

Upper Guadalupe River Authority

Annual Financial Report

For the Year Ended September 30, 2023

Upper Guadalupe River Authority
Annual Financial Report
For the Year Ended September 30, 2023

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ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS X
COUNTY OF KERR X

I, Tara M. Bushnoe
(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 24th day of January, 2024 its annual audit report for the fiscal year ended September 30, 2023 and that copies of the annual audit report have been filed in the district office located in Kerrville, Texas.

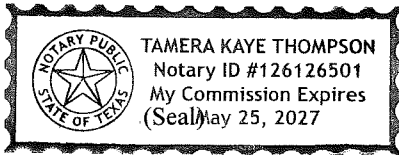
The annual filing affidavit and the attached copy of the annual audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code.

Date: 1/25/24 Tara M. Bushnoe
(Signature of District Representative)

Tara M. Bushnoe General Manager
(Typed Name & Title of District Representative)

Sworn to and subscribed to before me this 25th day of January 2024

Tamera K. Thompson
(Signature of Notary)



My commission expires on 5/25/27, Notary Public in and for the State of Texas.

EDE & COMPANY, LLC

Certified Public Accountants

Eric Ede, CPA
Donna Ede Jones, CPA
Kevin Ede, CPA

133 N. Camp St.
Uvalde, Texas 78801
Telephone (830) 278-2513
Fax (830) 278-6288
Email ede@edecpa.com

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Upper Guadalupe River Authority, as of and for the year ended September 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Upper Guadalupe River Authority, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Upper Guadalupe River Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Upper Guadalupe River Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Upper Guadalupe River Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Upper Guadalupe River Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

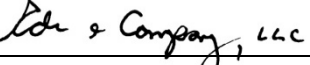
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

Management is responsible for the other information included in the annual report. The other information comprises the analysis of taxes receivable but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Ede & Company, LLC
Certified Public Accountants
Uvalde, Texas

January 15, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, the management of the Upper Guadalupe River Authority (the "Authority") offers the following narrative on the financial performance of the Authority for the year ended September 30, 2023. Please read it in connection with the Authority's financial statements that follow.

For purposes of GASB Statement No. 34, the Authority is considered a special purpose government. This allows the Authority to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the "Total Governmental Funds" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

FINANCIAL HIGHLIGHTS

- The Authority's total combined net position was \$4,480,980 at September 30, 2023.
- During the year, the Authority's expenses were \$331,205 less than the \$1,412,098 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 \$3,916,622.
- The Authority's net position increased \$331,205 which represents a 7.2 percent increase from 2022.

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 \$4,168.9, thousand at September 30, 2022. (See Table A-1.)

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

| | Governmental Activities | | Total Percentage Change |
|--|----------------------------|-------------------|-------------------------------|
| | 2023 | 2022 | 2023 - 2022 |
| Current assets: | | | |
| Cash and cash equivalents | \$ 3,951.8 | \$ 3,642.5 | 7.8% |
| Accrued Interest | - | 1.2 | 100.0% |
| Property taxes receivable | 60.8 | 61.3 | -0.8% |
| Due from other governments | - | 0.2 | #DIV/0! |
| Prepaid Expense | - | 3.7 | 100.0% |
| Total current assets | <u>4,012.6</u> | <u>3,708.9</u> | <u>7.6%</u> |
| Noncurrent assets: | | | |
| Capital Assets | 1,237.3 | 1,180.0 | 4.6% |
| Less accumulated depreciation | <u>(733.8)</u> | <u>(694.4)</u> | <u>5.4%</u> |
| Total noncurrent assets | <u>503.5</u> | <u>485.6</u> | <u>3.6%</u> |
| Total Assets | <u>4,516.1</u> | <u>4,194.5</u> | <u>7.1%</u> |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 14.8 | 17.6 | -18.9% |
| Due to other funds | <u>20.4</u> | <u>20.8</u> | <u>-2.0%</u> |
| Total Liabilities | <u>35.2</u> | <u>38.4</u> | <u>-9.1%</u> |
| Net Position: | | | |
| Invested in capital assets | 503.6 | 485.6 | 3.6% |
| Restricted | - | - | - |
| Unrestricted | <u>3,977.4</u> | <u>3,670.6</u> | <u>7.7%</u> |
| Total Net Position | <u>\$ 4,481.0</u> | <u>\$ 4,156.2</u> | <u>7.2%</u> |

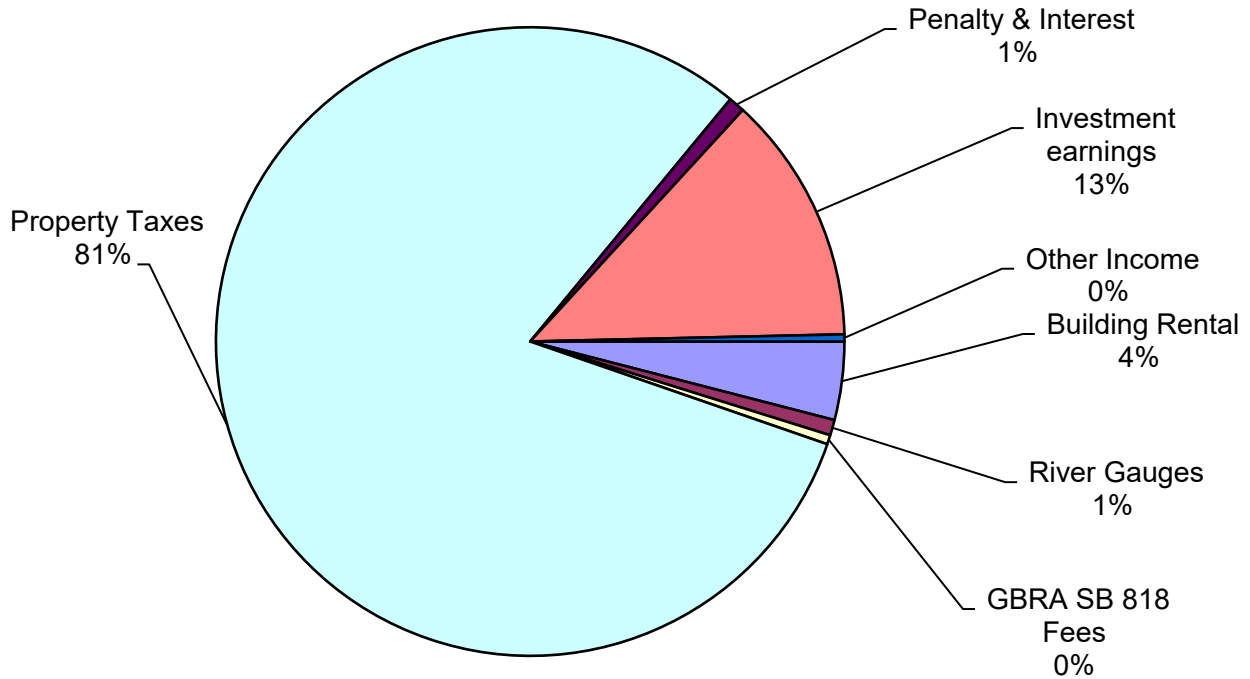
Changes in net position. The Authority's total revenues were \$1,412.1 thousand. A significant portion, 88 percent, of the Authority's revenue comes from property taxes. (See Figure A-3.) 1 percent comes from penalty & interest on property taxes, 3 percent comes from investment income and 4 percent relates to building rental.

The total cost of all programs and services was \$1,056.3 thousand; 100 percent of these costs are for General Government.

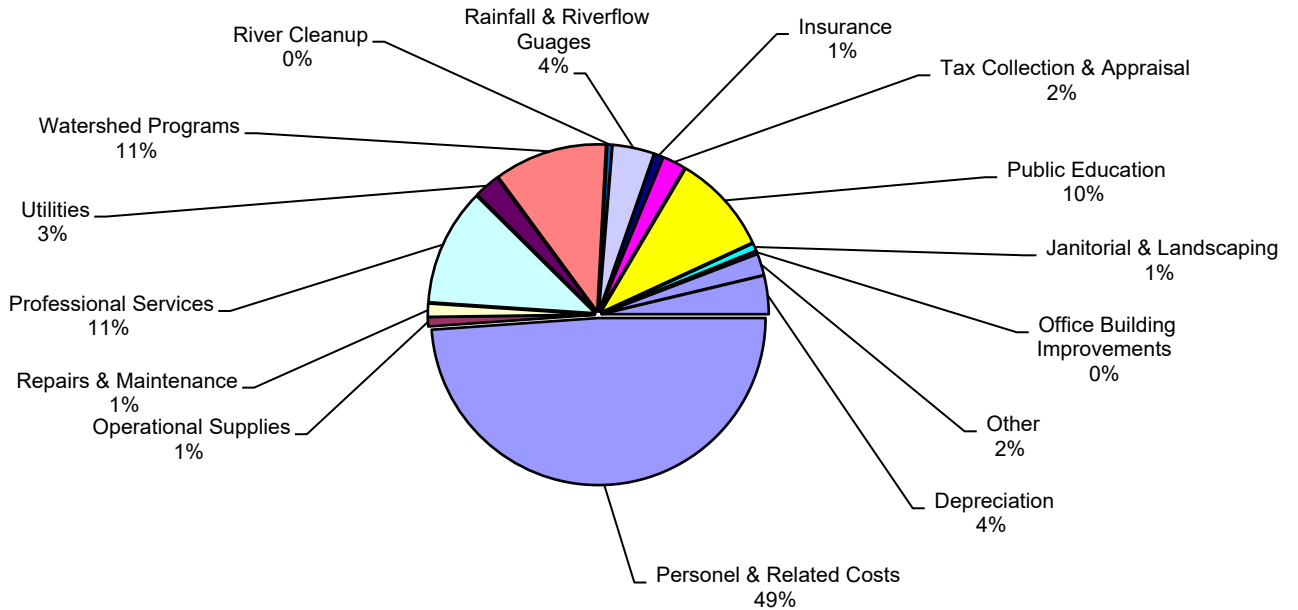
Table A-2
Changes in Upper Guadalupe River Authority's Net Position
(In thousands dollars)

| | Governmental Activities | | Total Percentage Change 2023-2022 |
|---|-------------------------|----------------|-----------------------------------|
| | 2023 | 2022 | |
| General Revenue | | | |
| Property Taxes | \$ 1,139.5 | \$ 1,191.1 | -4.3% |
| Building Rental | 56.8 | 51.4 | 10.5% |
| Investment Earnings | 180.9 | 34.8 | 419.8% |
| Other | 34.9 | 68.4 | -49.0% |
| Total Revenue | 1,412.1 | 1,345.7 | 4.9% |
| Program Expenses | | | |
| General Government | 1,056.3 | 1,051.8 | 0.4% |
| Total Expense | 1,056.3 | 1,051.8 | 0.4% |
| Excess (Deficiency) of Revenues over Expenditures | 355.8 | 293.9 | 21.1% |
| Other Financing Sources (Uses): | | | |
| Transfers In | - | - | 0.0% |
| Transfers Out | (24.6) | - | 0.0% |
| Total Other Financing Sources (Use) | (24.6) | - | 0.0% |
| Increase (Decrease) in Net Position | 331.2 | 293.9 | 12.7% |

2023 Revenue Sources



**2023
Expenses**



- The cost of all *governmental* activities this year was \$1,056.3 thousand.

Table A-3
Net Cost of Selected District Functions & Major Administrative Categories
(in thousands of dollars)

| | Total Costs of Services | | |
|-----------------------------|-------------------------|-------|----------------|
| | 2023 | 2022 | Percent Change |
| Personnel & Related Costs | 516.4 | 516.9 | -0.1% |
| Operational Supplies | 9.4 | 6.4 | 46.9% |
| Repairs & Maintenance | 13.5 | 58.6 | -77.0% |
| Professional Services | 120 | 76.5 | 56.9% |
| Utilities | 26.2 | 22.9 | 14.4% |
| River Cleanup | 4.8 | 4.4 | 9.1% |
| Rainfall & Riverflow Gauges | 42.7 | 41.6 | 2.6% |
| Insurance | 3.9 | 7.7 | -49.4% |
| Tax Collection & Appraisal | 23.9 | 26.1 | -8.4% |
| Janitorial & Landscaping | 7.8 | 8.5 | -8.2% |
| Watershed Programs | 115.5 | 96.8 | 19.3% |
| Office Improvements | 3.4 | 69.4 | -95.1% |
| Other | 129.5 | 116 | 11.6% |
| Depreciation | 39.3 | 45.8 | -14.2% |

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.

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Basic Financial Statements

Upper Guadalupe River Authority
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2023

| | General Fund | Adjustments | Primary Government |
|---|-----------------|-------------------|-----------------------|
| ASSETS | | | |
| Cash and investments | \$ 3,951,769.61 | \$ - | \$ 3,951,769.61 |
| Accrued Interest | - | - | - |
| Taxes receivable (net) | 60,791.06 | - | 60,791.06 |
| Prepaid Expenses | - | - | - |
| Due From Other Governments | - | - | - |
| Due From Other Funds | - | - | - |
| Accounts Receivables | - | - | - |
| Capital assets (net of accumulated depreciation) | - | 503,567.26 | 503,567.26 |
| Total assets | \$ 4,012,560.67 | \$ 503,567.26 | \$ 4,516,127.93 |
| LIABILITIES | | | |
| Accounts payable | \$ 3,811.92 | \$ - | \$ 3,811.92 |
| Compensated Absences | 10,979.87 | - | 10,979.87 |
| Payroll taxes payable | 3.40 | - | 3.40 |
| Due To Other Funds | 20,352.32 | - | 20,352.32 |
| Total liabilities | 35,147.51 | - | 35,147.51 |
| DEFERRED INFLOW OF RESOURCES | | | |
| Unavailable Revenue- Property Taxes | 60,791.06 | (60,791.06) | - |
| Total Deferred Inflows of Resources | 60,791.06 | (60,791.06) | - |
| FUND BALANCES/NET POSITION | | | |
| Fund balances: | | | |
| Reserved | - | - | - |
| Unreserved | | | |
| Designated | 1,490,000.00 | (1,490,000.00) | - |
| Undesignated | 2,426,622.10 | (2,426,622.10) | - |
| Total fund balance | 3,916,622.10 | (3,916,622.10) | - |
| Total liabilities deferred inflows & fund balance: | \$ 4,012,560.67 | \$ (3,977,413.16) | \$ 35,147.51 |
| Net Position: | | | |
| Invested in capital assets, net of related debt | | 503,567.26 | 503,567.26 |
| Unassigned Fund Balance | | 3,977,413.16 | 3,977,413.16 |
| Total net position | | \$ 4,480,980.42 | \$ 4,480,980.42 |

The accompanying notes are an integral part of this statement.

| | <u>Business Activities</u> | | <u>Statement of Net Position</u> |
|----|--------------------------------|----|--------------------------------------|
| \$ | 47,255.51 | \$ | 3,999,025.12 |
| | - | | - |
| | - | | 60,791.06 |
| | - | | - |
| | - | | - |
| | 20,352.32 | | 20,352.32 |
| | 29,938.37 | | 29,938.37 |
| | <u>6,668.46</u> | | <u>510,235.72</u> |
| \$ | <u>104,214.66</u> | \$ | <u>4,620,342.59</u> |
| | | | |
| \$ | - | \$ | 3,811.92 |
| | 3,653.17 | | 14,633.04 |
| | 1.52 | | 4.92 |
| | - | | <u>20,352.32</u> |
| | <u>3,654.69</u> | | <u>38,802.20</u> |
| | | | |
| | <u>-</u> | | <u>-</u> |
| | <u>-</u> | | <u>-</u> |
| | | | |
| | 6,668.46 | | 510,235.72 |
| | <u>93,891.51</u> | | <u>4,071,304.67</u> |
| \$ | <u><u>100,559.97</u></u> | \$ | <u><u>4,581,540.39</u></u> |

Upper Guadalupe River Authority
Statement of Activities and Governmental Funds
Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2023

| | General Fund | Adjustments | Primary Governments |
|--|-----------------|-------------|------------------------|
| Revenues: | | | |
| Building Rental | \$ 56,790.83 | \$ - | \$ 56,790.83 |
| River Gauges | 11,260.00 | - | 11,260.00 |
| GBRA SB 818 Fees | 6,747.71 | - | 6,747.71 |
| Grant Funds TMDL | - | - | - |
| Property Taxes | 1,133,654.22 | 5,810.73 | 1,139,464.95 |
| Penalty & Interest | 11,734.02 | - | 11,734.02 |
| Investment earnings | 180,887.64 | - | 180,887.64 |
| River Clean-Up Sponsorship | 1,450.00 | - | 1,450.00 |
| Other Income | 3,762.91 | - | 3,762.91 |
| Laboratory Fees | - | - | - |
| Total revenues | 1,406,287.33 | 5,810.73 | 1,412,098.06 |
| Expenditures/expenses: | | | |
| Service operations: | | | |
| Personnel & Related Costs | 516,371.93 | - | 516,371.93 |
| Operational Supplies | 9,443.43 | - | 9,443.43 |
| Repairs & Maintenance | 13,533.78 | - | 13,533.78 |
| Professional Services | 119,966.82 | - | 119,966.82 |
| Tax Collection & Appraisal | 23,883.93 | - | 23,883.93 |
| Utilities | 26,207.87 | - | 26,207.87 |
| Janitorial & Landscaping | 7,777.70 | - | 7,777.70 |
| Watershed Programs | 115,545.69 | - | 115,545.69 |
| River Cleanup | 4,843.50 | - | 4,843.50 |
| Water Research/ Easements | 5,000.00 | - | 5,000.00 |
| Water Permit Fees | 1,123.03 | - | 1,123.03 |
| Riverflow /Rainfall Gauge | 42,740.00 | - | 42,740.00 |
| Memberships and Licenses | 2,069.75 | - | 2,069.75 |
| Board Meeting Expense | 2,277.22 | - | 2,277.22 |
| Meals & Lodging | 972.16 | - | 972.16 |
| Mileage & Vehicle Operations | 3,114.75 | - | 3,114.75 |
| Public Education | 101,996.52 | - | 101,996.52 |
| Rent | - | - | - |
| Insurance | 9,292.54 | - | 9,292.54 |
| Small Equipment | 3,882.37 | - | 3,882.37 |
| Office Building Improvements | 60,751.67 | (57,334.00) | 3,417.67 |
| Funds for New Initiatives | 3,500.00 | - | 3,500.00 |
| Depreciation | - | 39,332.60 | 39,332.60 |
| Total expenditures/expenses | 1,074,294.66 | (18,001.40) | 1,056,293.26 |
| Excess (deficiency) of revenues over expenditures | 331,992.67 | 23,812.13 | 355,804.80 |

| <u>Business Activities</u> | <u>Statement of Activities</u> |
|--------------------------------|------------------------------------|
| \$ - | \$ 56,790.83 |
| - | 11,260.00 |
| - | 6,747.71 |
| - | - |
| - | 1,139,464.95 |
| - | 11,734.02 |
| 1,578.31 | 182,465.95 |
| - | 1,450.00 |
| 256.13 | 4,019.04 |
| <u>421,502.21</u> | <u>421,502.21</u> |
| <u>423,336.65</u> | <u>1,835,434.71</u> |

| | |
|-------------------|---------------------|
| 218,777.52 | 735,149.45 |
| 88,424.63 | 97,868.06 |
| 11,427.14 | 24,960.92 |
| 69,319.37 | 189,286.19 |
| 3,156.54 | 27,040.47 |
| - | 26,207.87 |
| - | 7,777.70 |
| - | 115,545.69 |
| - | 4,843.50 |
| - | 5,000.00 |
| - | 1,123.03 |
| - | 42,740.00 |
| 2,280.00 | 4,349.75 |
| - | 2,277.22 |
| 93.99 | 1,066.15 |
| 136.24 | 3,250.99 |
| - | 101,996.52 |
| 15,300.00 | 15,300.00 |
| 724.46 | 10,017.00 |
| 4,324.25 | 8,206.62 |
| - | 3,417.67 |
| 701.15 | 4,201.15 |
| <u>6,084.93</u> | <u>45,417.53</u> |
| <u>420,750.22</u> | <u>1,477,043.48</u> |
| | |
| <u>2,586.43</u> | <u>358,391.23</u> |

Upper Guadalupe River Authority
Statement of Activities and Governmental Funds
Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2023

| | <u>General Fund</u> | <u>Adjustments</u> | <u>Primary Governments</u> |
|---|-------------------------|----------------------|--------------------------------|
| Other Financing Sources (Uses): | | | |
| Transfers In | - | - | - |
| Transfers Out | <u>(24,600.00)</u> | <u>-</u> | <u>(24,600.00)</u> |
| Total Other Financing Sources (Uses) | <u>(24,600.00)</u> | <u>-</u> | <u>(24,600.00)</u> |
| Net Change in Fund Balance | 307,392.67 | 23,812.13 | 331,204.80 |
| Fund balance/net position: | | | |
| Beginning of the year | 3,609,229.43 | 540,546.19 | 4,149,775.62 |
| End of the year | <u>\$ 3,916,622.10</u> | <u>\$ 564,358.32</u> | <u>\$ 4,480,980.42</u> |

The accompanying notes are an integral part of this statement.

| <u>Business Activities</u> | <u>Statement of Activities</u> |
|--------------------------------|------------------------------------|
| 24,600.00 | 24,600.00 |
| <u>-</u> | <u>(24,600.00)</u> |
| 24,600.00 | - |
| 27,186.43 | 358,391.23 |
| 73,373.54 | 4,223,149.16 |
| \$ <u><u>100,559.97</u></u> | \$ <u><u>4,581,540.39</u></u> |

Upper Guadalupe River Authority
Statement of Net Position
Proprietary Fund
September 30, 2023

ASSETS

| | | |
|-----------------------------|----|------------|
| Cash and cash equivalents | \$ | 47,255.51 |
| Due From Other Funds | | 20,352.32 |
| Accounts Receivables | | 29,938.37 |
| Prepaid Expenses | | - |
| Property and equipment, Net | | 6,668.46 |
| Total assets | | 104,214.66 |

LIABILITIES

| | | |
|-----------------------|--|----------|
| Accounts payable | | - |
| Payroll taxes payable | | 1.52 |
| Compensated Absences | | 3,653.17 |
| Due To Other Funds | | - |
| Total liabilities | | 3,654.69 |

NET POSITION

| | | |
|--|----|------------|
| Invested in capital assets, net of related debt | | 6,668.46 |
| Restricted | | - |
| Unrestricted | | 93,891.51 |
| Total net position | \$ | 100,559.97 |

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, 2023

| | | |
|---|------------------|-----------------------------|
| Operating Revenues: | | |
| Laboratory Fees | | \$ 421,502.21 |
| Investment earnings | | 1,578.31 |
| Other Income | | 256.13 |
| Total revenues | | <u>423,336.65</u> |
| Operating Expenses: | | |
| Personnel & Related Costs | \$ 218,777.52 | |
| Operational Supplies | 88,424.63 | |
| Repairs & Maintenance | 11,427.14 | |
| Professional Services | 69,319.37 | |
| Utilities | 3,156.54 | |
| Memberships | - | |
| Professional Licenses | 2,280.00 | |
| Meals & Lodging | 93.99 | |
| Mileage & Vehicle Operations | 136.24 | |
| Miscellaneous | 701.15 | |
| Insurance | 724.46 | |
| Small Equipment | 4,324.25 | |
| Rent | 15,300.00 | |
| Depreciation | 6,084.93 | |
| Total expenditures/expenses | | <u>420,750.22</u> |
| Total Operating Income (Loss) | | 2,586.43 |
| Non Operating Income (Expenses): | | |
| Transfers In | <u>24,600.00</u> | |
| Total Non Operating Income (Expenses) | | <u>24,600.00</u> |
| Change in Net Position | | 27,186.43 |
| Total Net Position - Beginning | | 73,373.54 |
| Total Net Position - Ending | | <u>\$ <u>100,559.97</u></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, 2023

| | |
|--|---------------------|
| Cash flows from operating activities: | |
| Cash received from customers | \$ 416,717.88 |
| Cash payments to suppliers for goods and services | (193,207.65) |
| Cash payments to employees | (220,317.07) |
| Net cash provided (used) by operating activities | 3,193.16 |
| | |
| Cash flows from non-capital financing activities: | |
| Transfers from other funds | 24,600.00 |
| Transfers to other funds | - |
| Net cash provided (used) by non-capital financing activities | 24,600.00 |
| | |
| Cash flows from capital and related financing activities: | |
| Acquisition and construction of capital assets | - |
| Net cash provided (used) by capital and related financing activities: | - |
| | |
| Net Increase (Decrease) in Cash and Cash Equivalents: | 27,793.16 |
| | |
| Cash and Cash Equivalents, Beginning of Year | 19,462.35 |
| | |
| Cash and Cash Equivalents, End of Year | \$ 47,255.51 |
| | |
| <u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u> | |
| Operating income (loss) | \$ 2,586.43 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities | |
| Depreciation expense | 6,084.93 |
| (Increase) decrease in accounts receivable | (6,618.77) |
| (Increase) decrease in prepaid expenses | 2,232.12 |
| Increase (decrease) in accounts payable | (34.44) |
| Increase (decrease) in accrued expenses | (1,539.55) |
| Increase (decrease) in due to other funds | 482.44 |
| Net cash provided (used) by operating activities | \$ 3,193.16 |

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, 2023

ASSETS

Cash and Cash Equivalents

\$ 9,821.19

NET POSITION

Restricted for Other Purposes

9,821.19

Total Net Position

\$ 9,821.19

The accompanying notes are an integral part of this statement.

Upper Guadalupe River Authority
Statement Of Change In Fiduciary Net Position
Fiduciary Fund
For the Year Ended September 30, 2023

| | |
|--|--------------------|
| ADDITIONS: | |
| Investment Earning | \$ 13.87 |
| Contribution, Gifts and Donations | <u>45,590.60</u> |
| Total Additions | <u>45,604.47</u> |
| DEDUCTIONS: | |
| Supplies and Materials | <u>36,957.21</u> |
| Total Deductions | <u>36,957.21</u> |
| Changes in Fiduciary Net Positions | 8,647.26 |
| Total Net Position - October 1 (Beginning) | 1,173.93 |
| Prior Period Adjustment | - |
| Total Net Position - August 31 (Ending) | <u>\$ 9,821.19</u> |

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, 2023

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, 2022

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, 2023

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 | \$ 3,916,622.10 |
| 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. | 542,899.86 |
| Accumulated depreciation has not been included in the general fund financial statements. | (39,332.60) |
| 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. | <u>60,791.06</u> |
| Net Position of Governmental Activities | \$ <u><u>4,480,980.42</u></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 | \$ 307,392.67 |
| 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 | 5,810.73 |
| Governmental funds report capital outlays as expenditures. However, they are reported as increases in capital assets in the government-wide financial statements. | 57,334.00 |
| 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. | <u>(39,332.60)</u> |
| Change in Net Position of Governmental Activities | \$ <u><u>331,204.80</u></u> |

Upper Guadalupe River Authority
Notes to the Financial Statements
For the Year Ended September 30, 2023

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 \$31,850.36 to the plan during the year ended September 30, 2023. 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, 2023

NOTE 5 – CAPITAL ASSET ACTIVITY

Capital asset activity for the twelve months ended September 30, 2023, was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|-----------------------|-----------------|-----------|--------------------|
| <i>Capital assets being depreciated:</i> | | | | |
| PRIMARY GOVERNMENT | | | | |
| Leasehold Improvement & Infrastructure | 1,009,234 | 57,334 | - | 1,066,568 |
| Equipment | 106,279 | - | - | 106,279 |
| Vehicles | 64,483 | - | - | 64,483 |
| Total capital assets being depreciated | <u>1,179,996</u> | <u>57,334</u> | <u>-</u> | <u>1,237,330</u> |
| Less accumulated depreciation for: | | | | |
| Leasehold Improvements & Infrastructure | (558,800) | (33,477) | | (592,277) |
| Equipment | (106,279) | - | | (106,279) |
| Vehicles | (29,351) | (5,855) | - | (35,207) |
| Total accumulated depreciation | <u>(694,430)</u> | <u>(39,333)</u> | <u>-</u> | <u>(733,762)</u> |
| Total capital assets being depreciated, net | <u>485,567</u> | <u>18,001</u> | <u>-</u> | <u>503,568</u> |
| PROPRIETARY FUND | | | | |
| Equipment | 159,772 | - | - | 159,772 |
| Vehicles | - | - | - | - |
| Total capital assets being depreciated | <u>159,772</u> | <u>-</u> | <u>-</u> | <u>159,772</u> |
| Less accumulated depreciation for: | | | | |
| Equipment | (147,020) | (6,085) | - | (153,105) |
| Vehicles | - | - | - | - |
| Total accumulated depreciation | <u>(147,020)</u> | <u>(6,085)</u> | <u>-</u> | <u>(153,105)</u> |
| Total capital assets being depreciated, net | <u>12,752</u> | <u>(6,085)</u> | <u>-</u> | <u>6,667</u> |

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Required Supplementary Information

Upper Guadalupe River Authority
Budgetary Comparison Statement - General Fund
For the Year Ended September 30, 2023

| | Actual | Original Budget | Final Amended Budget | Variance Positive (Negative) |
|--|---------------------|---------------------|----------------------------|------------------------------------|
| Revenues: | | | | |
| Building Rental | \$ 56,790.83 | \$ 49,300.00 | \$ 49,300.00 | \$ 7,490.83 |
| River Gauges | 11,260.00 | 11,260.00 | 11,260.00 | - |
| GBRA SB 818 Fees | 6,747.71 | 5,489.00 | 5,489.00 | 1,258.71 |
| Grant Funds TMDL | - | - | - | - |
| Property Taxes | 1,133,654.22 | 1,106,731.19 | 1,106,731.19 | 26,923.03 |
| Penalty & Interest | 11,734.02 | 25,000.00 | 25,000.00 | (13,265.98) |
| Investment earnings | 180,887.64 | 89,000.00 | 137,000.00 | 43,887.64 |
| River Clean-Up Sponsorship | 1,450.00 | 1,750.00 | 1,750.00 | (300.00) |
| Other Income | 3,762.91 | - | 3,250.00 | 512.91 |
| Total revenues | <u>1,406,287.33</u> | <u>1,288,530.19</u> | <u>1,339,780.19</u> | <u>66,507.14</u> |
| Expenditures/expenses: | | | | |
| Service operations: | | | | |
| Personnel & Related Costs | 516,371.93 | 562,825.64 | 553,651.20 | 37,279.27 |
| Operational Supplies | 9,443.43 | 13,000.00 | 13,750.00 | 4,306.57 |
| Repairs & Maintenance | 13,533.78 | 16,600.00 | 16,600.00 | 3,066.22 |
| Professional Services | 119,966.82 | 160,798.02 | 162,248.02 | 42,281.20 |
| Tax Collection & Appraisal | 23,883.93 | 25,856.45 | 25,856.45 | 1,972.52 |
| Utilities | 26,207.87 | 29,600.00 | 29,600.00 | 3,392.13 |
| Janitorial & Landscaping | 7,777.70 | 10,000.00 | 10,000.00 | 2,222.30 |
| Watershed Programs | 115,545.69 | 328,500.00 | 330,540.00 | 214,994.31 |
| River Cleanup | 4,843.50 | 5,700.00 | 5,700.00 | 856.50 |
| Water Research/ Easements | 5,000.00 | 5,000.00 | 5,000.00 | - |
| Water Permit Fees | 1,123.03 | 2,000.00 | 2,000.00 | 876.97 |
| Riverflow /Rainfall Gauge | 42,740.00 | 42,740.00 | 42,740.00 | - |
| Memberships | 2,069.75 | 2,700.00 | 2,850.00 | 780.25 |
| Board Meeting Expense | 2,277.22 | 3,500.00 | 2,000.00 | (277.22) |
| Meals & Lodging | 972.16 | 1,300.00 | 1,300.00 | 327.84 |
| Mileage & Vehicle Operations | 3,114.75 | 4,800.00 | 4,800.00 | 1,685.25 |
| Public Education | 101,996.52 | 100,000.00 | 103,000.00 | 1,003.48 |
| Insurance | 9,292.54 | 9,410.75 | 9,410.75 | 118.21 |
| Small Equipment | 3,882.37 | 10,500.00 | 10,500.00 | 6,617.63 |
| Office Building Improvements | 60,751.67 | 91,000.00 | 75,000.00 | 14,248.33 |
| Funds for New Initiatives | 3,500.00 | 63,800.00 | 28,800.00 | 25,300.00 |
| Total expenditures/expenses | <u>1,074,294.66</u> | <u>1,489,630.86</u> | <u>1,435,346.42</u> | <u>361,051.76</u> |
| Excess (deficiency) of revenues over expenditures | 331,992.67 | (201,100.67) | (95,566.23) | 427,558.90 |

Upper Guadalupe River Authority
Budgetary Comparison Statement - General Fund
For the Year Ended September 30, 2023

| | Actual | Original Budget | Final Amended Budget | Variance Positive (Negative) |
|---|-----------------|--------------------|----------------------------|------------------------------------|
| Other Financing Sources (Uses): | | | | |
| Transfers Out | (24,600.00) | (23,623.68) | (23,623.68) | (976.32) |
| Total Other Financing Sources (Uses) | (24,600.00) | (23,623.68) | (23,623.68) | (976.32) |
| Net Change in Fund Balance | 307,392.67 | (224,724.35) | (119,189.91) | 426,582.58 |
| Fund balance | | | | |
| Beginning of the year | 3,609,229.43 | 3,609,229.43 | 3,609,229.43 | - |
| End of the year | \$ 3,916,622.10 | \$ 3,384,505.08 | \$ 3,490,039.52 | \$ 426,582.58 |

Other Schedules

**UPPER GUADALUPE RIVER AUTHORITY
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

| LAST TEN YEARS ENDED SEPTEMBER 30, | TAX RATE | ASSESSED VALUE FOR TAX PURPOSES (in thousands) | BEGINNING BALANCE 10/1/22 | CURRENT YEAR TOTAL LEVY | ENTIRE YEAR'S ADJUSTMENTS | TOTAL COLLECTIONS | BALANCE 9/30/23 |
|--|-------------|---|---------------------------------|-------------------------------|---------------------------------|------------------------|---------------------|
| Prior years | | | 12,331.28 | | 0.00 | 827.87 | 11,503.41 |
| 2014 | .002440 | 4,246,837 | 2,553.92 | | 0.00 | 203.04 | 2,350.88 |
| 2015 | .002440 | 4,367,523 | 3,023.52 | | 0.00 | 218.48 | 2,805.04 |
| 2016 | .002440 | 4,594,881 | 3,881.75 | | 0.00 | 371.64 | 3,510.11 |
| 2017 | .002350 | 4,753,839 | 4,283.39 | | 29.30 | 385.37 | 3,868.72 |
| 2018 | .002283 | 4,877,021 | 5,391.40 | | 42.92 | 955.07 | 4,393.41 |
| 2019 | .002140 | 5,230,636 | 7,366.14 | | (686.17) | 2,452.92 | 5,599.39 |
| 2020 | .019520 | 5,572,324 | 9,570.03 | | (566.41) | 3,229.37 | 6,907.07 |
| 2021 | .019000 | 6,268,920 | 19,744.47 | | (71.83) | 10,161.14 | 9,655.16 |
| 2022 | .015900 | 7,166,446 | | 1,139,464.95 | 7,663.20 | 1,114,849.32 | 16,952.43 |
| | | | <u>\$ 68,145.90</u> | <u>\$ 1,139,464.95</u> | <u>6,411.01</u> | <u>\$ 1,133,654.22</u> | <u>\$ 67,545.62</u> |