATION-UNAUDITED
 AUGUST 31, 2020

Texas County and District Retirement System (TCDRS)

A. Schedule of Changes to the Employer's Net Pension Liability and Related Ratios for the Last 10 Fiscal Years ¹

Fiscal Year Ending

	<u>8/31/2020</u>
1. Total Pension Liability	
a. Service cost	\$ 1,399,065
b. Interest	113,324
c. Changes of benefit provisions	261,653
d. Changes of assumptions	-
d. Changes of economic/demographic (gains) or losses	1,301
f. Benefit payments	-
g. Net Change	1,775,343
h. Beginning pension liability	-
i. Ending pension liability	\$ 1,775,343
 2. Plan Fiduciary Net Position	
a. Employer contributions	\$ 752,695
b. Participant contributions	630,399
c. Net investment income	(1,405)
d. Benefit payments	-
e. Administrative expenses	(1,088)
f. Other	47,552
f. Net Change	1,428,153
g. Fiduciary, net position, beginning	-
h. Fiduciary, net position, ending	\$ 1,428,153
 3. Employer's Net Pension Liability	
[Item 1(i) – 2(h)]	\$ 347,190
 4. Plan Fiduciary Net Position	
as a Percentage of the Total Pension Liability	80.44%
 5. Covered Payroll	\$ 10,506,643
 6. Employer's Net Pension Liability	
as a Percentage of Covered Payroll	3.30%

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.

**GUADALUPE-BLANCO RIVER AUTHORITY
 REQUIRED SUPPLEMENTAL INFORMATION-UNAUDITED
 AUGUST 31, 2020**

Texas County and District Retirement System (TCDRS)

B. Schedule of Employer Contributions for the Last 10 Fiscal Years for the Last 10 Fiscal Years ¹

	Plan Year Ending 8/31/2020
1. Actuarially determined contribution (ADC)	\$ 627,247
2. Contributions in relation to the ADC	949,251
3. Contribution deficiency (excess)	\$ (322,004)
4. Covered payroll	\$ 13,958,416
5. Contributions as a percentage of covered payroll	6.80%

¹ Until a full 10-year trend is compiled, only available information is shown.

Notes to Schedule

Actuarially determined contribution rates for the fiscal year ending August 31 were calculated December 31, two years prior to the end of the fiscal year in which contributions are reported.

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Amortization period	20.0 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by age and service. 4.9% average over career including inflation
Investment rate of return	8.0% net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.



This page left intentionally blank.

Other Supplemental Information

COMBINING SCHEDULE OF NET POSITION

AUGUST 31, 2020

	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.....	\$ 6,722,846	\$ 3,851,779	\$ 716,881	\$ 11,636,065	\$ 50
Investments-Unrestricted.....	253,183	--	--	7,357,391	--
Interest Receivable.....	7,103	977	1,022	68,088	--
Accounts Receivable-Operating.....	4,250	117,992	434,005	3,909,137	156,210
Current Portion of Loan Receivable.....	--	--	33,353	100,000	--
Other Current Assets.....	31,513	140,916	25,508	483,871	77,487
Total Current Assets.....	7,018,895	4,111,664	1,210,769	23,554,552	233,747
Restricted Assets					
Cash and Cash Equivalents.....	--	--	146,350	4,150,001	--
Interest Receivable.....	--	--	798	13,885	--
Total Restricted Assets.....	--	--	147,148	4,163,886	--
Total Current Assets.....	7,018,895	4,111,664	1,357,917	27,718,438	233,747
LONG-TERM ASSETS					
Restricted Assets					
Cash and Cash Equivalents.....	--	--	183,663	62,936,164	--
Investments.....	--	--	--	101,273	--
Total Restricted Assets.....	--	--	183,663	63,037,437	--
Capital Assets					
Land, Water and Storage Rights.....	1,035,561	2,248,822	228,369	67,776,551	41,424
Dams, Plants and Equipment.....	3,169,401	11,242,384	14,501,287	154,628,562	7,025,712
Construction In Progress.....	--	2,148,493	3,859,294	23,301,797	612,201
Less Accumulated Depreciation.....	(2,142,189)	(8,533,926)	(6,310,175)	(59,706,388)	(5,693,207)
Total Capital Assets.....	2,062,773	7,105,773	12,278,775	186,000,522	1,986,130
Other Assets					
Long-Term Loans Receivable.....	--	--	87,081	4,463,885	--
Permits and Licenses (Net of Amortization).....	--	--	--	--	--
Project Development Costs.....	--	--	53,527	9,723,058	--
Interfund Loans Receivable.....	7,041,814	--	--	--	--
Total Other Assets.....	7,041,814	--	140,608	14,186,943	--
Total Long-Term Assets.....	9,104,587	7,105,773	12,603,046	263,224,902	1,986,130
Total Assets and Deferred Outflows.....	\$ 19,437,474	\$ 11,217,437	\$ 13,960,963	\$ 290,943,340	\$ 2,219,877
LIABILITIES, DEFERRED INFLOWS AND NET POSITION					
CURRENT LIABILITIES					
Payable from Unrestricted Assets					
Current Portion of Long-Term Loans Payable.....	\$ --	\$ --	\$ 9,384	\$ 305,803	\$ 58,760
Interest Payable.....	--	--	--	28,357	--
Accounts Payable-Operating.....	589,555	155,227	523,383	7,380,164	160,643
Total Current Unrestricted Liabilities.....	589,555	155,227	532,767	7,714,324	219,403
Payable from Restricted Assets					
Current Portion of Debt.....	--	--	115,000	4,605,000	--
Interest Payable.....	--	--	28,703	4,456,096	--
Total Current Restricted Liabilities.....	--	--	143,703	9,061,096	--
Total Current Liabilities.....	589,555	155,227	676,470	16,775,420	219,403
LONG-TERM LIABILITIES					
Long Term Payable.....	--	--	--	--	--
Revenue Bonds Payable.....	--	--	--	195,763,082	--
Long-Term Loans Payable.....	--	--	1,938,833	1,969,705	88,621
Interfund Loans Payable.....	--	4,603,766	1,649,799	--	578,268
Less Current Portion.....	--	4,603,766	3,588,632	197,732,787	666,889
Total Bonds and Loans Payable.....	--	4,603,766	3,464,248	192,821,984	(58,760)
Advances for Operations.....	--	--	--	64,830	28,250
Net Pension Liability.....	4,748,709	--	--	--	--
Total Long-Term Liabilities.....	4,748,709	4,603,766	3,464,248	192,886,814	636,379
Total Liabilities.....	5,338,264	4,758,993	4,140,718	209,662,234	855,782
DEFERRED INFLOWS OF RESOURCES.....	1,623,534	--	--	6,535,692	285,254
NET POSITION					
Net Investments in Capital Assets.....	2,062,773	7,105,774	10,339,943	44,218,646	1,897,508
Restricted for Debt Service.....	--	--	146,350	4,150,001	--
Restricted for Reserves.....	--	--	183,663	1,527,406	--
Restricted for Rate Stabilization.....	--	--	--	2,559,119	--
Unrestricted.....	10,412,903	(647,330)	(849,711)	22,290,242	(818,667)
Total Net Position.....	12,475,676	6,458,444	9,820,245	74,745,414	1,078,841
Total Liabilities, Deferred Inflows and Net Position.....	\$ 19,437,474	\$ 11,217,437	\$ 13,960,963	\$ 290,943,340	\$ 2,219,877

See accompanying independent auditors' report.

Calhoun County Rural Water Supply Division	Coledo Creek Division	Luling Water Treatment Plant Division	Canyon Hydroelectric Division	Lockhart Division	2020 Eliminations	2020 Total
\$ 805,061	\$ 54,020	\$ 571,325	--	\$ 529,326	\$ --	\$ 24,887,353
--	--	151,910	--	--	--	7,762,484
9,591	--	9,340	3	--	--	96,124
141,474	160,267	122,579	305,301	52,793	--	5,404,008
--	--	--	--	--	--	133,353
8,614	8,054	11,059	15,452	27,747	--	830,221
964,740	222,341	866,213	320,756	609,866	--	39,113,543
--	--	192,803	--	--	--	4,489,154
--	--	82	--	--	--	14,765
--	--	192,885	--	--	--	4,503,919
964,740	222,341	1,059,098	320,756	609,866	--	43,617,462
--	--	--	--	--	--	63,119,827
--	--	--	--	--	--	101,273
--	--	--	--	--	--	63,221,100
51,396	--	875,292	12,187	13,000	--	72,282,602
2,682,957	2,112,080	7,853,092	12,553,881	1,214,618	--	216,983,974
190,822	--	--	--	--	--	30,112,607
(2,013,240)	(1,811,291)	(3,938,668)	(8,590,474)	(855,005)	--	(99,594,563)
911,935	300,789	4,789,716	3,975,594	372,613	--	219,784,620
--	--	--	--	--	--	4,550,966
--	--	--	358,055	--	--	358,055
--	--	--	--	--	--	9,776,585
--	--	--	--	--	(7,041,814)	--
--	--	--	358,055	--	(7,041,814)	14,685,606
911,935	300,789	4,789,716	4,333,649	372,613	(7,041,814)	297,691,326
--	--	--	--	--	--	3,313,992
\$ 1,876,675	\$ 523,130	\$ 5,848,814	\$ 4,654,405	\$ 982,479	(7,041,814)	\$ 344,622,780
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 373,947
--	--	--	--	--	--	28,357
76,473	201,050	86,215	23,405	595,001	--	9,791,116
76,473	201,050	86,215	23,405	595,001	--	10,193,420
--	--	290,000	--	--	--	5,010,000
--	--	4,888	--	--	--	4,489,687
--	--	294,888	--	--	--	9,499,687
76,473	201,050	381,103	23,405	595,001	--	19,693,107
--	--	--	--	--	--	0
--	--	3,394,957	--	--	--	199,158,039
--	--	--	--	--	--	3,997,159
--	--	--	209,981	--	(7,041,814)	--
--	--	3,394,957	209,981	--	(7,041,814)	203,155,198
--	--	(290,000)	--	--	--	(5,383,947)
--	--	3,104,957	209,981	--	(7,041,814)	197,771,251
--	--	34,805	--	30,412	--	158,297
--	--	--	--	--	--	4,748,709
--	--	3,139,762	209,981	30,412	(7,041,814)	202,678,257
76,473	201,050	3,520,865	233,386	625,413	(7,041,814)	222,371,364
--	--	382,444	4,316,447	--	--	13,143,371
911,935	300,789	1,394,758	3,975,593	372,613	--	72,580,332
--	--	192,803	--	--	--	4,489,154
--	--	--	--	--	--	1,711,069
--	--	--	--	--	--	2,559,119
888,267	21,291	357,944	(3,871,021)	(15,547)	--	27,768,371
1,800,202	322,080	1,945,505	104,572	357,066	--	109,108,045
\$ 1,876,675	\$ 523,130	\$ 5,848,814	\$ 4,654,405	\$ 982,479	(7,041,814)	\$ 344,622,780

GUADALUPE-BLANCO RIVER AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

FISCAL YEAR ENDED AUGUST 31, 2020

	General Division	Guadalupe Valley Hydroelectric Division	Rural Utilities Division	Water Resource Division	Port Lavaca Water Treatment Plant Division
OPERATING REVENUE					
Power Sales.....	\$ --	\$ 1,770,302	\$ --	\$ --	\$ --
Water Sales, Capacity Charge, Pipeline Transmission and Reservoir Operations.....	--	--	--	37,651,111	1,664,550
Recreation and Land Use.....	--	--	--	129,946	--
Waste Water Treatment Services.....	--	--	4,738,907	2,464,469	--
Laboratory Services.....	--	--	--	850,700	--
Rental.....	67,860	10,771	--	200,991	--
Administrative and General.....	4,021,980	--	--	--	--
Miscellaneous.....	5,194	2,028	34,227	3,154,686	100
Total Operating Revenue.....	4,095,034	1,783,101	4,773,134	44,451,903	1,664,650
OPERATING EXPENSES					
Personnel Operating Costs.....	2,660,327	1,433,639	1,375,227	11,021,894	660,210
Operating Supplies and Services.....	1,427,082	866,094	988,845	15,866,990	710,832
Maintenance and Repairs.....	100,473	276,635	965,166	2,068,369	78,804
Administrative and General.....	--	337,053	321,580	2,566,774	153,515
Depreciation and Amortization.....	198,067	199,112	478,888	4,009,113	196,750
Total Operating Expenses.....	4,385,949	3,112,533	4,129,706	35,533,140	1,800,111
Operating Income (Loss).....	(290,915)	(1,329,432)	643,428	8,918,763	(135,461)
NONOPERATING REVENUES (EXPENSES)					
Grant Income.....	--	--	--	758,313	--
Investment Income.....	141,985	56,017	40,914	831,490	--
Gain (Loss) on Disposal of Capital Assets.....	1,975	7,384	8,310	--	--
Debt Issuance Expense.....	--	--	--	(338,959)	--
Interest Expense.....	--	--	(65,461)	(3,890,044)	(4,876)
Total Nonoperating Revenues (Expenses).....	143,960	63,401	(16,237)	(2,639,200)	(4,876)
Income (Loss) Before Recognition of Deferrals.....	(146,955)	(1,266,031)	627,191	6,279,563	(140,337)
Costs (Revenue) to be Recognized in Future Years.....	--	--	--	(2,062,220)	95,173
Change in Net Position.....	(146,955)	(1,266,031)	627,191	4,217,343	(45,164)
Net Position at September 1, 2019.....	12,622,631	7,724,475	9,193,054	70,528,071	1,124,005
Net Position at August 31, 2020.....	\$ 12,475,676	\$ 6,458,444	\$ 9,820,245	\$ 74,745,414	\$ 1,078,841

Calhoun County Rural Water Supply Division	Coleto Creek Division	Luling Water Treatment Plant Division	Canyon Hydroelectric Division	Lockhart Division	Eliminations	Total
\$ --	\$ --	\$ --	\$ 322,878	\$ --	\$ --	\$ 2,093,180
1,487,790	892,951	2,060,085	--	907,794	(1,060,475)	43,603,806
--	635,206	--	--	--	--	765,152
59,125	--	--	--	1,308,140	--	8,570,641
--	--	--	--	--	(274,919)	575,781
--	95,382	--	--	--	(199,095)	175,909
--	--	--	--	--	(4,021,980)	--
15,350	2,362	164	136	--	--	3,214,247
1,562,265	1,625,901	2,060,249	323,014	2,215,934	(5,556,469)	58,998,716
550,680	1,090,998	599,754	191,931	736,330	--	20,320,990
474,173	342,541	341,318	68,324	967,050	(1,534,489)	20,518,760
117,745	138,091	57,106	17,698	341,726	--	4,161,813
128,097	159,955	139,117	45,061	170,828	(4,021,980)	--
68,170	46,704	124,305	240,373	50,528	--	5,612,010
1,338,865	1,778,289	1,261,600	563,387	2,266,462	(5,556,469)	50,613,573
223,400	(152,388)	798,649	(240,373)	(50,528)	--	8,385,143
--	--	--	--	--	--	758,313
6,020	94	13,840	--	--	--	1,090,360
--	--	--	--	--	--	17,669
--	--	--	--	--	--	(338,959)
--	--	(121,728)	--	--	--	(4,082,109)
6,020	94	(107,888)	--	--	--	(2,554,726)
229,420	(152,294)	690,761	(240,373)	(50,528)	--	5,830,417
--	--	(117,153)	244,340	--	--	(1,839,860)
229,420	(152,294)	573,608	3,967	(50,528)	--	3,990,557
1,570,782	474,374	1,371,897	100,605	407,594	--	105,117,488
\$ 1,800,202	\$ 322,080	\$ 1,945,505	\$ 104,572	\$ 357,066	\$ --	\$ 109,108,045

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

FISCAL YEAR ENDED AUGUST 31, 2020

	General Division	Guadalupe Valley Hydroelectric Division	Rural Utilities Division	Water Resource Division
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers.....	\$ 73,043	\$ 1,863,340	\$ 4,499,952	\$ 42,457,426
Cash Received from Interfund Administrative Charges.....	4,021,980	--	--	--
Cash Paid for Personnel Operating Costs.....	(1,479,302)	(1,433,639)	(1,375,227)	(11,021,894)
Cash Paid for Other Operating and Maintenance Costs.....	(1,373,010)	(1,373,417)	(2,162,183)	(19,137,919)
Cash Paid for Interfund Administrative Charges.....	--	(337,053)	(321,580)	(2,566,774)
Net Cash Flows From (Used by) Operating Activities.....	1,242,711	(1,280,769)	640,962	9,730,839
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund Operating Loans Received.....	--	465,580	--	--
Interfund Operating Loans Made.....	(730,139)	--	--	--
Principal Payments Made on Interfund Operating Loans.....	--	--	--	(68,929)
Principal Payments Received on Interfund Operating Loans.....	83,929	--	--	--
Cash Received from Grants.....	--	--	--	758,313
Net Cash Flows From (Used by) Noncapital Financing Activities.....	(646,210)	465,580	--	689,384
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds (Returns) from Advances from Customers, Developers, and Other Governmental Units.....	--	--	(13,975)	--
Proceeds from Revenue and Loans for Capital Assets and Plant Expansions.....	--	--	--	45,852,006
Proceeds from Sale of Capital Assets.....	1,975	9,400	8,310	--
Purchase of Capital Assets.....	(536,184)	(14,883)	(5,771)	(468,517)
Cash Paid for Construction in Progress.....	--	(1,428,650)	(3,428,815)	(12,013,043)
Cash Paid for Project Development.....	--	--	(11,820)	(689,472)
Cash Paid for Debt Issuance Expense.....	--	--	--	(338,959)
Interest Paid.....	--	--	(67,222)	(2,166,688)
Principal Payments on Revenue Bonds.....	--	--	--	(10,740,000)
Principal Payments on Loans.....	--	--	(124,836)	(301,208)
Net Cash Flows Used by Capital and Related Financing Activities.....	(534,209)	(1,434,133)	(3,644,129)	19,134,119
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash Received from Investments.....	749,542	998,600	31,765	7,616,430
Investment Income Received.....	149,021	65,005	42,517	866,642
Cash Paid for Investments.....	--	--	--	--
Net Cash Flows From (Used by) Investing Activities.....	898,563	1,063,605	74,282	8,483,072
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	\$ 960,855	\$ (1,185,717)	\$ (2,928,885)	\$ 38,037,414
UNRESTRICTED CASH AND CASH EQUIVALENTS:				
At Beginning of Year.....	5,761,991	5,037,496	3,651,451	11,051,114
At End of Year.....	6,722,846	3,851,779	716,881	11,636,065
Net Increase (Decrease).....	960,855	(1,185,717)	(2,934,570)	584,951
RESTRICTED CASH AND CASH EQUIVALENTS:				
At Beginning of Year.....	--	--	324,328	29,633,702
At End of Year.....	--	--	330,013	67,086,165
Net Increase (Decrease).....	--	--	5,685	37,452,463
TOTAL CASH AND CASH EQUIVALENTS:				
At Beginning of Year.....	5,761,991	5,037,496	3,975,779	40,684,816
At End of Year.....	6,722,846	3,851,779	1,046,894	78,722,230
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	\$ 960,855	\$ (1,185,717)	\$ (2,928,885)	\$ 38,037,414
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss).....	\$ (290,915)	\$ (1,329,432)	\$ 643,428	\$ 8,918,763
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities:				
Depreciation and Amortization.....	198,067	199,112	478,888	4,009,113
Actuarially Determined Net Pension Expense.....	1,181,025	--	--	--
Net Change in Assets and Liabilities From Operating Activities:				
Operating Accounts Receivable.....	(11)	80,239	(273,182)	(1,994,477)
Other Current Assets.....	(10,444)	(18,804)	(584)	(150,275)
Operating Accounts Payable.....	164,989	(211,884)	(207,588)	(1,052,285)
Total Adjustments.....	1,533,626	48,663	(2,466)	812,076
NET CASH FLOWS FROM OPERATING ACTIVITIES.....	\$ 1,242,711	\$ (1,280,769)	\$ 640,962	\$ 9,730,839

NON-CASH TRANSACTIONS SCHEDULE

1. During fiscal year 2020 and 2019, an adjustment of \$153,482 and \$201,934 respectively, was made to decrease investments to fair value.

See accompanying independent auditors' report.

Port Lavaca Water Treatment Plant Division	Calhoun County Rural Water Supply Division	Coledo Creek Division	Luling Water Treatment Plant Division	Canyon Hydroelectric Division	Lockhart Division	Eliminations	Total
\$ 1,634,234	\$ 1,534,457	\$ 1,624,939	\$ 1,967,519	\$ 408,651	\$ 2,218,886	\$ (1,534,489)	\$ 56,747,958
--	--	--	--	--	--	(4,021,980)	--
(660,210)	(550,680)	(1,090,998)	(599,754)	(191,931)	(736,330)	--	(19,139,965)
(863,093)	(561,542)	(450,279)	(403,251)	(99,597)	(1,145,227)	1,534,489	(26,035,029)
(153,515)	(128,097)	(159,955)	(139,117)	(45,061)	(170,828)	4,021,980	--
(42,584)	294,138	(76,293)	825,397	72,062	166,501	--	11,572,964
54,579	--	--	--	209,980	--	(730,139)	--
--	--	--	--	--	--	730,139	--
--	--	--	--	(15,000)	--	83,929	--
--	--	--	--	--	--	(83,929)	--
--	--	--	--	--	--	--	758,313
54,579	--	--	--	194,980	--	--	758,313
--	--	--	--	(439,154)	--	--	(453,129)
--	--	--	--	--	--	--	45,852,006
--	--	--	--	--	--	--	19,685
--	(10,149)	--	(634,614)	--	--	--	(1,670,118)
(903)	(175,822)	--	--	--	--	--	(17,047,233)
--	--	--	--	--	--	--	(701,292)
--	--	--	--	--	--	--	(338,959)
(4,877)	--	--	(122,130)	--	--	--	(2,360,917)
--	--	--	(280,000)	--	--	--	(11,020,000)
(56,836)	--	--	--	--	--	--	(482,880)
(62,616)	(185,971)	--	(1,036,744)	(439,154)	--	--	11,797,163
--	--	--	49,110	--	--	--	9,445,447
--	1,605	135	10,338	211	--	--	1,135,474
--	--	--	--	--	--	--	--
--	1,605	135	59,448	211	--	--	10,580,921
\$ (50,621)	\$ 109,772	\$ (76,158)	\$ (151,899)	\$ (171,901)	\$ 166,501	\$ --	\$ 34,709,361
50,671	695,289	130,178	731,626	171,901	362,825	--	27,644,542
50	805,061	54,020	571,325	--	529,326	--	24,887,353
(50,621)	109,772	(76,158)	(160,301)	(171,901)	166,501	--	(2,757,189)
--	--	--	184,401	--	--	--	30,142,431
--	--	--	192,803	--	--	--	67,608,981
--	--	--	8,402	--	--	--	37,466,550
50,671	695,289	130,178	916,027	171,901	362,825	--	57,786,973
50	805,061	54,020	764,128	--	529,326	--	92,496,334
\$ (50,621)	\$ 109,772	\$ (76,158)	\$ (151,899)	\$ (171,901)	\$ 166,501	\$ --	\$ 34,709,361
\$ (135,461)	\$ 223,400	\$ (152,388)	\$ 798,649	\$ (240,373)	\$ (50,528)	\$ --	\$ 8,385,143
196,750	68,170	46,704	124,305	240,373	50,528	--	5,612,010
--	--	--	--	--	--	--	1,181,025
(30,416)	(27,808)	(962)	(92,730)	85,637	2,952	--	(2,250,758)
(1,237)	152	417	(1,561)	(3,481)	(5,381)	--	(191,198)
(72,220)	30,224	29,936	(3,266)	(10,094)	168,930	--	(1,163,258)
92,877	70,738	76,095	26,748	312,435	217,029	--	3,187,821
(42,584)	294,138	(76,293)	825,397	72,062	166,501	--	11,572,964

**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
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>\$ 1,875,000</u>	<u>\$ 436,962</u>	<u>\$ 2,311,962</u>

U.S. GOVERNMENT LOAN, CANYON DAM AND RESERVOIR

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
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>\$ 1,701,406</u>	<u>\$ 151,934</u>	<u>\$ 1,853,340</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	
2021	\$ 9,384	\$ 2,105	\$ 11,489	\$ 39,448	\$ 8,846	\$ 48,294	\$ 59,783
2022	9,713	1,776	11,489	40,830	7,464	48,294	59,783
2023	10,054	1,435	11,489	42,260	6,033	48,293	59,782
2024	10,406	1,083	11,489	43,739	4,551	48,290	59,779
2025	10,771	718	11,489	45,272	3,019	48,291	59,780
2026	11,148	341	11,489	46,856	1,431	48,287	59,776
2027	2,358	28	2,386	9,894	116	10,010	12,396
	<u>\$ 63,834</u>	<u>\$ 7,486</u>	<u>\$ 71,320</u>	<u>\$ 268,299</u>	<u>\$ 31,460</u>	<u>\$ 299,759</u>	<u>\$ 371,079</u>

**GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES**

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

<u>YR END AUG 31</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
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>\$ 2,615,000</u>	<u>\$ 247,668</u>	<u>\$ 2,862,668</u>

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

<u>YR END AUG 31</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021	\$ --	\$ --	\$ --
2022	--	--	--
2023	--	--	--
2024	145,000	38,186	183,186
2025	145,000	51,468	196,468
2026	150,000	48,684	198,684
2027	155,000	45,459	200,459
2028	160,000	41,770	201,770
2029	160,000	37,658	197,658
2030	165,000	33,242	198,242
2031	170,000	28,474	198,474
2032	180,000	23,391	203,391
2033	185,000	17,901	202,901
2034	190,000	12,129	202,129
2035	195,000	6,182	201,182
	<u>\$ 2,000,000</u>	<u>\$ 384,544</u>	<u>\$ 2,384,544</u>

**GENERAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2020
OFFICE EXPANSION & WATER RIGHT CONTRACT BUYOUT**

<u>YR END AUG 31</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021	\$ --	\$ 131,148	\$ 131,148
2022	505,000	132,250	637,250
2023	710,000	122,150	832,150
2024	725,000	107,950	832,950
2025	735,000	93,450	828,450
2026	750,000	78,750	828,750
2027	780,000	56,250	836,250
2028	490,000	32,850	522,850
2029	500,000	18,150	518,150
2030	105,000	3,150	108,150
	<u>\$ 5,300,000</u>	<u>\$ 776,098</u>	<u>\$ 6,076,098</u>

**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	
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>\$ 4,810,000</u>	<u>\$ 4,078,336</u>	<u>\$ 8,888,336</u>	<u>\$ 6,960,000</u>	<u>\$ 2,610,834</u>	<u>\$ 9,570,834</u>	<u>\$ 18,459,170</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
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>\$ 2,305,000</u>	<u>\$ 149,183</u>	<u>\$ 2,454,183</u>

* The principal and related interest due on September 1, 2020 (FY2021) were paid in fiscal year ending August 31, 2020.

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
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>\$ 14,945,000</u>	<u>\$ 5,415,606</u>	<u>\$ 20,360,606</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	
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>\$ 40,725,000</u>	<u>\$ 15,539,450</u>	<u>\$ 56,264,450</u>	<u>\$ 4,905,000</u>	<u>\$ 1,701,124</u>	<u>\$ 6,606,124</u>	<u>\$ 62,870,574</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
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
AUG 31										
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>\$ 6,564,940</u>	<u>\$18,459,940</u>	<u>\$34,285,000</u>	<u>\$41,454,451</u>	<u>\$75,739,451</u>	<u>\$ 113,439,035</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**

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

YR END AUG 31	SERIES 2019			SERIES 2019M *			TOTAL
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2021	\$ --	216,897	\$ 216,897	\$ --	1,021,996	\$ 1,021,996	\$ 1,238,893
2022	--	216,897	216,897	--	1,021,996	1,021,996	1,238,893
2023	--	216,897	216,897	--	1,021,996	1,021,996	1,238,893
2024	295,000	216,897	511,897	--	1,021,996	1,021,996	1,533,893
2025	295,000	213,622	508,622	--	1,021,996	1,021,996	1,530,618
2026	300,000	210,289	510,289	--	1,021,996	1,021,996	1,532,285
2027	305,000	206,749	511,749	--	1,021,996	1,021,996	1,533,745
2028	310,000	202,967	512,967	--	1,021,996	1,021,996	1,534,963
2029	310,000	199,030	509,030	--	1,021,996	1,021,996	1,531,026
2030	315,000	194,969	509,969	--	1,021,996	1,021,996	1,531,965
2031	320,000	190,338	510,338	--	1,021,996	1,021,996	1,532,334
2032	330,000	184,930	514,930	--	1,021,996	1,021,996	1,536,926
2033	330,000	178,759	508,759	--	1,021,996	1,021,996	1,530,755
2034	340,000	171,862	511,862	--	1,021,996	1,021,996	1,533,858
2035	350,000	164,586	514,586	--	1,021,996	1,021,996	1,536,582
2036	360,000	156,921	516,921	--	1,021,996	1,021,996	1,538,917
2037	365,000	148,533	513,533	--	1,021,996	1,021,996	1,535,529
2038	370,000	139,846	509,846	--	1,021,996	1,021,996	1,531,842
2039	385,000	130,818	515,818	--	1,021,996	1,021,996	1,537,814
2040	395,000	121,886	516,886	1,575,000	1,021,996	2,596,996	3,113,882
2041	400,000	111,261	511,261	1,635,000	970,494	2,605,494	3,116,755
2042	415,000	100,501	515,501	1,690,000	917,029	2,607,029	3,122,530
2043	425,000	89,337	514,337	1,740,000	861,766	2,601,766	3,116,103
2044	435,000	77,905	512,905	1,800,000	804,868	2,604,868	3,117,773
2045	450,000	66,203	516,203	1,860,000	746,008	2,606,008	3,122,211
2046	465,000	53,738	518,738	1,925,000	683,326	2,608,326	3,127,064
2047	480,000	40,858	520,858	1,990,000	618,454	2,608,454	3,129,312
2048	490,000	27,562	517,562	2,055,000	551,391	2,606,391	3,123,953
2049	505,000	13,989	518,989	2,130,000	482,137	2,612,137	3,131,126
2050	--	--	--	2,200,000	410,356	2,610,356	2,610,356
2051	--	--	--	2,280,000	334,236	2,614,236	2,614,236
2052	--	--	--	2,365,000	255,348	2,620,348	2,620,348
2053	--	--	--	2,460,000	173,519	2,633,519	2,633,519
2054	--	--	--	2,555,000	88,403	2,643,403	2,643,403
	<u>\$ 9,740,000</u>	<u>\$ 4,265,047</u>	<u>\$ 14,005,047</u>	<u>\$ 30,260,000</u>	<u>\$ 28,337,255</u>	<u>\$ 58,597,255</u>	<u>\$ 72,602,302</u>

* The Master Agreement with the Texas Water Development Board includes capitalized interest for FY2020-FY2029 with repayment of the deferrals beginning 8/15/2032 through 2/15/2039.

**GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES**

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

<u>YR END AUG 31</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
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>\$ 3,710,000</u>	<u>\$ 1,476,013</u>	<u>\$ 5,186,013</u>

FROST NATIONAL BANK, PORT LAVACA WTP CLEARWELL

<u>YR END AUG 31</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021	\$ 58,760	\$ 2,528	\$ 61,288
2022	29,860	362	30,222
	<u>\$ 88,620</u>	<u>\$ 2,890</u>	<u>\$ 91,510</u>

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

<u>YR END AUG 31</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
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>\$ 3,400,000</u>	<u>\$ 619,621</u>	<u>\$ 4,019,621</u>



This page left intentionally blank.

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.....	89
Schedule of Changes in Net Position.....	90
Schedules of Operating Revenues by Source, Operating Expenses, and Nonoperating Revenue and Expenses.....	91
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.....	92
Operations.....	93
Debt Capacity	
<i>These schedules present information to help the reader assess and understand GBRA's debt burden.</i>	
Debt by Type.....	94
Third Party Debt.....	95
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.....	96-97
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.....	98
Operating Statistics.....	100-101
Capital Assets Additions.....	102

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

	Fiscal Year				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Primary government					
Net investment in capital assets	\$ 72,580,332	\$ 61,546,842	\$ 41,767,797	\$ 39,900,766	\$ 45,212,346
Restricted	8,759,342	8,485,613	15,307,919	9,450,962	8,546,152
Unrestricted	<u>27,768,371</u>	<u>35,085,033</u>	<u>38,221,504</u>	<u>40,016,677</u>	<u>26,498,994</u>
Total primary government net position	<u>\$ 109,108,045</u>	<u>\$ 105,117,488</u>	<u>\$ 95,297,220</u>	<u>\$ 89,368,405</u>	<u>\$ 80,257,492</u>

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

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>
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
2020	58,998,716	50,613,573	8,385,143	(2,554,726)	5,830,417	-	(1,839,860)	-	3,990,557

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
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
2020	2,093,180	43,603,806	941,061	8,570,641	575,781	3,214,247	58,998,716

**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
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
2020	20,320,990	20,518,760	4,161,813	5,612,010	-	50,613,573

(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
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)
2020	(4,082,109)	1,090,360	758,313	17,669	(338,959)	(2,554,726)

List of Principal Customers

Guadalupe Valley Electric Cooperative
 New Braunfels Utilities
 Coletto 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
 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

WATER SALES CUSTOMERS

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



WASTEWATER TREATMENT CUSTOMERS

WATER TREATMENT CUSTOMERS

Calhoun County Rural Water Corporation
 City of Boerne
 City of Buda
 City of Fair Oaks Ranch
 City of Kyle
 City of Lockhart
 City of Luling
 City of Port Lavaca
 City of San Marcos
 Cordillera Ranch
 Goforth Special Utility District
 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
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	Debt Per Capita (2)
	Bonds	Loans	Bonds	Loans		
2011	\$ 10,122,346	\$ 9,362,340	\$ 124,789,055	\$ 370,115	\$ 144,643,856	N/A
2012	14,108,088	11,337,160	119,930,725	360,998	145,736,971	N/A
2013	13,453,831	10,583,254	117,364,922	351,463	141,753,470	N/A
2014	12,784,574	7,682,733	111,208,494	341,534	132,017,335	N/A
2015	12,095,316	6,962,889	106,160,734	331,195	125,550,134	N/A
2016	13,391,059	5,752,929	100,974,255	301,662	120,419,905	N/A
2017	12,671,801	5,790,910	100,969,477	251,687	119,683,875	N/A
2018	43,077,544	5,347,283	100,313,613	199,647	148,938,087	N/A
2019	11,173,286	4,334,582	153,656,992	145,457	169,310,318	N/A
2020	10,500,486	3,908,539	188,657,552	88,620	203,155,198	N/A

(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 2020, Net Obligations Payable from Revenue Contracts were as follows:

		Customer Revenue Contract
RRWDS Combination Contract Revenue Bonds Series 2007	\$ 4,800,410	Cities of Kyle & Buda, GoForth SUD,
RRWDS Combination Contract Revenue Refunding Bonds Series 2017	7,212,770	Sunfield MUD, Monarch Util,
Contract Revenue Refunding Bonds Series 2016-San Marcos Plant	4,570,000	Hays Energy LP, Canyon Reg Water Authority
RRWDS Combination Revenue Refunding Bonds, San Marcos Series 2010	2,305,000	City of San Marcos
IH 35 Proj Combination Contract Revenue Bonds, Series 2013	14,862,594	Cities of Kyle & Buda, GoForth SUD, Monarch Util, Sunfield MUD
Western Canyon Regional WS Project Revenue Bonds, Series 2013 A&B	49,512,865	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	3,788,956	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	88,620	Port O'Connor MUD, Calhoun Co Rural Water
Treated Water Delivery System Contract Revenue Refund. Bonds, Series 2014	3,394,957	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
TWDB Carrizo Ground Water, Series 2019	9,740,000	NB Utilities, City of Lockhart, GoForth SUD
TWDB Carrizo Ground Water, Series 2019M	30,260,000	NB Utilities, City of Lockhart, GoForth SUD
Total Net Obligations Payable from Revenue Contracts	\$ 188,746,172	

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	
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	-
2020	-

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.

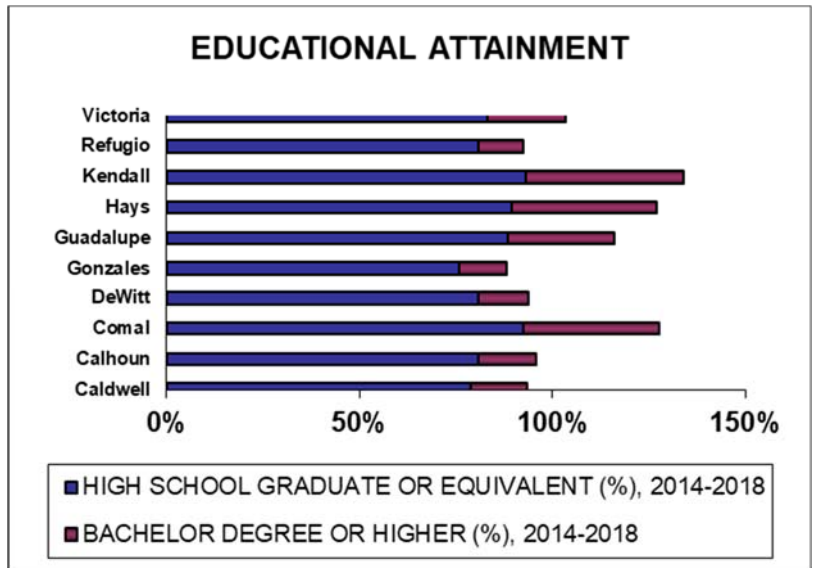
GBRA District Demographics

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.

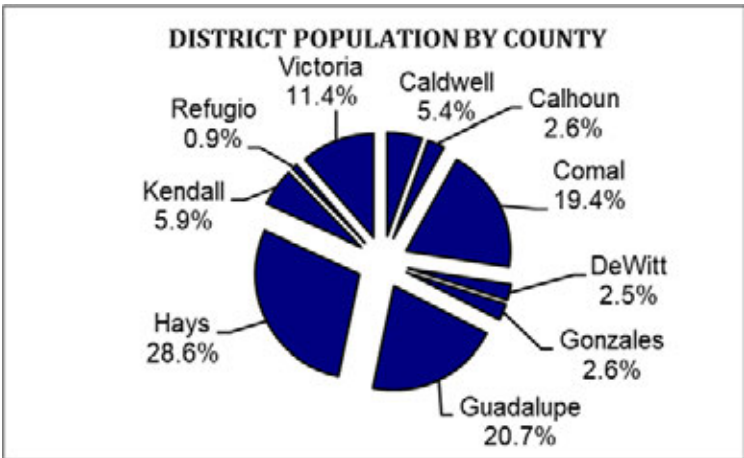
GBRA’s service area is geographically part of south central Texas. It stretches from the Hill Country through the I-35 Corridor and on to the Gulf Coast. GBRA’s service area includes ten-counties and more than seventy cities and communities. This geographic diversity in turn provides economic diversity 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%	15%
Calhoun	81%	15%
Comal	92%	35%
DeWitt	81%	13%
Gonzales	76%	12%
Guadalupe	89%	28%
Hays	90%	37%
Kendall	93%	41%
Refugio	81%	12%
Victoria	83%	20%



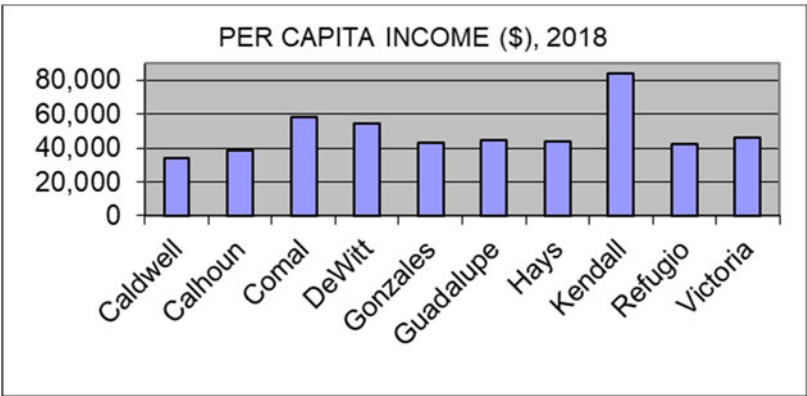
SOURCE: U.S. Census Bureau, 5yr Estimate



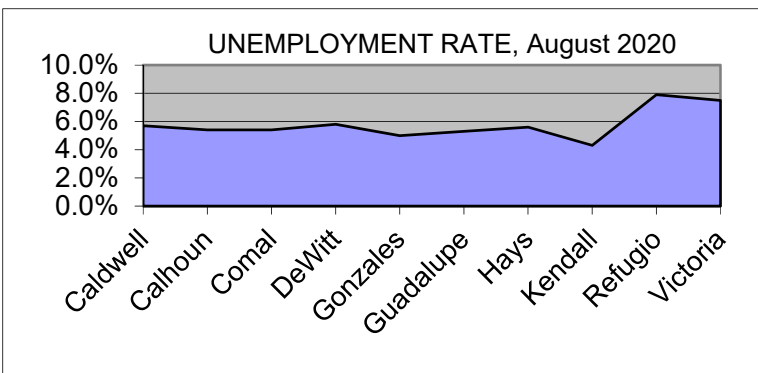
COUNTY	POPULATION
Hays	230,191
Guadalupe	166,847
Comal	156,209
Victoria	92,084
Kendall	47,431
Caldwell	43,664
Calhoun	21,290
Gonzales	20,837
DeWitt	20,160
Refugio	6,948

SOURCE: U.S. Census Bureau, Estimate 2018

COUNTY	PER CAPITA INCOME
Kendall	84,270
Comal	58,067
DeWitt	54,549
Victoria	46,142
Guadalupe	44,809
Hays	43,719
Gonzales	43,342
Refugio	42,606
Calhoun	38,668
Caldwell	33,668



SOURCE: Bureau of Economic Analysis, Estimate 2018



SOURCE: US Dept. of Labor, Bureau of Labor Statistics as of August 2020

COUNTY	UNEMPLOYMENT RATE
Comal	5.4%
Caldwell	5.7%
Guadalupe	5.3%
Calhoun	5.4%
Victoria	7.5%
Hays	5.6%
Kendall	4.3%
Gonzales	5.0%
DeWitt	5.8%
Refugio	7.9%
Texas	6.8%
U.S.	8.4%

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

Division	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General	41	39	40	39.5	39	35	38.5	34	36	41
Guadalupe Valley Electric	25	26	26	26	26	24	24	23	24	19
Rural Utilities	7	7	7	7	7	7	7.5	7.5	10	11
Water Resources	49	49	49.5	51.5	55.5	50	50.5	57	61.5	78
Western Canyon	9	9	9	9	10	9	10	11	13	13
Port Lavaca WTP	8	8	8	8	8	8	8	8	8	7
Calhoun County RWSS	4	4	4	5	5	4	5	5	5	5
Victoria Regional WWRS	9	-	-	-	-	-	-	-	-	-
Coleto Creek Park and Reservoir	16	16	16	16	16	14.5	14.5	14	13	13
Luling WTP	5	5	5	5	5	5	5	5	5	5
Canyon Hydroelectric	2	2	2	2	2	2	2	2	2	1
Lockhart WWTP & WTP	11	11	11	11	11	7	7	7	7	7
Total	186	176	177.5	180	184.5	165.5	172	173.5	184.5	200

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.



This page left intentionally blank.

GUADALUPE-BLANCO RIVER AUTHORITY
OPERATING STATISTICS

Operating Statistics:	FY 2010	FY 2011	FY 2012
Water Treatment Customers:			
Total Water Distributed (Gal.)			
Calhoun County Rural Water Supply Division	71,381,000	91,070,000	92,377,000
Total Water Treated (Gal.)			
Lockhart Water Treatment System	542,137,000	613,240,000	579,122,000
Luling Water Treatment Plant Division	634,399,000	675,179,000	664,541,000
Port Lavaca Water Treatment Plant Division	630,210,000	752,918,000	721,578,000
San Marcos Water Treatment Plant System	2,685,046,000	3,209,012,000	3,324,085,000
Western Canyon Water Treatment Plant System	3,722,663,000	3,446,937,000	3,640,904,000
Wastewater Treatment Customers:			
Total Wastewater Treated (Gal.)			
Buda Wastewater Treatment Plant	339,800,000	331,430,000	376,050,000
Crestview Subdivision Wastewater Treatment Plant	3,059,616	2,291,900	2,709,621
Lockhart Wastewater Reclamation System	465,830,000	429,580,000	453,960,000
Rural Utilities Division	196,200,000	159,800,000	135,100,000
Victoria Regional Wastewater Reclamation Division	2,579,000,000	819,000,000	--
Village of Wimberley Wastewater Treatment Plant	3,246,000	4,930,000	1,750,000
North Hays County MUD #1	41,010,000	38,160,000	43,000,000
Sunfield Subdivision Wastewater Treatment	2,560,000	9,970,000	19,020,000
Cordillera Ranch	6,062,900	8,291,800	92,090
Johnson Ranch	--	--	--
4S Ranch			
Park Village Ventana			
Bulverde Singing Hills			
Canyon Park Estates WWTP	43,400,000	36,000,000	51,200,000
Water Sales Customers:			
Rice Irrigation (Acres)			
Calhoun Canal System	2,177	2,249	1,917
Water Delivered (Gal.)			
Guadalupe Power Partners	998,991,000	900,513,000	498,819,000
Regional Raw Water Delivery System	3,280,168,000	3,336,852,000	4,093,251,000
Power Sales & Other Services:			
Total Generation (kWh)			
Guadalupe Valley Hydroelectric Division	71,633,300	42,126,000	31,405,400
Canyon Hydroelectric Division	17,716,632	7,566,158	--
Annual Permits			
Lake Wood Recreation Area	18	19	27
Coleto Creek Regional Park	254	259	309
Camping Permits			
Lake Wood Recreation Area	3,204	4,266	4,914
Coleto Creek Regional Park	12,393	13,133	14,368
Camping Cabins			
Coleto Creek Regional Park	717	766	985
Day Use Permits			
Lake Wood Recreation Area	2,776	2,588	2,851
Coleto Creek Regional Park	14,465	16,331	17,503

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
81,818,000	75,749,000	72,753,000	81,715,000	79,187,000	83,300,000	86,693,565	85,449,000
548,963,000	537,896,000	522,285,000	544,955,000	546,343,000	575,461,000	526,173,000	561,983,000
684,728,000	630,906,000	638,074,000	654,244,000	668,198,000	676,748,000	617,172,000	664,876,000
666,194,000	617,275,000	715,451,000	693,981,000	626,247,000	680,921,000	636,943,000	691,659,000
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	4,426,520,000
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	4,277,936,585
363,970,000	479,600,000	426,560,000	435,200,000	412,900,000	394,200,000	428,560,000	409,440,000
2,085,000	1,719,866	3,306,682	2,041,000	2,150,000	2,562,794	3,709,000	2,711,463
395,550,000	413,360,000	483,600,000	491,710,000	451,010,000	399,400,000	366,470,000	370,710,000
148,800,000	161,000,000	200,700,000	191,200,000	159,900,000	156,900,000	185,700,000	121,972,365
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
46,700,000	54,790,000	56,050,000	65,760,000	64,880,000	61,690,000	71,250,000	90,980,000
23,210,000	43,610,000	41,670,000	36,710,000	44,800,000	54,750,000	83,980,000	102,070,000
9,445,400	11,630,500	13,896,200	14,048,600	15,410,000	15,206,800	18,040,000	20,922,000
--	--	--	5,509,500	9,788,400	14,125,400	19,860,000	21,104,000
						--	--
						--	--
						15,190,000	14,389,000
37,500,000	38,500,000	39,200,000	38,000,000	30,600,000	24,500,000	24,000,000	22,673,000
2,306	1,532	--	1,074	--	291	--	--
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	1,216,478,000
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	5,552,465,000
23,444,900	18,469,500	37,271,300	68,045,400	63,024,500	28,993,400	62,320,000	21,878,000
--	1,599	4,256,771	22,657,028	17,949,565	180,453	15,770,000	1,226,900
30	23	10	5	3	1	3	3
320	290	273	285	265	252	241	366
5,403	4,932	4,031	2,214	3,140	2,114	2,263	23
14,983	14,697	13,136	14,514	13,850	14,962	13,609	12,877
1,072	1,009	923	990	623	532	391	470
3,080	3,855	3,746	2,697	2,064	1,605	1,745	1,318
18,377	16,825	17,455	18,417	17,607	16,547	15,065	8,417

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

Year	Guadalupe			Port Lavaca	Calhoun	Victoria	Luling			Lockhart	Total	
	General	Valley	Rural	Water	County	Regional	Water	Canyon				
Division	Division	Division	Resource	Treatment	Rural Water	Wastewater	Coleta	Treatment	Hydro	Division		
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
2020	536,184	14,883	104,683	6,993,617	-	10,149	-	-	473,135	-	-	8,132,651

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Land, Water, & Storage Rights	\$ 7,000,000	\$ 90,058	\$ 151,757	\$ -	\$ -	\$ -	\$ -	\$ 35,102,458	\$ 1,499,631	\$ 273,396
Structures & Improve	3,749,160	242,832	2,993,788	71,179	312,900	82,073	1,183,949	223,214	25,707	6,995,732
Specialized Equip	41,246	4,777	42,542	29,452	5,206	70,054	59,289	-	125,299	5,419
Auto & Heavy Equip	229,186	190,060	312,585	261,102	337,541	335,544	591,189	327,553	607,262	807,719
Office Furniture & Equip	89,353	29,423	58,612	69,113	26,184	26,672	44,949	79,520	357,462	21,448
Miscellaneous Equip	171,895	188,165	246,919	227,867	711,840	519,859	556,056	565,943	186,966	28,937
Total	\$ 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	\$ 8,132,651

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, 2020, and have issued our report thereon dated November 23, 2020.

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*.

We noted certain matters that we reported to management of the Guadalupe-Blanco River Authority in a separate letter dated November 23, 2020.

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 US, LLP

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Austin, Texas
November 23, 2020



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



Built in 1927, the Nolte Hydroelectric Plant is about 2.5 miles (channel distance) below TP-5 Dam (Lake Nolte) on the Guadalupe River, and 3 miles southeast of Seguin, Guadalupe County.



GUADALUPE-BLANCO RIVER AUTHORITY
TEXAS



Stein Falls Water Reclamation Treatment Plant servicing the FM 725 area south of New Braunfels was expanded in 1985, 1996 and 2006, and is currently permitted to treat 0.95 MGD.



The Coletto Creek Park and Reservoir, located midway between Victoria and Goliad, is a joint project between Coletto Creek Power and the GBRA. At normal pool elevation it covers 3,100 surface acres with 61 miles of shoreline. Opened to the public in February 1981 for year-round outdoor recreation opportunities, the park consists of 190 acres, of which approximately 40 acres have been developed.



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