

Upper Guadalupe River Authority

Annual Financial Report

For the Year Ended September 30, 2020

Upper Guadalupe River Authority
Annual Financial Report
For the Year Ended September 30, 2020

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ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS X
COUNTY OF KERR X

I, RAYMOND L. BUCK JR
(Name of duly authorized District Representative)

of the Upper Guadalupe River Authority hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of Directors of the Board of Directors of the District on the 27nd day of January, 2021 its annual audit report for the fiscal year ended September 30, 2020 and that copies of the annual audit report have been filed in the district office located in Kerrville, Texas.

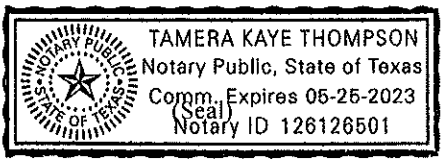
The annual filing affidavit and the attached copy of the annual audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code.

Date: 01/28/21 Raymond L. Buck Jr
(Signature of District Representative)

RAYMOND L. BUCK JR., GENERAL MANAGER
(Typed Name & Title of District Representative)

Sworn to and subscribed to before me this 28th day of January 2021

Tamera Kaye Thompson
(Signature of Notary)



My commission expires on May 25, 2023 Notary Public in and for the State of Texas.

EDE & COMPANY, LLC

Certified Public Accountants

Eric Ede
Donna Ede Jones

P. O. Box 219
Knippa, Texas 78870
Telephone (830) 934-2148
Fax (830) 934-2799
Email: edecpa@hotmail.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Upper Guadalupe River Authority
125 Lehmann Dr.
Suite 100
Kerrville, Texas 78028

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Upper Guadalupe River Authority, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Upper Guadalupe River Authority, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

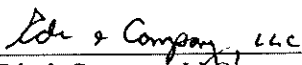
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Upper Guadalupe River Authority's basic financial statements. The analysis of taxes receivable is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The analysis of taxes receivable is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the analysis of taxes receivable is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Ede & Company, LLC
Certified Public Accountants
Knippa, Texas

January 18, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Upper Guadalupe River Authority's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended September 30, 2020. Please read it in conjunction with the Authority's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Authority's total combined net position was \$3,768,421 at September 30, 2020.
- During the year, the Authority's expenses were \$4,788 more than the \$1,265,696 generated in taxes, service fees and other revenues for governmental activities.
- The total cost of the Authority's programs was virtually unchanged from last year, and no new programs were added this year.
- The general fund reported a fund balance this year of \$3,190,914.
- The Authority's net position decreased \$4,788 which represents a 0.10 percent decrease from 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the Authority: The Statement of Net Position and the Statement of Activities provide information about the activities of the Authority as a whole and present a longer-term view of the Authority's finances. All of the Authority's activities are accounted for in the General Fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Authority's net position and how they have changed. Net position, the difference between the Authority's assets and liabilities is one way to measure the Authority's financial health or *position*.

- Over time, increases or decreases in the Authority's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Authority, one needs to consider additional nonfinancial factors such as changes in the Authority's population.

The government-wide financial statements of the Authority include the *Governmental activities*. All of the Authority's basic services are included here.

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

The Authority's combined net position was \$3,769.4, thousand at September 30, 2020. (See Table A-1.)

Table A-1
Upper Guadalupe River Authority
(in thousands dollars)

	Governmental Activities		Total Percentage Change
	2020	2019	2020 - 2019
Current assets:			
Cash and cash equivalents	\$ 3,220.5	\$ 3,187.5	1.0%
Accrued Interest	1.8	3.9	-116.7%
Property taxes receivable	61.9	56.0	9.5%
Due from other governments	-	-	0.0%
Due from other funds	-	-	0.0%
Accounts receivable	2.7	2.8	-3.7%
Total current assets	<u>3,286.9</u>	<u>3,250.2</u>	<u>1.1%</u>
Noncurrent assets:			
Capital Assets	1,139.0	1,139.0	0.0%
Less accumulated depreciation	(622.4)	(578.7)	7.0%
Total noncurrent assets	<u>516.6</u>	<u>560.3</u>	<u>-8.5%</u>
Total Assets	<u>3,803.5</u>	<u>3,810.5</u>	<u>-0.2%</u>
Current liabilities:			
Accounts payable and accrued liabilities	20.0	21.1	-5.5%
Due to other funds	15.1	15.7	-4.0%
Total Liabilities	<u>35.1</u>	<u>36.8</u>	<u>-4.8%</u>
Net Position:			
Invested in capital assets	516.6	560.3	-8.5%
Restricted	-	-	-
Unrestricted	<u>3,251.8</u>	<u>3,213.3</u>	<u>1.2%</u>
Total Net Position	<u>\$ 3,768.4</u>	<u>\$ 3,773.6</u>	<u>-0.1%</u>

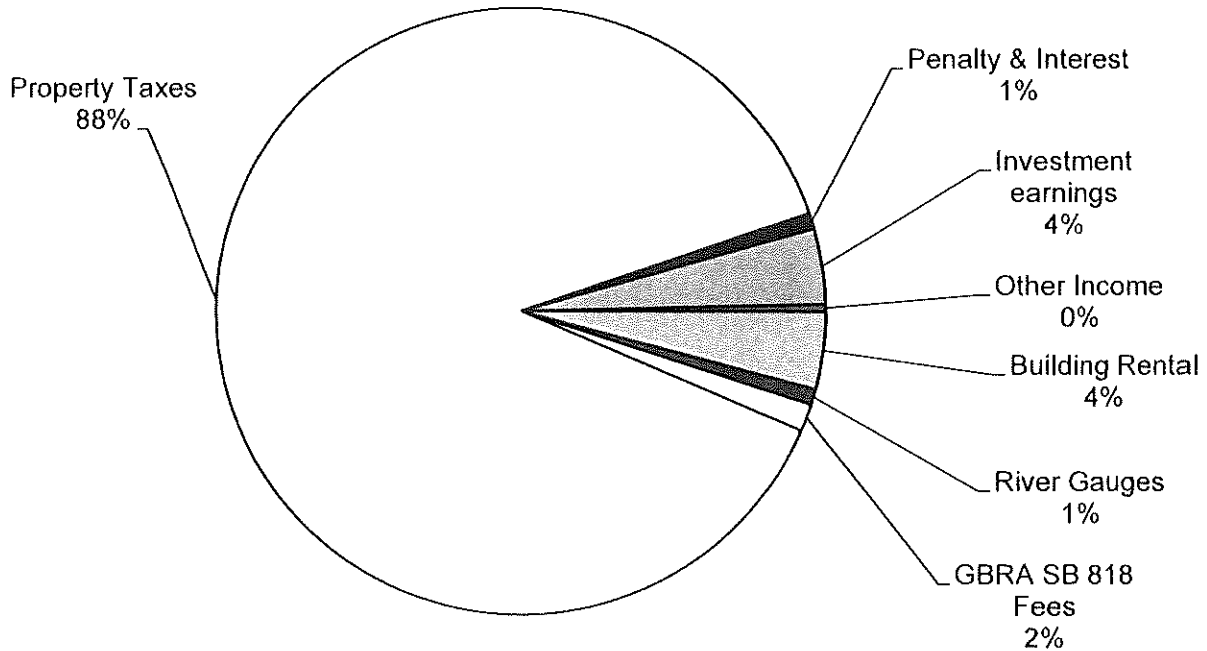
Changes in net position. The Authority's total revenues were \$1,265.7 thousand. A significant portion, 88 percent, of the Authority's revenue comes from property taxes. (See Figure A-3.) 1 percent comes from penalty & interest on property taxes, 4 percent comes from investment income and 4 percent relates to building rental.

The total cost of all programs and services was \$1,270.5 thousand; 100 percent of these costs are for General Government.

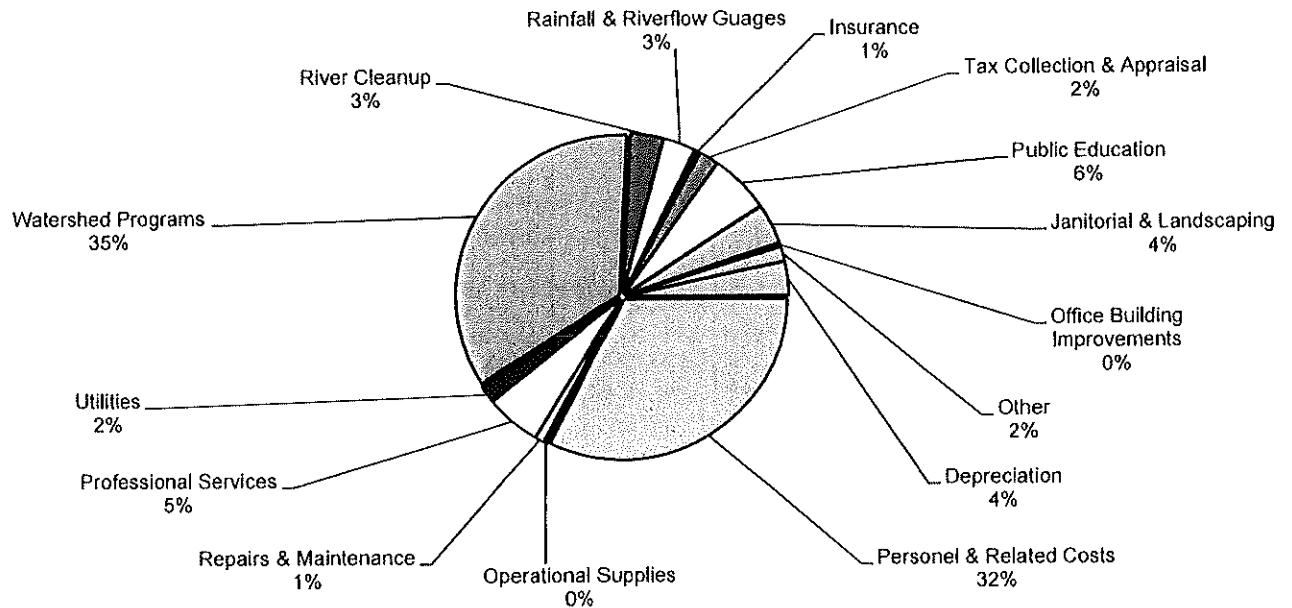
Table A-2
Changes in Upper Guadalupe River Authority's Net Position
(In thousands dollars)

	Governmental Activities		Total Percentage Change 2020-2019
	2020	2019	
General Revenue			
Property Taxes	\$ 1,118.0	\$ 1,114.6	0.3%
Building Rental	52.1	48.5	7.4%
Investment Earnings	51.0	75.7	-32.6%
Other	44.6	55.7	-19.9%
Total Revenue	1,265.7	1,294.5	-2.2%
Program Expenses			
General Government	1,270.5	1,222.8	3.9%
Total Expense	1,270.5	1,222.8	3.9%
Excess (Deficiency) of Revenues over Expenditures	(4.8)	71.7	-106.7%
Other Financing Sources (Uses):			
Transfers In	-	-	0.0%
Transfers Out	-	(35.0)	-100.0%
Total Other Financing Sources (Use)	-	(35.0)	100.0%
Increase (Decrease) in Net Position	(4.8)	36.7	-113.1%

2020 Revenue Sources



**2020
Expenses**



- The cost of all *governmental* activities this year was \$1,270.5 thousand.

Table A-3

Net Cost of Selected District Functions & Major Administrative Categories
(in thousands of dollars)

	Total Costs of Services		
	2020	2019	Percent Change
Personnel & Related Costs	411.1	408	0.8%
Operational Supplies	5.3	4.5	17.8%
Repairs & Maintenance	11	10.9	0.9%
Professional Services	68.7	59	16.4%
Utilities	22.5	20.6	9.2%
River Cleanup	42.3	41.6	1.7%
Rainfall & Riverflow Gauges	41.6	41.6	0.0%
Insurance	6.9	7.4	-6.8%
Tax Collection & Appraisal	25	24.8	0.8%
Janitorial & Landscaping	51	35.6	43.3%
Watershed Programs	443.7	386.8	14.7%
Office Improvements	4.3	8.5	-49.4%
Other	93.3	127.2	-26.7%
Depreciation	43.8	46.3	-5.4%

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority's Business Services Department.

Basic Financial Statements

Upper Guadalupe River Authority
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2020

	General Fund	Adjustments	Primary Government
ASSETS			
Cash and investments	\$ 3,220,452.18	\$ -	\$ 3,220,452.18
Accrued Interest	1,800.45	-	1,800.45
Taxes receivable	68,822.34	-	68,822.34
Due From Other Governments	(6,882.23)	-	(6,882.23)
Due From Other Funds	-	-	-
Accounts Receivables	2,727.50	-	2,727.50
Capital assets (net of accumulated depreciation)	-	516,566.37	516,566.37
Total assets	\$ 3,286,920.24	\$ 516,566.37	\$ 3,803,486.61
LIABILITIES			
Accounts payable	\$ 306.27	\$ -	\$ 306.27
Compensated Absences	12,521.23	-	12,521.23
Payroll taxes payable	7,136.81	-	7,136.81
Due To Other Funds	15,101.70	-	15,101.70
Total liabilities	35,066.01	-	35,066.01
DEFERRED INFLOW OF RESOURCES			
Unavailable Revenue- Property Taxes	61,940.11	(61,940.11)	-
Total Deferred Inflows of Resources	61,940.11	(61,940.11)	-
FUND BALANCES/NET POSITION			
Fund balances:			
Reserved	-	-	-
Unreserved			
Designated	1,950,000.00	(1,950,000.00)	-
Undesignated	1,239,914.12	(1,239,914.12)	-
Total fund balance	3,189,914.12	(3,189,914.12)	-
Total liabilities deferred inflows & fund balance:	\$ 3,286,920.24	\$ (3,251,854.23)	\$ 35,066.01
Net Position:			
Invested in capital assets, net of related debt		516,566.37	516,566.37
Unassigned Fund Balance		3,251,854.23	3,251,854.23
Total net position		\$ 3,768,420.60	\$ 3,768,420.60

The accompanying notes are an integral part of this statement.

<u>Business Activities</u>	<u>Statement of Net Position</u>
\$ 22,050.96	\$ 3,242,503.14
-	1,800.45
-	68,822.34
-	(6,882.23)
15,101.70	15,101.70
37,958.31	40,685.81
<u>24,923.25</u>	<u>541,489.62</u>
\$ <u>100,034.22</u>	\$ <u>3,903,520.83</u>

\$ 2,147.28	\$ 2,453.55
6,698.57	19,219.80
2,877.36	10,014.17
-	15,101.70
<u>11,723.21</u>	<u>46,789.22</u>

<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>

24,923.25	541,489.62
63,387.76	3,315,241.99
\$ <u>88,311.01</u>	\$ <u>3,856,731.61</u>

Upper Guadalupe River Authority
Statement of Activities and Governmental Funds
Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2020

	General Fund	Adjustments	Primary Governments
Revenues:			
Building Rental	\$ 52,129.88	\$ -	\$ 52,129.88
River Gauges	10,910.00	-	10,910.00
GBRA SB 818 Fees	18,174.92	-	18,174.92
Grant Funds TMDL	-	-	-
Property Taxes	1,112,591.15	5,395.79	1,117,986.94
Penalty & Interest	10,677.25	-	10,677.25
Investment earnings	50,978.57	-	50,978.57
River Clean-Up Sponsorship	1,500.00	-	1,500.00
Other Income	3,338.48	-	3,338.48
Laboratory Fees	-	-	-
Total revenues	<u>1,260,300.25</u>	<u>5,395.79</u>	<u>1,265,696.04</u>
Expenditures/expenses:			
Service operations:			
Personnel & Related Costs	411,134.42	-	411,134.42
Operational Supplies	5,345.65	-	5,345.65
Repairs & Maintenance	10,959.60	-	10,959.60
Professional Services	68,746.71	-	68,746.71
Tax Collection & Appraisal	24,978.52	-	24,978.52
Utilities	22,491.68	-	22,491.68
Janitorial & Landscaping	50,997.94	-	50,997.94
Watershed Programs	443,719.24	-	443,719.24
River Cleanup	42,272.73	-	42,272.73
Water Research/ Easements	5,000.00	-	5,000.00
Water Permit Fees	1,165.04	-	1,165.04
Riverflow /Rainfall Gauge	41,640.00	-	41,640.00
Memberships	2,120.00	-	2,120.00
Board Meeting Expense	1,190.92	-	1,190.92
Meals & Lodging	400.52	-	400.52
Mileage & Vehicle Operations	1,773.97	-	1,773.97
Public Education	74,668.78	-	74,668.78
Rent	-	-	-
Grant in Aid	-	-	-
Insurance	6,860.98	-	6,860.98
Small Equipment	6,679.72	-	6,679.72
Office Building Improvements	4,339.76	-	4,339.76
Miscellaneous	227.50	-	227.50
Depreciation	-	43,770.44	43,770.44
Total expenditures/expenses	<u>1,226,713.68</u>	<u>43,770.44</u>	<u>1,270,484.12</u>
Excess (deficiency) of revenues over expenditures	<u>33,586.57</u>	<u>(38,374.65)</u>	<u>(4,788.08)</u>

Business Activities	Statement of Activities
\$ -	\$ 52,129.88
-	10,910.00
-	18,174.92
-	-
-	1,117,986.94
-	10,677.25
362.99	51,341.56
-	1,500.00
94.32	3,432.80
<u>371,363.94</u>	<u>371,363.94</u>
<u>371,821.25</u>	<u>1,637,517.29</u>

198,371.94	609,506.36
70,629.90	75,975.55
4,017.38	14,976.98
59,898.26	128,644.97
-	24,978.52
3,447.96	25,939.64
-	50,997.94
-	443,719.24
-	42,272.73
-	5,000.00
-	1,165.04
-	41,640.00
2,030.00	4,150.00
-	1,190.92
9.18	409.70
-	1,773.97
-	74,668.78
14,025.00	14,025.00
-	-
673.26	7,534.24
10,474.07	17,153.79
-	4,339.76
892.90	1,120.40
<u>6,084.93</u>	<u>49,855.37</u>
<u>370,554.78</u>	<u>1,641,038.90</u>
<u>1,266.47</u>	<u>(3,521.61)</u>

Upper Guadalupe River Authority
Statement of Activities and Governmental Funds
Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2020

	General Fund	Adjustments	Primary Governments
Other Financing Sources (Uses):			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	33,586.57	(38,374.65)	(4,788.08)
Fund balance/net position:			
Beginning of the year	3,157,327.55	616,881.13	3,774,208.68
End of the year	\$ 3,190,914.12	\$ 578,506.48	\$ 3,769,420.60

The accompanying notes are an integral part of this statement.

<u>Business Activities</u>	<u>Statement of Activities</u>
-	-
-	-
-	-
1,266.47	(3,521.61)
<u>87,044.54</u>	<u>3,861,253.22</u>
\$ <u><u>88,311.01</u></u>	\$ <u><u>3,857,731.61</u></u>

Upper Guadalupe River Authority
Statement of Net Position
Proprietary Fund
September 30, 2020

ASSETS	
Cash and cash equivalents	\$ 22,050.96
Due From Other Funds	15,101.70
Accounts Receivables	37,958.31
Property and equipment, Net	24,923.25
Total assets	<u>100,034.22</u>
 LIABILITIES	
Accounts payable	2,147.28
Payroll taxes payable	2,877.36
Compensated Absences	6,698.57
Due To Other Funds	-
Total liabilities	<u>11,723.21</u>
 NET POSITION	
Invested in capital assets, net of related debt	24,923.25
Restricted	-
Unrestricted	63,387.76
Total net position	<u>\$ 88,311.01</u>

The accompanying notes are an integral part of this statement.

Upper Guadalupe River Authority
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended September 30, 2020

Operating Revenues:		
Laboratory Fees		\$ 371,363.94
Investment earnings		362.99
Other Income		94.32
Total revenues		<u>371,821.25</u>
Operating Expenses:		
Personnel & Related Costs	\$ 198,371.94	
Operational Supplies	70,629.90	
Repairs & Maintenance	4,017.38	
Professional Services	59,898.26	
Utilities	3,447.96	
Memberships	-	
Professional Licenses	2,030.00	
Meals & Lodging	9.18	
Mileage & Vehicle Operations	-	
Miscellaneous	892.90	
Insurance	673.26	
Small Equipment	10,474.07	
Rent	14,025.00	
Depreciation	6,084.93	
Total expenditures/expenses		<u>370,554.78</u>
Total Operating Income (Loss)		1,266.47
Non Operating Income (Expenses):		
Transfers Out	-	
Total Non Operating Income (Expenses)		<u>-</u>
Change in Net Position		1,266.47
Total Net Position - Beginning		87,044.54
Total Net Position - Ending		<u>\$ 88,311.01</u>

The accompanying notes are an integral part of this statement.

Upper Guadalupe River Authority
Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2020

Cash flows from operating activities:	
Cash received from customers	\$ 353,348.57
Cash payments to suppliers for goods and services	(196,183.77)
Cash payments to employees	(163,464.75)
Net cash provided (used) by operating activities	<u>(6,299.95)</u>
Cash flows from non-capital financing activities:	
Transfers from other funds	-
Transfers to other funds	-
Net cash provided (used) by non-capital financing activities	<u>-</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	-
Net cash provided (used) by capital and related financing activities:	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents:	(6,299.95)
Cash and Cash Equivalents, Beginning of Year	<u>28,350.91</u>
Cash and Cash Equivalents, End of Year	<u>\$ 22,050.96</u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ 1,266.47
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation expense	6,084.93
(Increase) decrease in accounts receivable	(18,472.68)
Increase (decrease) in accounts payable	1,593.94
Increase (decrease) in accrued expenses	2,633.16
Increase (decrease) in due to other funds	594.23
Net cash provided (used) by operating activities	<u>\$ (6,299.95)</u>

The accompanying notes are an integral part of this statement.

Upper Guadalupe River Authority
Statement of Fiduciary Net Position
Fiduciary Fund
For the Year Ended September 30, 2020

ASSETS

Cash and Cash Equivalents

\$ 10,500.42

LIABILITIES:

Due to other agencies

\$ 10,500.42

The accompanying notes are an integral part of this statement.

Upper Guadalupe River Authority
Notes to the Financial Statements
For the Year Ended September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Upper Guadalupe River Authority was chartered in 1939, under the provisions of Article 16, Section 59 of the constitution of the State of Texas. Article 8280-142, Vernon's Texas Civil Statutes, gives the Authority the right to control, store and preserve the waters and flood waters of the Upper Guadalupe River and tributaries for any beneficial and useful purpose, and the right to purchase, build, and improve dams, water works, and sewer systems, and the right to develop recreational facilities for public use and the right to purchase the necessary sites, easements, right-of-way, land or other properties necessary to accomplish any other the other rights. The boundaries of the Authority are coterminous with the boundaries of Kerr County. The Authority is governed by a board of nine directors who serve for terms of six years. The directors are appointed by the Governor of Texas.

The Authority's Board of Directors, has governance responsibilities over all activities related to the Authority's operations within the jurisdiction of Upper Guadalupe River Authority. Members of the Board of Directors are appointed by the Governor of Texas. They have the primary accountability for fiscal matters. The Authority is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial reporting Standards.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers who goods or services provided by a given function or segment. Other items not properly included among program revenues are reported instead as general revenues.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The general fund column of the government-wide financial statements is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty-one days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Fund Accounting

The Authority uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Upper Guadalupe River Authority
Notes to the Financial Statements
For the Year Ended September 30, 2020

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources.

Expendable assets are assigned to the various governmental funds according to the purpose for which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The Authority reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources of the Authority except those required to be accounted for in another fund.

Additionally, the Authority reports the following fund types:

Proprietary Fund – Is a business-type activity and accounts for laboratory services.

Agency Funds – The Authority accounts for resources held for others in a custodial capacity in agency funds.

D. Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the statement of net position column of the government-wide statement of net position but are not reported in the general fund column.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Authority maintains a capitalization threshold of \$1,500 for equipment, and all additions to infrastructure are capitalized. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not.

E. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Upper Guadalupe River Authority
Notes to the Financial Statements
For the Year Ended September 30, 2020

F. Reconciliation of Government-wide and General Fund Financial Statements

**Reconciliation of General Fund Balance to
Net Position of Governmental Activities**

Total Fund Balance - Government	\$ 3,189,914.12
Amounts reported in governmental activities in the statement of net assets are different because:	
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.	560,336.81
Accumulated depreciation has not been included in the general fund financial statements.	(43,770.44)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting	-
Revenue reported as deferred revenue in the general fund was recorded as revenue in the government-wide financial statements.	61,940.11
Net Position of Governmental Activities	\$ <u>3,768,420.60</u>

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities**

Net Change in Governmental Fund Balances	\$ 32,586.57
Amounts reported for the governmental activities in the statement of activities are different because:	
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis	5,395.79
Governmental funds report capital outlays as expenditures. However, they are reported as increases in capital assets in the government-wide financial statements.	-
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of the current year's depreciation is to decrease net position.	(43,770.44)
Change in Net Position of Governmental Activities	\$ <u>(5,788.08)</u>

Upper Guadalupe River Authority
Notes to the Financial Statements
For the Year Ended September 30, 2020

NOTE 2 – DEPOSITS, SECURITIES AND INVESTMENTS

The Authority's funds are required to be deposited and invested under the terms of the depository contract. The depository bank deposits for safekeeping and trust with the Authority's agent bank, approved pledged securities in an amount sufficient to protect the Authority's funds on a day-by-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

The Authority's deposits were adequately covered at the time of the highest cash balance and at the end of the fiscal year.

The cash deposit held at financial institutions can be categorized according to three levels of risk. These three levels of risk are:

- Category 1 - Deposits which are insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2 - Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3 - Deposits which are not collateralized.

Based on the level of risk, all of the Authority's deposits are classified as Category 1.

NOTE 3 – PENSION PLAN OBLIGATIONS

The Authority offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457 that covers all employees who are eighteen years of age and have completed six months of service. Contributions to the plan are based on seven percent of each participant's compensation. The Authority Contributed \$21,399.11 to the plan during the year ended September 30, 2020. The plan assets are held in trust, with the Authority serving as trustee, for the exclusive benefit of the plan participants and their beneficiaries.

Upper Guadalupe River Authority
Notes to the Financial Statements
For the Year Ended September 30, 2020

NOTE 5 – CAPITAL ASSET ACTIVITY

Capital asset activity for the twelve months ended September 30, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<i>Capital assets being depreciated:</i>				
PRIMARY GOVERNMENT				
Leasehold Improvement & Infrastructure	1,009,234	-	-	1,009,234
Equipment	106,279	-	-	106,279
Vehicles	23,496	-	-	23,496
Total capital assets being depreciated	<u>1,139,009</u>	<u>-</u>	<u>-</u>	<u>1,139,009</u>
Less accumulated depreciation for:				
Leasehold Improvements & Infrastructure	(448,897)	(43,770)	-	(492,667)
Equipment	(106,279)	-	-	(106,279)
Vehicles	(23,496)	-	-	(23,496)
Total accumulated depreciation	<u>(578,672)</u>	<u>(43,770)</u>	<u>-</u>	<u>(622,442)</u>
Total capital assets being depreciated, net	<u>560,338</u>	<u>(43,770)</u>	<u>-</u>	<u>516,567</u>
PROPRIETARY FUND				
Equipment	-	-	-	-
Vehicles	159,772	-	-	159,772
Total capital assets being depreciated	<u>159,772</u>	<u>-</u>	<u>-</u>	<u>159,772</u>
Less accumulated depreciation for:				
Equipment	(128,766)	(6,085)	-	(134,851)
Vehicles	-	-	-	-
Total accumulated depreciation	<u>(128,766)</u>	<u>(6,085)</u>	<u>-</u>	<u>(134,851)</u>
Total capital assets being depreciated, net	<u>31,007</u>	<u>(6,085)</u>	<u>-</u>	<u>24,922</u>

Required Supplementary Information

Upper Guadalupe River Authority
Budgetary Comparison Statement - General Fund
For the Year Ended September 30, 2020

	Actual	Original Budget	Final Amended Budget	Variance Positive (Negative)
Revenues:				
Building Rental	\$ 52,129.88	\$ 49,300.00	49,300.00	\$ 2,829.88
River Gauges	10,910.00	10,910.00	10,910.00	-
GBRA SB 818 Fees	18,174.92	17,484.00	17,484.00	690.92
Grant Funds TMDL	-	-	-	-
Property Taxes	1,112,591.15	1,093,610.29	1,093,610.29	18,980.86
Penalty & Interest	10,677.25	25,000.00	25,000.00	(14,322.75)
Investment earnings	50,978.57	60,000.00	60,000.00	(9,021.43)
River Clean-Up Sponsorship	1,500.00	1,500.00	1,500.00	-
Other Income	3,338.48	-	-	3,338.48
Total revenues	<u>1,260,300.25</u>	<u>1,257,804.29</u>	<u>1,257,804.29</u>	<u>2,495.96</u>
Expenditures/expenses:				
Service operations:				
Personnel & Related Costs	411,134.42	412,800.14	412,800.14	1,665.72
Operational Supplies	5,345.65	8,000.00	8,000.00	2,654.35
Repairs & Maintenance	10,959.60	11,700.00	12,100.00	1,140.40
Professional Services	68,746.71	100,984.00	100,984.00	32,237.29
Tax Collection & Appraisal	24,978.52	25,038.00	25,038.00	59.48
Utilities	22,491.68	24,180.00	29,180.00	6,688.32
Janitorial & Landscaping	50,997.94	51,000.00	51,000.00	2.06
Watershed Programs	443,719.24	433,470.00	443,470.00	(249.24)
River Cleanup	42,272.73	41,997.00	41,997.00	(275.73)
Water Research/ Easements	5,000.00	55,000.00	55,000.00	50,000.00
Water Permit Fees	1,165.04	2,000.00	2,000.00	834.96
Riverflow /Rainfall Gauge	41,640.00	41,640.00	41,640.00	-
Memberships	2,120.00	2,400.00	2,400.00	280.00
Board Meeting Expense	1,190.92	1,000.00	1,000.00	(190.92)
Meals & Lodging	400.52	1,300.00	1,300.00	899.48
Mileage & Vehicle Operations	1,773.97	3,400.00	3,400.00	1,626.03
Public Education	74,668.78	78,000.00	80,200.00	5,531.22
Legislative Services	-	1,500.00	1,500.00	1,500.00
Flood Warning	-	20,000.00	2,400.00	2,400.00
Insurance	6,860.98	7,308.00	7,308.00	447.02
Small Equipment	6,679.72	7,100.00	7,100.00	420.28
Office Building Improvements	4,339.76	8,500.00	8,500.00	4,160.24
Miscellaneous	227.50	875.00	875.00	647.50
Total expenditures/expenses	<u>1,226,713.68</u>	<u>1,339,192.14</u>	<u>1,339,192.14</u>	<u>112,478.46</u>
Excess (deficiency) of revenues over expenditures	33,586.57	(81,387.85)	(81,387.85)	114,974.42

Upper Guadalupe River Authority
Budgetary Comparison Statement - General Fund
For the Year Ended September 30, 2020

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Variance Positive (Negative)</u>
Other Financing Sources (Uses):				
Transfers Out	-	(35,810.98)	(35,810.98)	35,810.98
Total Other Financing Sources (Uses)	-	(35,810.98)	(35,810.98)	35,810.98
 Net Change in Fund Balance	 33,586.57	 (117,198.83)	 (117,198.83)	 150,785.40
Fund balance				
Beginning of the year	3,157,327.55	3,157,327.55	3,157,327.55	-
End of the year	\$ <u>3,190,914.12</u>	\$ <u>3,040,128.72</u>	\$ <u>3,040,128.72</u>	\$ <u>150,785.40</u>

**UPPER GUADALUPE RIVER AUTHORITY
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED SEPTEMBER 30, 2020**

<u>LAST TEN YEARS ENDED SEPTEMBER 30,</u>	<u>TAX RATE</u>	<u>ASSESSED VALUE FOR TAX PURPOSES (in thousands)</u>	<u>BEGINNING BALANCE 10/1/19</u>	<u>CURRENT YEAR TOTAL LEVY</u>	<u>ENTIRE YEAR'S ADJUSTMENTS</u>	<u>TOTAL COLLECTIONS</u>	<u>BALANCE 9/30/20</u>
Prior years			8,992.70		0.00	534.64	8,458.06
2011	.002550	3,973,989	2,678.54		3.26	182.17	2,493.11
2012	.002500	4,080,614	3,289.76		3.26	287.71	2,998.79
2013	.002485	4,129,956	3,934.76		0.00	476.23	3,458.53
2014	.002440	4,246,837	4,233.91		(42.82)	552.18	3,724.55
2015	.002440	4,367,523	5,200.50		(135.00)	825.45	4,510.05
2016	.002440	4,594,881	6,865.54		(153.61)	1,402.00	5,617.15
2017	.002350	4,753,839	9,249.11		772.19	1,091.44	7,385.48
2018	.002283	4,877,021	17,730.21		282.45	7,083.66	10,364.10
2019	.00214	5,230,636		1,119,356.11	(612.08)	1,100,155.67	19,812.52
			<u>\$ 62,175.03</u>	<u>\$ 1,119,356.11</u>	<u>117.65</u>	<u>\$ 1,112,591.15</u>	<u>\$ 68,822.34</u>