

**Upper Brushy Creek  
Water Control And  
Improvement District**

**Financial Statements  
and Supplemental Information  
as of and for the Year Ended  
September 30, 2023 and  
Independent Auditors' Report**

MAXWELL  
& LOCKE  
RITTER

# Upper Brushy Creek WCID

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## Annual Filing Affidavit

The State of Texas

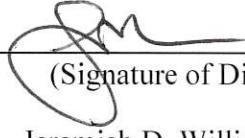
County of Williamson

I, Jeremiah D. Williams  
(Name of Duly Authorized District Representative)

of the Upper Brushy Creek Water Control and Improvement District

hereby swear, or affirm, that the District named above has reviewed and approved at a meeting of the Board of Directors of the District on the 13<sup>th</sup> day of December, 2023, 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's office, located at 460 Texas Avenue, Round Rock, Texas, 78664.

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 and to the Texas Comptroller of Public Accounts in satisfaction of the annual filing requirements of Section 140.008 of the Texas Local Government Code.

Date: December 13, 2023. By:   
(Signature of District Representative)  
\_\_\_\_\_  
Jeremiah D. Williams, Board President  
(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this 13<sup>th</sup> day of December, 2023.



Lisa Moravitz  
(Signature of Notary)  
\_\_\_\_\_  
Lisa Moravitz  
(Printed Name of Notary)

My Commission Expires On: 11-27-2024  
Notary Public in and for the State of Texas.



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Round Rock, TX 78664

## Independent Auditors' Report

To the Board of Directors of  
Upper Brushy Creek Water Control and Improvement District:

### Opinions

We have audited the financial statements of the governmental activities and each major fund of Upper Brushy Creek Water Control and Improvement District (the "District"), as of and for the year ended September 30, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2023, and the respective changes in financial position and the respective budgetary comparison for the General Fund 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, 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.

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

"A Registered Investment Advisor"  
This firm is not a CPA firm

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 District'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.

## **Auditors' 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 auditors' 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 District'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 District'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, the schedule of changes in net pension liability and related ratios, the schedule of district contributions, and the notes to required supplementary 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.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information required by the Texas Commission on Environmental Quality (the "TCEQ") listed in the table of contents is 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 required by the TCEQ listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Maxwell Locke + Ritter LLP*

Austin, Texas  
December 13, 2023

# **Upper Brushy Creek WCID**

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## **Management's Discussion and Analysis For the Year Ended September 30, 2023**

In accordance with Governmental Accounting Standards Board (“GASB”) Statement No. 34, the management of Upper Brushy Creek Water Control and Improvement District (the “District”) offers the following narrative on the financial performance of the District for the year ended September 30, 2023. Please read it in connection with the District’s financial statements that follow.

For purposes of GASB Statement No. 34, the District is considered a special purpose government. This allows the District 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 “Governmental Funds Total” 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 assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent period by \$104,025,265 (*net position*). Of this amount, \$49,357,188 (*unrestricted net position*) may be used to meet the District’s ongoing obligations.
- The District’s net property tax values increased by approximately \$14.1 billion from \$60,939,777,143 during the year ended September 30, 2022 to \$75,049,326,116 during the year ended September 30, 2023. Total tax revenue increased by approximately \$2.3 million during the year ended September 30, 2023.

### **Overview of the Basic Financial Statements**

The District’s reporting is comprised of two parts:

- *Management’s Discussion and Analysis* (this section)
- *Basic Financial Statements*
  - *Statement of Net Position and Governmental Funds Balance Sheet*
  - *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances*
  - *Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund*
  - *Notes to Basic Financial Statements*

Other supplementary information is also included.

The *Basic Financial Statements* are designed to provide readers with an overview of the District's finances, in a manner similar to the private sector business.

The *Statement of Net Position and Governmental Funds Balance Sheet* presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. The statement of net position can be found on page 12 of the report which includes a column (titled "Governmental Funds Total") that represents a balance sheet prepared using the modified accrual basis of accounting. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District's net position will indicate financial health.

The *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances* represents information showing how the District's net position changed during the most recent fiscal year which includes a column (titled "Governmental Funds Total") that derives the change in fund balance resulting from current year revenues, expenditures, and other financing sources or uses. These amounts are prepared using the modified accrual basis of accounting. The adjustments column converts those activities to full accrual, a basis that more closely represents the income statement of a private-sector business.

The *Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund* presents a comparison statement between the District's adopted budget to its actual results.

The *Notes to Basic Financial Statements* provide additional information that is essential to a full understanding of the information presented in the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances*. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods and some expenses are resulting from cash flows from prior periods. The increase or decrease in net position may serve as an indicator of the effect of the District's current year operations on its financial position. The *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances* can be found on page 13 of this report.

Required supplementary information related to the District's participation in the Texas County and District Retirement System pension plan and schedules required by the Texas Commission on Environmental Quality are presented immediately following the *Notes to Basic Financial Statements*.

## Comparative Financial Statements

### Statement of Net Position

	Governmental Activities		
	2023	2022	% Change
Current assets	\$ 84,344,170	\$ 96,689,472	(13%)
Capital and non-current assets	<u>73,360,789</u>	<u>49,363,689</u>	<u>49%</u>
Total assets	<u>157,704,959</u>	<u>146,053,161</u>	<u>8%</u>
Deferred outflows of resources	<u>77,456</u>	<u>46,367</u>	<u>67%</u>
Current liabilities	3,445,315	2,452,570	40%
Long-term liabilities	<u>50,296,489</u>	<u>51,712,177</u>	<u>(3%)</u>
Total liabilities	<u>53,741,804</u>	<u>54,164,747</u>	<u>(1%)</u>
Deferred inflows of resources	<u>15,346</u>	<u>71,247</u>	<u>(78%)</u>
Net investment in capital assets	54,668,077	44,638,885	22%
Unrestricted	<u>49,357,188</u>	<u>47,224,649</u>	<u>5%</u>
Total net position	<u>\$ 104,025,265</u>	<u>\$ 91,863,534</u>	<u>13%</u>

The District's total assets were approximately \$157.7 million as of September 30, 2023. Of this amount, approximately \$73.3 million was included in capital and intangible assets. The District had outstanding liabilities of approximately \$53.7 million. Of this amount, approximately \$51.7 million was related to long-term debt.

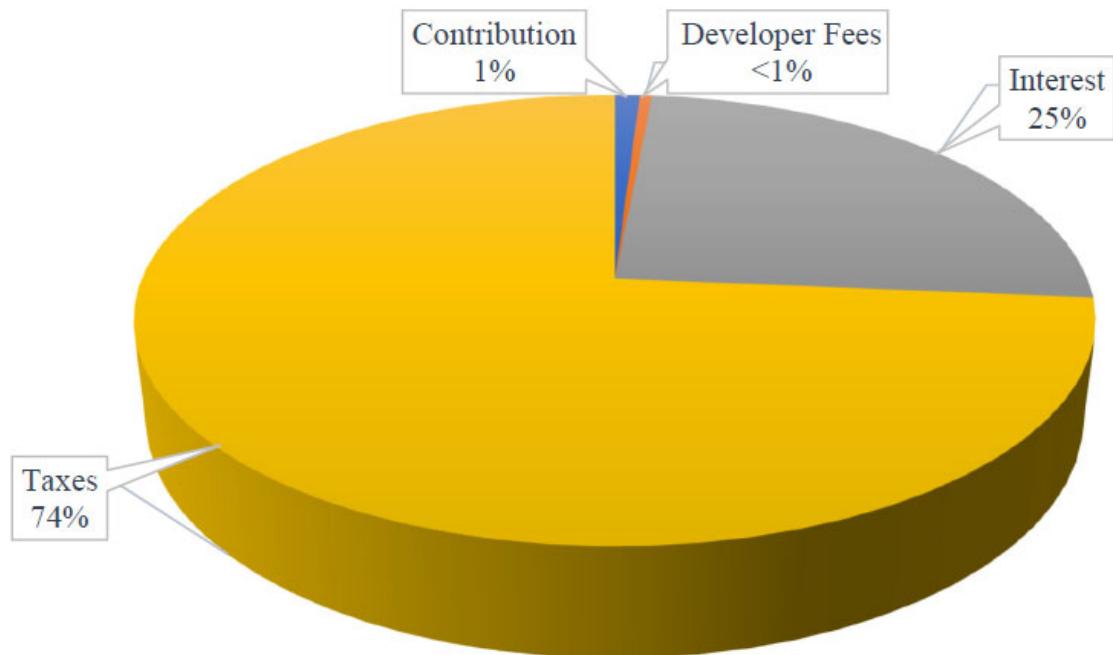
The District's assessed value in fiscal year 2023 was approximately \$75.0 billion compared to \$60.9 billion in fiscal year 2022. The tax rate is set after reviewing operations and maintenance and debt service requirements. The District's primary revenue source is property tax revenue.

## Statement of Activities

	Governmental Activities		
	2023	2022	% Change
Property taxes	\$ 12,971,277	\$ 10,680,742	21%
Developer fees	1,200	45,986	(97%)
Contribution revenue	229,839	559,952	(59%)
Interest on temporary investments and other	4,333,519	714,934	506%
Penalties and interest on property taxes	<u>26,504</u>	<u>33,668</u>	(21%)
<b>Total revenues</b>	<b><u>17,562,339</u></b>	<b><u>12,035,282</u></b>	<b>46%</b>
Maintenance and repairs	515,245	582,332	(12%)
Engineering fees	353,222	386,745	(9%)
Contracted services	53,792	35,760	50%
Preparation of tax rolls	111,186	98,684	13%
Legal fees	110,214	51,176	115%
Salaries	596,633	467,140	28%
Other	612,263	342,397	79%
Bond issuance expense	-	1,480,684	(100%)
Debt service	<u>1,438,829</u>	<u>778,000</u>	<u>85%</u>
Depreciation	<u>1,609,224</u>	<u>1,610,809</u>	(<1%)
<b>Total expenses</b>	<b><u>5,400,608</u></b>	<b><u>5,833,727</u></b>	<b>(7%)</b>
Change in net position	<u>12,161,731</u>	<u>6,201,555</u>	<u>96%</u>
Beginning net position	<u>91,863,534</u>	<u>85,661,979</u>	<u>7%</u>
<b>Ending net position</b>	<b><u>\$ 104,025,265</u></b>	<b><u>\$ 91,863,534</u></b>	<b>13%</b>

Operating revenues were approximately \$17.6 million for the fiscal year ended September 30, 2023, of which property taxes provided approximately \$13.0 million. Total expenses were approximately \$5.4 million for the fiscal year ended September 30, 2023. Net position increased approximately \$12.2 million primarily due to the excess of property tax and interest revenue over operating expenses, the majority of which was used to pay for debt service of approximately \$1.4 million, salaries of approximately \$597 thousand, maintenance and repairs for the dams of approximately \$515 thousand, and engineering fees of approximately \$353 thousand during the year ended September 30, 2023.

### Sources of Revenue



### Financial Analysis of Governmental Funds

	2023	2022	2021
Cash	\$ 258,139	\$ 161,011	\$ 198,617
Temporary investments	83,904,909	96,295,436	38,620,264
Taxes receivable	101,342	111,240	97,097
Interfund receivable	536,722	293,927	-
Due from other governments	79,780	121,785	203,406
<b>Total assets</b>	<b>\$ 84,880,892</b>	<b>\$ 96,983,399</b>	<b>\$ 39,119,384</b>
<b>Total liabilities</b>	<b>\$ 2,401,447</b>	<b>\$ 1,314,346</b>	<b>\$ 359,769</b>
<b>Total deferred inflows of resources</b>	<b>101,342</b>	<b>111,240</b>	<b>97,097</b>
Restricted fund balance	33,143,928	47,714,468	-
Committed fund balance	798,429	798,429	798,429
Assigned fund balance	-	-	10,510,829
Unassigned fund balance	48,435,746	47,044,916	27,353,260
<b>Total fund balances</b>	<b>82,378,103</b>	<b>95,557,813</b>	<b>38,662,518</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 84,880,892</b>	<b>\$ 96,983,399</b>	<b>\$ 39,119,384</b>

The *General Fund* pays for daily operating expenditures. When comparing actual to budget, actual revenues were more than budgeted by approximately \$2.2 million primarily due to higher than anticipated interest income. Actual expenditures were higher than budgeted by approximately \$8.2 million primarily due to no capital outlay expenditures being included in the annual budget. More detailed information about the District's budgetary comparison is presented in the *Basic Financial Statements*.

The *Debt Service Fund* remitted bond principal of \$645 thousand and bond interest of approximately \$2.1 million. More detailed information about the District's debt is presented in the *Notes to Basic Financial Statements*.

The *Capital Projects Fund* primarily purchases the District's infrastructure. Capital outlay expenditures were approximately \$16.6 million for the year ended September 30, 2023.

### **Capital Assets and Long-Term Debt Activity**

#### Capital Assets

	<u>2023</u>	<u>2022</u>
Earthen dams	\$ 46,260,781	\$ 46,214,470
Construction in progress	12,998,780	6,266,687
Buildings and improvements	1,961,828	1,961,828
Land	22,454,505	3,562,410
Furniture and equipment	45,938	45,938
Subtotal	83,721,832	58,051,333
Accumulated depreciation	<u>(10,864,863)</u>	<u>(9,255,639)</u>
Total	<u>\$ 72,856,969</u>	<u>\$ 48,795,694</u>

The District is in process of renovating additional dams. More detailed information about the District's capital assets is presented in the *Notes to Basic Financial Statements*.

#### Long-Term Debt Activity

	<u>2023</u>	<u>2022</u>
Current portion	\$ 1,400,000	\$ 645,000
Long-term portion	<u>49,920,000</u>	<u>51,320,000</u>
Total	<u>\$ 51,320,000</u>	<u>\$ 51,965,000</u>

The District owes approximately \$51.3 million to bond holders. More detailed information about the District's long-term debt is presented in the *Notes to Basic Financial Statements*.

### **Currently Known Facts, Decisions, or Conditions**

For fiscal year 2024, the tax rate has been set at \$0.0170 per \$100 of assessed valuation, which is comprised of an M&O tax rate of \$0.0133 per \$100 of assessed valuation and an I&S tax rate of \$0.0037 per \$100 of assessed valuation. The adopted budget for 2024 projects an increase in the fund balance of the General Fund of approximately \$7.6 million. When compared to the 2023 budget, revenues are expected to increase by approximately 2% in 2024. Expenditures are expected to remain consistent in 2024 when compared to the 2023 budget.

## **Requests for Information**

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District at 460 Texas Avenue, Round Rock, Texas, 78664.

# Upper Brushy Creek WCID

## Statement of Net Position and Governmental Funds Balance Sheet September 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments (Note 2)	Statement of Net Position
<b>Assets:</b>						
Cash	\$ 258,139	\$ -	\$ -	\$ 258,139	\$ -	\$ 258,139
Temporary investments	49,105,140	124,804	34,674,965	83,904,909	-	83,904,909
Taxes receivable	93,342	8,000	-	101,342	-	101,342
Interfund receivable	534,110	2,612	-	536,722	(536,722)	-
Due from other governments	79,780	-	-	79,780	-	79,780
Intangible asset	-	-	-	-	485,900	485,900
Capital assets (net of accumulated depreciation):	-	-	-	-	-	-
Earthen dams	-	-	-	-	35,693,310	35,693,310
Buildings and improvements	-	-	-	-	1,700,251	1,700,251
Construction in progress	-	-	-	-	12,998,780	12,998,780
Land	-	-	-	-	22,454,505	22,454,505
Furniture and equipment	-	-	-	-	10,123	10,123
Net pension asset	-	-	-	-	17,920	17,920
<b>Total assets</b>	<b>\$ 50,070,511</b>	<b>\$ 135,416</b>	<b>\$ 34,674,965</b>	<b>\$ 84,880,892</b>	<b>\$ 72,824,067</b>	<b>\$ 157,704,959</b>
<b>Deferred Outflows of Resources:</b>						
Pension contributions after measurement date	\$ -	\$ -	\$ -	\$ -	\$ 39,751	\$ 39,751
Deferred outflows related to pension asset	-	-	-	-	37,705	37,705
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,456</b>	<b>77,456</b>
<b>Liabilities:</b>						
Accounts payable	700,960	5,185	594,882	1,301,027	-	1,301,027
Retainage payable	-	-	524,276	524,276	-	524,276
Interfund payable	2,612	-	534,110	536,722	(536,722)	-
Accrued payroll	39,422	-	-	39,422	-	39,422
Bond interest payable	-	-	-	-	180,590	180,590
Long-term liabilities:	-	-	-	-	-	-
Due within one year	-	-	-	-	1,400,000	1,400,000
Due after one year	-	-	-	-	50,296,489	50,296,489
<b>Total liabilities</b>	<b>742,994</b>	<b>5,185</b>	<b>1,653,268</b>	<b>2,401,447</b>	<b>51,340,357</b>	<b>53,741,804</b>
<b>Deferred Inflows of Resources:</b>						
Deferred revenue - property taxes	93,342	8,000	-	101,342	(101,342)	-
Deferred inflows related to pension asset	-	-	-	-	15,346	15,346
<b>Total deferred inflows of resources</b>	<b>93,342</b>	<b>8,000</b>	<b>-</b>	<b>101,342</b>	<b>(85,996)</b>	<b>15,346</b>
<b>Fund Balances/Net Position:</b>						
Fund balances:	-	-	-	-	-	-
Restricted for capital projects	-	-	33,021,697	33,021,697	(33,021,697)	-
Restricted for debt service	-	122,231	-	122,231	(122,231)	-
Committed to Rattan Creek	-	-	-	-	-	-
Regional Detention projects	798,429	-	-	798,429	(798,429)	-
Unassigned	48,435,746	-	-	48,435,746	(48,435,746)	-
<b>Total fund balance</b>	<b>49,234,175</b>	<b>122,231</b>	<b>33,021,697</b>	<b>82,378,103</b>	<b>(82,378,103)</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 50,070,511</b>	<b>\$ 135,416</b>	<b>\$ 34,674,965</b>	<b>\$ 84,880,892</b>		
Net position:						
Net investment in capital assets					54,668,077	54,668,077
Unrestricted					49,357,188	49,357,188
<b>Total net position</b>					<b>\$ 104,025,265</b>	<b>\$ 104,025,265</b>

The notes to the financial statements are an integral part of this statement.

# Upper Brushy Creek WCID

## Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances Year Ended September 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments (Note 2)	Statement of Activities
<b>Expenditures/expenses:</b>						
Service operations:						
Maintenance and repairs	\$ 515,245	\$ -	\$ -	\$ 515,245	\$ -	\$ 515,245
Legal fees	110,214	-	-	110,214	-	110,214
Engineering fees	353,222	-	-	353,222	-	353,222
Contracted services	53,792	-	-	53,792	-	53,792
Preparation of tax rolls	87,043	24,143	-	111,186	-	111,186
Salaries	619,448	-	-	619,448	(22,815)	596,633
Directors' fees	5,700	-	-	5,700	-	5,700
Insurance	8,708	-	-	8,708	-	8,708
Cedar Park - Block House Creek project	164,513	-	-	164,513	-	164,513
Other	205,161	200	-	205,361	227,981	433,342
Capital outlay	9,335,136	-	16,563,344	25,898,480	(25,898,480)	-
Debt service:						
Principal	-	645,000	-	645,000	(645,000)	-
Interest	-	2,061,078	-	2,061,078	(622,249)	1,438,829
Depreciation	-	-	-	-	1,609,224	1,609,224
<b>Total expenditures/expenses</b>	<b>11,458,182</b>	<b>2,730,421</b>	<b>16,563,344</b>	<b>30,751,947</b>	<b>(25,351,339)</b>	<b>5,400,608</b>
<b>Revenues:</b>						
General revenues:						
Property taxes	10,164,995	2,816,180	-	12,981,175	(9,898)	12,971,277
Developer fees	1,200	-	-	1,200	-	1,200
Contribution revenue	229,839	-	-	229,839	-	229,839
Interest on temporary investments and other	2,431,186	31,760	1,870,573	4,333,519	-	4,333,519
Penalties and interest on property taxes	21,792	4,712	-	26,504	-	26,504
<b>Total general revenues</b>	<b>12,849,012</b>	<b>2,852,652</b>	<b>1,870,573</b>	<b>17,572,237</b>	<b>(9,898)</b>	<b>17,562,339</b>
<b>Total revenues</b>	<b>12,849,012</b>	<b>2,852,652</b>	<b>1,870,573</b>	<b>17,572,237</b>	<b>(9,898)</b>	<b>17,562,339</b>
Excess (deficiency) of revenues over (under) expenditures	1,390,830	122,231	(14,692,771)	(13,179,710)	13,179,710	-
Change in net position					12,161,731	12,161,731
<b>Fund balance/net position:</b>						
Beginning of year	47,843,345	-	47,714,468	95,557,813	(3,694,279)	91,863,534
End of year	\$ 49,234,175	\$ 122,231	\$ 33,021,697	\$ 82,378,103	\$ 21,647,162	\$ 104,025,265

The notes to the financial statements are an integral part of this statement.

# Upper Brushy Creek WCID

## Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund Year Ended September 30, 2023

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 10,189,374	\$ 10,164,995	\$ (24,379)
Developer fees	20,000	1,200	(18,800)
Contribution revenue	400,000	229,839	(170,161)
Interest on temporary investments and other	-	2,431,186	2,431,186
Penalties and interest on property taxes	-	21,792	21,792
<b>Total revenues</b>	<b>10,609,374</b>	<b>12,849,012</b>	<b>2,239,638</b>
<b>Expenditures:</b>			
Service operations:			
Maintenance and repairs	1,100,000	515,245	584,755
Legal fees	150,000	110,214	39,786
Engineering fees	600,000	353,222	246,778
Contracted services	65,000	53,792	11,208
Preparation of tax rolls	150,000	87,043	62,957
Salaries	690,000	619,448	70,552
Directors' fees	10,000	5,700	4,300
Insurance	10,000	8,708	1,292
Cedar Park - Block House Creek project	-	164,513	(164,513)
Other	475,000	205,161	269,839
Capital outlay	-	9,335,136	(9,335,136)
<b>Total expenditures</b>	<b>3,250,000</b>	<b>11,458,182</b>	<b>(8,208,182)</b>
Excess of revenues over expenditures	7,359,374	1,390,830	(5,968,544)
<b>Fund Balance:</b>			
Beginning of year	<u>47,843,345</u>	<u>47,843,345</u>	-
End of year	<u>\$ 55,202,719</u>	<u>\$ 49,234,175</u>	<u>\$ (5,968,544)</u>

The notes to the financial statements are an integral part of this statement.

# **Upper Brushy Creek WCID**

## **Notes to Basic Financial Statements** **Year Ended September 30, 2023**

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### **1. Summary of Significant Accounting Policies**

In November 1956, the State Board of Water Engineers of Texas (predecessor to the Texas Water Development Board) created the district as the then Brushy Creek Water Control and Improvement District (“WCID”) No. 1 of Williamson and Milam Counties which was validated by the Texas State Legislature in the following year. In 2001, district voters approved a split of the district into two entities: Brushy Creek WCIDs No. 1A and No. 1B of Williamson and Milam Counties. The former district assets were allocated among the new entities. The district continued to be subject to the Texas Water Code Chapters 49 and 51.

The Board of Directors of Brushy Creek WCID No. 1A of Williamson and Milam Counties held its first meeting on March 12, 2002. On January 9, 2003, the Texas Commission on Environmental Quality approved the district requested name change to Upper Brushy Creek WCID (the “District”). On June 3, 2021, the Governor signed House Bill 1606 which updated the District’s enabling legislation by formalizing the split and name change and clarifying the District’s exemption from municipal regulations regarding the construction, maintenance, rehabilitation, or removal of dams.

The reporting entity of the District encompasses those activities and functions over which the District’s elected officials exercise significant oversight or control. The District is governed by a five-member Board of Directors (the “Board”) which has been elected by District voters or appointed by the Board, as appropriate. The District is not included in any other governmental “reporting entity” as defined by the Governmental Accounting Standards Board (“GASB”), since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters. In addition, there are no component units which are included in the District’s reporting entity.

### **Government-Wide and Fund Financial Statements**

For purposes of GASB Statement No. 34, the District is considered a special purpose government. This allows the District 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 “Governmental Funds Total” 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.

The government-wide financial statements report information on all of the activities of the District. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the expenses are offset by program revenues. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the District. Taxes and other items not properly included among program revenues are reported instead as general revenues. Major individual governmental funds are reported as separate columns in the fund financial statements.

### **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. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are 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 District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Major revenue sources considered susceptible to accrual includes interest income. No accrual for property taxes collected within sixty days of year end has been made as such amounts are deemed immaterial; delinquent property taxes at year end are reported as deferred inflows of resources.

The District reports the following major governmental funds:

The General Fund includes financial resources used for general operations. It is a budgeted fund, and any unassigned fund balance is considered resources available for current operations.

The Debt Service Fund includes debt service taxes and other revenues collected to retire bond principal and to pay interest due.

The Capital Projects Fund is used to account for financial resources restricted for authorized construction and other capital asset acquisitions.

### **Budgets and Budgetary Accounting**

Formal budgetary integration is employed as a management control device for the General Fund and Debt Service Fund. Formal budgetary integration is not employed for the Capital Projects Fund. The budget is proposed by the District's General Manager for the fiscal year commencing the following October 1 and is adopted on a basis consistent with generally accepted accounting principles.

## **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity**

Investments - Temporary investments throughout the year consisted of investments in an external local government investment pool. The external local government investment pool is recognized at amortized cost as permitted by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The District is entitled to invest any and all of its funds in certificates of deposit, direct debt securities of the United States of America or the State of Texas, certain Federal agency securities and other types of municipal bonds, fully collateralized repurchase agreements, commercial paper, and local government investment pools. The District's investment policies and types of investments are governed by Section 2256 of the Government Code ("Public Funds Investment Act"). The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policies. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments.

Ad Valorem Property Taxes - Property taxes, penalties, and interest are reported as revenue in the fiscal year in which they become available to finance expenditures of the District. Allowances for uncollectibles within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Capital Assets - Capital assets, which include earthen dams, construction in progress, land, buildings and improvements, and furniture and equipment, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of at least \$5,000. Such assets are recorded at historical cost if purchased or estimated acquisition value at the date of donation if donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Capital assets (other than land and construction in progress) are depreciated using the straight-line method over the following estimated useful lives: earthen dams - fifty years, buildings and improvements - thirty years, furniture and equipment - five to ten years.

Intangible Asset - Rights to equipment are reported in the government-wide column in the statement of net position at historical cost and are evaluated for impairment on an annual basis. No impairment was required to be recognized during the year ended September 30, 2023.

Interfund Transactions - Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay that amount and if the debtor fund has the ability to repay the advance on a timely basis. Operating transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, including bond insurance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond insurance costs are reported as assets and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, including bond insurance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Arbitrage - The interest paid on debt issued by the District as tax-exempt bonds is exempt from federal income tax. As a result, purchasers of local government debt are willing to accept lower interest rates than they would on taxable debt. The District temporarily reinvests the proceeds of tax-exempt debt in interest earning investments, which sometimes yield a higher rate of return than the bond interest rate. The federal tax code refers to this practice as arbitrage. No recognition is made in the governmental funds until rebatable arbitrage amounts are actually due and payable to the federal government. As of September 30, 2023, the calculated arbitrage liability was not due and payable and was not significant to the government-wide financial statements, thus no arbitrage liability was recorded as of September 30, 2023.

Pensions - The fiduciary net position of the Texas County and District Retirement System (“TCDRS”) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCDRS’ fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance - The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental fund. See Note 12 for additional information on those fund balance classifications.

Deferred Outflows and Inflows of Resources - The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District’s net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District’s acquisition of net position applicable to a future reporting period.

The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. See Note 13 for additional information on deferred outflows and inflows of resources.

Fair Value Measurements - The District complies with GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- Level 3 inputs are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities.
- Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).
- Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Use of Estimates - The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

### **Change in Accounting Principle for Recently Adopted Accounting Pronouncement**

For the year ended September 30, 2023, the District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of GASB Statement No. 96 is to better meet the information needs of financial statement users by establishing uniform accounting and financial reporting requirements for subscription-based information technology arrangements (“SBITAs”), improving the comparability of financial statements among governments that have entered into SBITAs, and enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. The adoption did not have an impact on the District’s statement of net position or statement of revenues, expenses and changes in net position as the District did not have any significant SBITAs.

## 2. Reconciliation of Government-wide and Fund Financial Statements

Amounts reported for governmental activities in the statement of net position are different because:

Governmental funds total fund balances	\$ 82,378,103
Rights to equipment are not current financial resources and are therefore not reported in the governmental funds balance sheet	485,900
Capital assets used in governmental activities are not current financial resources and are therefore not reported in the governmental funds balance sheet	72,856,969
Net pension asset is not receivable in the current period and, therefore, is not reported in the funds.	17,920
Deferred tax revenue is not available to pay for current-period expenditures and, therefore, is deferred in the governmental funds balance sheet	101,342
The following liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable, including premiums and discounts	(51,696,489)
Bond interest payable	(180,590)
The following deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:	
Pension contributions after measurement date	39,751
Deferred outflows related to pension asset	37,705
Deferred inflows related to pension asset	(15,346)
<b>Total net position</b>	<b><u>\$ 104,025,265</u></b>

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances	\$ (13,179,710)
Governmental funds report capital outlays as expenditures.	
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense or recorded as an intangible until determined to be impaired:	
Capital outlay	25,898,480
Depreciation expense	(1,609,224)
Disposal of capital assets	(227,981)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds-	
Change in deferred tax revenue	(9,898)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position-	
Repayment of bond principal	645,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Change in bond interest payable	606,561
Amortization of bond premium	22,315
Amortization of original issue discount	(6,627)
Pension contributions made before the measurement date	11,000
Pension contributions made after the measurement date	39,751
Adjustments for ending deferred inflows and outflows related to net pension asset	<u>(27,936)</u>
Change in net position	<u>\$ 12,161,731</u>

### 3. Cash and Temporary Investments

The District's deposits are required to be secured in the manner provided by law for the security of the funds. At September 30, 2023, such deposits were entirely covered by Federal Deposit Insurance Corporation ("FDIC") insurance or secured by collateral pledged by the depository.

The Public Funds Investment Act authorizes the District to invest in funds under a written investment policy. The District's deposits and investments are invested pursuant to the investment policy, which is approved annually by the Board. The primary objectives of the District's investment strategy, in order of priority, are safety, liquidity, and yield.

The District is entitled to invest in obligations of the United States, the State of Texas and their agencies, or any state, county, city and any other political subdivisions of any state rated by a nationally recognized investment rating firm with a rating not less than A or its equivalent, certificates of deposit of state or national banks or savings and loan associations within the State, prime domestic bankers' acceptances, commercial paper with a stated maturity of 270 days or less from the date of its issuance, fully collateralized repurchase agreements, no-load money market mutual funds regulated by the United States Securities and Exchange Commission, and eligible public funds investment pools.

At September 30, 2023, the District had investments in an external local governmental investment pool, Texas Local Governmental Investment Pool (“TexPool”), totaling \$83,904,909. The funds invested in TexPool have a weighted average maturity of one day and a Standard & Poor’s rating of AAA.

Although TexPool is not registered with the SEC as an investment company, it operates in a manner consistent with the SEC’s Rule 2a-7 of the Investment Company Act of 1940. These investments are stated at amortized cost in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

TexPool is overseen by the Texas State Comptroller of Public Accounts, who is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate TexPool. TexPool also has an advisory board to advise on TexPool’s investment policy. This board is made up equally of participants and nonparticipants who do not have a business relationship with TexPool. Federated Investors manages daily operations of TexPool under a contract with the Comptroller and is the investment manager for the pool. TexPool’s investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

In accordance with GASB Statement No. 79, the external local government investment pool does not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. This pool does not impose any liquidity fees or redemption gates.

**Credit Risk** - At September 30, 2023, investments were included in an external local governmental investment pool with a rating from Standard & Poor’s in compliance with the District’s investment policy.

**Custodial Credit Risk** - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution’s trust department or agent but not in the District’s name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District, and are held by either the counterparty or the counterparty’s trust department or agent but not in the District’s name. At September 30, 2023, the District was not exposed to custodial credit risk.

**Interest Rate Risk** - The District considers the holdings in the external local governmental investment pool to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholders, unless there has been a significant change in value. At September 30, 2023, the District was not exposed to significant interest rate risk.

#### **4. Interfund Receivables and Payables**

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds.” The composition of interfund balances as of September 30, 2023 was as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Fund	\$ 534,110
Debt Service Fund	General Fund	2,612
Total		<u>\$ 536,722</u>

#### **5. Property Taxes**

The Texas Water Code authorizes the District to levy a tax each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located within its boundaries. Assessed values are established annually by the Williamson Central Appraisal District. District property tax revenues are recognized when levied to the extent that they are collected in the current year. The uncollected balance is reported as deferred revenue. Taxes receivable are due January 1 and are delinquent if received after January 31 and are subject to penalty and interest charges.

On September 15, 2022, the District levied a combined tax rate of \$0.0175 per \$100 of assessed valuation to finance the operating expenses and debt service requirements of the District. The maintenance tax rate and the debt service tax rate were \$0.0137 and \$0.0038, respectively. The total 2022 tax levy was \$13,006,093 based on a taxable valuation of \$75,049,326,116.

#### **6. Due from Other Governments**

The District has entered into an interlocal agreement with the City of Round Rock that includes reimbursements for certain costs incurred by the District related to its improvements of the earthen dams. At September 30, 2023, the District had \$79,780 in costs incurred that are subject to reimbursement based on the terms of the interlocal agreement. See Note 11 for additional information.

## 7. Intangible Asset

Per an agreement effective May 2013 with U.S. Geological Survey (“USGS”), the District purchased rights to benefits in water gauging equipment. Benefits include the installation of gauging equipment with instantaneous reporting of water levels and other metrics to the District’s management and website at various sites and the right to receive replacement equipment in the future should the current equipment become damaged or outdated without further cost to the District. The initial amount paid for these benefits was \$398,100, which was recorded as an intangible asset on the statement of net position during the fiscal year ended September 30, 2013. Additional equipment was installed during the fiscal year ended September 30, 2014 and the District paid an additional \$87,800 for these benefits. In exchange for the purchase price and ongoing annual maintenance fees (currently \$246,000 annually for 28 stations), USGS will operate and maintain the equipment and will replace any outdated or damaged equipment. The term of the agreement is indefinite, and accordingly, no amortization expense has been recorded as of September 30, 2023.

## 8. Capital Assets

Capital assets activity for the year ended September 30, 2023 was as follows:

	Balance September 30, 2022	Additions	Deletions/ Transfers	Balance September 30, 2023
Capital assets, not being depreciated:				
Construction in progress	\$ 6,266,687	7,006,385	(274,292)	12,998,780
Land	3,562,410	18,892,095	-	22,454,505
Total capital assets, not being depreciated	<u>9,829,097</u>	<u>25,898,480</u>	<u>(274,292)</u>	<u>35,453,585</u>
Capital assets, being depreciated:				
Earthen dams	46,214,470	-	46,311	46,260,781
Buildings and improvements	1,961,828	-	-	1,961,828
Furniture and equipment	45,938	-	-	45,938
Total capital assets, being depreciated	<u>48,222,236</u>	<u>-</u>	<u>46,311</u>	<u>48,268,547</u>
Less accumulated depreciation for:				
Earthen dams	(9,030,317)	(1,537,154)	-	(10,567,471)
Buildings and improvements	(196,183)	(65,394)	-	(261,577)
Furniture and equipment	(29,139)	(6,676)	-	(35,815)
Total accumulated depreciation	<u>(9,255,639)</u>	<u>(1,609,224)</u>	<u>-</u>	<u>(10,864,863)</u>
Total capital assets, being depreciated, net	<u>38,966,597</u>	<u>(1,609,224)</u>	<u>46,311</u>	<u>37,403,684</u>
Capital assets, net	<u>\$ 48,795,694</u>	<u>24,289,256</u>	<u>(227,981)</u>	<u>72,856,969</u>

## 9. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2023:

	Balance 9/30/2022	Additions	Retirements	Balance 9/30/2023
Unlimited Tax Bonds	\$ 51,965,000	-	(645,000)	51,320,000
Discount on bonds	(165,686)	-	6,627	(159,059)
Premium on bonds	557,863	-	(22,315)	535,548
<b>Total</b>	<b>\$ 52,357,177</b>	<b>-</b>	<b>(660,688)</b>	<b>51,696,489</b>

Bonds payable at September 30, 2023 consisted of the following:

Series	Description	Matures	Interest Rates	Balance 9/30/2023	Due within one year
2022	Unlimited Tax Bonds	8/15/2047	2% - 3%	\$ 51,320,000	\$ 1,400,000

The District bonds are secured by and payable from a first lien and pledge of ad valorem taxes of the District.

Debt service requirements to maturity for District's bonds are summarized as follows:

Fiscal Year	Principal	Interest	Total Requirement
2024	\$ 1,400,000	1,444,719	2,844,719
2025	1,455,000	1,416,718	2,871,718
2026	1,510,000	1,387,619	2,897,619
2027	1,570,000	1,357,418	2,927,418
2028	1,635,000	1,310,319	2,945,319
2029-2033	9,075,000	5,788,744	14,863,744
2034-2038	10,650,000	4,478,663	15,128,663
2039-2043	12,490,000	2,875,425	15,365,425
2044-2047	11,535,000	879,150	12,414,150
<b>Total</b>	<b>\$ 51,320,000</b>	<b>20,938,775</b>	<b>72,258,775</b>

At September 30, 2023, unlimited tax bonds of \$33,035,000 were authorized by the voters of the District, but unissued.

## **10. Risk Management**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained coverage from commercial insurance companies and the Texas Municipal League Intergovernmental Risk Pool (“TML Pool”) to effectively manage its risk. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

The TML Pool was established by various political subdivisions in Texas to provide self-insurance for its members and to obtain lower costs for insurance. TML Pool members pay annual contributions to obtain the insurance. Annual contribution rates are determined by the TML Pool board. Rates are estimated to include all claims expected to occur during the policy including claims incurred but not reported. The TML Pool has established claims reserves for each of the types of insurance offered. Although the TML Pool is a self-insured risk pool, members are not contingently liable for claims filed above the amount of the fixed annual contributions. If losses incurred are significantly higher than actuarially estimated, the TML Pool adjusts the contribution rate for subsequent years. Members may receive returns of contributions if actual results are more favorable than estimated.

## **11. Commitments and Contingencies**

The District is involved in various legal proceedings which arise from time to time in the normal course of business. While the ultimate results of such matters generally cannot be predicted with certainty, management does not expect any such matters to have a material adverse effect on the financial position of the District or its results of operations as of and for the year ended September 30, 2023.

On December 18, 2014, the District contracted with the City of Round Rock (the “2014 agreement”) to construct a dam (the “Dam 101 Project”). Under the terms of the 2014 agreement, the District was required to contribute 25% of total Dam 101 Project costs plus the total cost of easements associated with the Dam 101 Project, for a total amount not to exceed \$6,000,000. Upon completion of the Dam 101 Project, the District shall own and maintain the dam. As of September 30, 2021, the District had contributed \$2,000,000 to the Dam 101 Project. Effective December 6, 2018, the 2014 agreement was terminated and a new agreement (the “2018 agreement”) was adopted. Under the terms of the 2018 agreement, the City of Round Rock reimbursed the District \$956,740 of the \$2,000,000 originally paid to the City of Round Rock pursuant to the 2014 agreement. The District will be reimbursed on a quarterly basis for costs incurred for engineering, design and permitting of the Dam 101 Project for a total amount not to exceed \$2,000,000. The District recognized \$229,839 of reimbursements for costs incurred during the year ended September 30, 2023. As of September 30, 2023, the District had recognized \$1,985,319 related to reimbursements from the City of Round Rock and no future costs for reimbursement are expected.

In February 2020, the District entered into an agreement with Apple Inc. to allow Apple Inc. to participate in regional detention, in lieu of on-site detention, with the District. The agreement allows Apple Inc. to utilize one flood control structure, that is operated and maintained by the District, as regional detention. As part of the agreement, Apple Inc. purchased permanent capacity and the District will provide the capacity in perpetuity. The total detention fee of \$825,000 was recognized as revenue in a prior fiscal year.

On August 19, 2021, the District entered into an interlocal agreement with the City of Cedar Park for the construction of the multi-phase project plans for channel and other drainage improvements along Block House Creek (the “Block House Project”). Under the terms of the interlocal agreement, the District has committed to paying 80% of the costs related to the Block House Project up to a maximum amount of \$6,000,000. The City of Cedar Park has committed to paying the remaining 20% of the costs related to the Block House Project up to a maximum amount of \$1,500,000. Upon completion, the City of Cedar Park will own, operate, and maintain the Block House Project and the District will have no further responsibilities related to the Block House Project. The District will only make contributions for work completed by September 30, 2025 on the Block House Project unless an extension is agreed upon by both parties. As of September 30, 2023, the District had contributed \$339,086 to the Block House Project.

The District had remaining construction commitments of \$32,505,332 as of September 30, 2023.

## **12. Fund Balances**

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. Those fund balance classifications are described below.

Nonspendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned - For the General Fund, amounts that are appropriated by the Board that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District’s General Fund.

The detail of the fund balances are included in the Governmental Fund Balance Sheet on page 12.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District’s highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board may also assign fund balance for a specific purpose.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

The Board has allocated a portion of unassigned fund balance for emergencies only, which are defined as risks and consequences associated with dam failure to ensure the safety and welfare of the public. Although this portion of unassigned fund balance has been allocated by the Board, it does not meet the requirements of committed or assigned fund balance as presented in GASB Statement No. 54, and therefore, cannot be reported as such.

## **13. Defined Benefit Pension Plan**

### **Plan Description**

The District provides retirement, disability, and death benefits for all of its non-temporary full-time employees through a nontraditional defined benefit pension plan administered by the TCDRS. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of nearly 850 active participating counties and districts throughout Texas. TCDRS in the aggregate issues an annual comprehensive annual financial report (“ACFR”) on a calendar year basis. The ACFR is available upon written request from the TCDRS, Finance Division, at Barton Oaks Plaza IV, Suite 500, 901 S. Mopac Expressway., Austin, Texas 78746.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas State statutes governing TCDRS (“TCDRS Act”). Members can retire at ages 60 and above with 5 or more years of services, after 20 years of service regardless of age, or when service time plus age equals 75 but must leave their accumulated contributions in the plan to receive any employer-finance benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

### **Benefits Provided**

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and the employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act, so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee’s accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employee membership data related to the plan, as of the valuation date of December 31, 2022, was as follows:

Retirees and beneficiaries currently receiving benefits	-
Terminated employees entitled to but not yet receiving benefits	2
Active plan members	5
Total	7

## **Contributions**

The District has elected the annually determined contribution rate (“ADCR”) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The District contributed using the actuarially determined rate of 8.38% for 2023 as adopted by the governing body of the District. The employee contribution rate was 4.00%. The employee contribution rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act. The required contribution and actual contributions for the year ended September 30, 2023 equaled \$50,368.

## Net Pension Asset

### Actuarial Assumptions

The District's net pension asset was measured as of December 31, 2022 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Amortization Period	19.2 years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation
Investment Rate of Return	7.50%
Cost-of-Living Adjustments	Cost-of-Living Adjustments for the District are not considered to be automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB 68 calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Between ages 40 and 74 with various rates of service retirement by gender: low of 5.3% for age 40-49 to high of 27.5% for age 65-66 for males and females
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality:	
Depositing members	135% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

The actuarial assumptions that determined the total pension liability as of December 31, 2022 were based on the results of an actuarial experience study for the period January 1, 2017 through December 31, 2020, except where required to be different by GASB 68.

#### Long-Term Expected Rate of Return

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 January 2023 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed in detail at a minimum of every four years and is set based on a long-term time horizon; the most recent analysis was performed in March 2021.

Asset Class	Benchmark	Target Allocation (a)	Geometric Real Rate of Return (Expected minus Inflation) (b)
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
International Equities - Developed	MSCI World Ex USA (net) Index	5.00%	4.95%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.39%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index (d)	4.00%	7.60%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (e)	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (c)	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%

- (a) Target asset allocation adopted at the March 2023 TCDRS Board meeting.
- (b) Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.30%, per Cliffwater's 2023 capital market assumptions.
- (c) Includes vintage years 2006-present of Quarter Pooled Horizon internal rates of return.
- (d) Includes vintage years 2005-present of Quarter Pooled Horizon internal rates of return.
- (e) Includes vintage years 2007-present of Quarter Pooled Horizon internal rates of return.

#### Discount Rate

The discount rate used to measure the total pension liability was 7.60%. This rate reflects the long-term rate of return funding valuation assumption of 7.50%, plus 0.10% adjustment to be gross of administrative expenses as required by GASB 68. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

#### **Changes in Net Pension Asset**

Changes in the District's net pension asset for the valuation year ended December 31, 2022 were as follows:

	Total Pension Liability <hr/> (a)	Increase (Decrease) Fiduciary Net Position <hr/> (b)	Net Pension Liability (Asset) <hr/> (a) - (b)
Balance as of December 31, 2021	\$ 438,759	\$ 520,854	\$ (82,095)
Changes for the year:			
Service cost	53,853	-	53,853
Interest on total pension liability (1)	37,438	-	37,438
Effect of plan changes (2)	-	-	-
Effect of economic/demographic gains or losses	2,990	-	2,990
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	-	-	-
Benefit payments	-	-	-
Administrative expenses	-	(323)	323
Member contributions	-	18,573	(18,573)
Net investment income	-	(35,423)	35,423
Employer contributions	-	38,771	(38,771)
Other (3)	-	8,508	(8,508)
Balance as of December 31, 2022	<u>\$ 533,040</u>	<u>\$ 550,960</u>	<u>\$ (17,920)</u>

- (1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
- (2) No plan changes valued.
- (3) Relates to allocation of system-wide items.

## Sensitivity Analysis

The following presents the net pension asset of the District, calculated using the discount rate of 7.60%, as well as what the District's net pension asset would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	6.60%	7.60%	8.60%
Total pension liability	\$ 601,301	\$ 533,040	\$ 475,017
Fiduciary net position	<u>550,960</u>	<u>550,960</u>	<u>550,960</u>
Net pension liability / (asset)	<u>\$ 50,341</u>	<u>\$ (17,920)</u>	<u>\$ (75,943)</u>

## Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended September 30, 2023, the District recognized pension expense of \$27,936. As of September 30, 2023, the deferred outflows and inflows of resources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,198	\$ 14,919
Changes of assumptions	8,508	427
Net difference between projected and actual earnings	21,999	-
Contributions made subsequent to measurement date	<u>39,751</u>	<u>-</u>
Total	<u>\$ 77,456</u>	<u>\$ 15,346</u>

The \$39,751 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset during the year ended September 30, 2024. The remaining amounts currently reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	Pension Expense Amount
2024	\$ 1,704
2025	4,457
2026	1,918
2027	13,298
2028	982
	<u><u>\$ 22,359</u></u>

#### **14. Deferred Compensation Plan**

The District maintains the Upper Brushy Creek Water Control and Improvement District 457(b) Deferred Compensation Plan (the “Plan”) for all eligible employees. The plan is funded by voluntary employee salary deferrals in accordance with regulations established under Section 457(b) of the Internal Revenue Code. The funds of the Plan are held in trust in a separate account. The assets related to the Plan are not included in the accompanying statement of net position as the District has no ongoing control over these assets.

# Upper Brushy Creek WCID

## Schedule of Changes in Net Pension Liability and Related Ratios September 30, 2023

	Year Ended December 31, 2022*	Year Ended December 31, 2021*	Year Ended December 31, 2020*	Year Ended December 31, 2019*	Year Ended December 31, 2018*	Year Ended December 31, 2017*	Year Ended December 31, 2016*	Year Ended December 31, 2015*
<b>Total Pension Liability</b>								
Service cost	\$ 53,853	\$ 52,393	\$ 49,022	\$ 46,563	\$ 32,823	\$ 30,320	\$ 30,531	\$ 18,768
Interest on total pension liability	37,438	30,901	25,250	19,548	16,585	12,687	8,281	6,434
Effect of plan changes	-	-	-	354	-	-	-	(2,475)
Effect of assumption changes or inputs	-	(711)	18,700	-	-	1,112	233	1,742
Effect on economic/demographic (gains) or losses	2,990	2,180	(1,281)	1,463	(26,568)	1,506	-	(7,791)
Benefit payments/refunds of contributions	-	(398)	-	-	-	-	-	-
Net change in total pension liability	94,281	84,365	91,691	67,928	22,840	45,625	39,045	16,678
Total pension liability, beginning	438,759	354,394	262,703	194,775	171,935	126,310	87,265	70,587
Total pension liability, ending (a)	<b>\$ 533,040</b>	<b>\$ 438,759</b>	<b>\$ 354,394</b>	<b>\$ 262,703</b>	<b>\$ 194,775</b>	<b>\$ 171,935</b>	<b>\$ 126,310</b>	<b>\$ 87,265</b>
<b>Fiduciary Net Position</b>								
Employer contributions	\$ 38,771	\$ 33,835	\$ 32,336	\$ 34,969	\$ 23,016	\$ 21,503	\$ 18,690	\$ 14,393
Member contributions	18,573	18,045	17,246	17,226	11,595	10,975	10,340	7,854
Investment income net of investment expenses	(35,423)	89,152	30,817	34,305	(2,904)	18,777	6,594	(2,559)
Benefit payments/refunds of contributions	-	(398)	-	-	-	-	-	-
Administrative expenses	(323)	(282)	(277)	(227)	(168)	(117)	(72)	(57)
Other	8,508	1,562	1,497	1,828	1,049	434	2,118	(7)
Net change in fiduciary net position	30,106	141,914	81,619	88,101	32,588	51,572	37,670	19,624
Fiduciary net position, beginning	520,854	378,940	297,321	209,220	176,632	125,060	87,390	67,766
Fiduciary net position, ending (b)	\$ 550,960	\$ 520,854	\$ 378,940	\$ 297,321	\$ 209,220	\$ 176,632	\$ 125,060	\$ 87,390
Net pension liability / (asset), ending = (a) - (b)	\$ (17,920)	\$ (82,095)	\$ (24,546)	\$ (34,618)	\$ (14,445)	\$ (4,697)	\$ 1,250	\$ (125)
Fiduciary net position as a % of total pension liability	103.36%	118.71%	106.93%	113.18%	107.42%	102.73%	99.01%	100.14%
Pensionable covered payroll	\$ 464,322	\$ 451,129	\$ 431,150	\$ 430,650	\$ 289,874	\$ 274,374	\$ 258,499	\$ 196,352
Net pension liability (asset) as a % of covered payroll	-3.86%	-18.20%	-5.69%	-8.04%	-4.98%	-1.71%	0.48%	-0.06%

\* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

## Upper Brushy Creek WCID

### Schedule of District Contributions

September 30, 2023

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Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Pensionable Covered Payroll *	Actual Contribution as a % of Covered Payroll
2014	\$ 11,037	\$ 11,037	\$ -	\$ 151,402	7.3%
2015	12,852	12,852	-	175,908	7.3%
2016	18,920	18,920	-	260,585	7.3%
2017	20,487	20,487	-	266,499	7.7%
2018	17,239	17,239	-	259,013	6.7%
2019	34,736	34,736	-	430,150	8.1%
2020	32,939	32,939	-	430,650	7.6%
2021	33,632	33,632	-	451,428	7.5%
2022	36,086	36,086	-	443,453	8.1%
2023	50,368	50,368	-	601,410	8.4%

\* Payroll is calculated based on contributions as reported to TCDRS.

# Upper Brushy Creek WCID

## Notes to Required Supplementary Information Year Ended September 30, 2023

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### 1. Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The following methods and assumptions were used to determine the contributions rates:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Amortization Period	19.2 years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation
Investment Rate of Return	7.50%
Cost-of-Living Adjustments	Cost-of-Living Adjustments for the District are not considered to be automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB 68 calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Between ages 40 and 74 with various rates of service retirement by gender: low of 5.3% for age 40-49 to high of 27.5% for age 65-66 for males and females
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality:	
Depositing members	135% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Disabled retirees	160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
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## **2. Change in Assumptions**

The following change was made to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period-

- Amortization period increased from 18.8 years to 19.2 years

# Upper Brushy Creek WCID

## Index of Supplemental Schedules Required by the Texas Commission on Environmental Quality Year Ended September 30, 2023

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<u>Schedule Included</u>	<u>Yes</u>	<u>No</u>
<input checked="" type="checkbox"/>		TSI-0 Notes Required by the Water District Accounting Manual
	<input checked="" type="checkbox"/>	TSI-1 Schedule of Services and Rates
<input checked="" type="checkbox"/>		TSI-2 Schedule of General Fund Expenditures
<input checked="" type="checkbox"/>		TSI-3 Schedule of Temporary Investments
<input checked="" type="checkbox"/>		TSI-4 Analysis of Taxes Levied and Receivable
<input checked="" type="checkbox"/>		TSI-5 Long-Term Debt Service Requirements by Years
<input checked="" type="checkbox"/>		TSI-6 Analysis of Changes in Long-Term Bonded Debt
<input checked="" type="checkbox"/>		TSI-7 Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund - Five Years Ended September 30, 2023
<input checked="" type="checkbox"/>		TSI-8 Board Members, Key Personnel and Consultants

## Upper Brushy Creek WCID

### TSI-0 Notes Required by the Water District Accounting Manual Year Ended September 30, 2023

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The notes which follow are not necessarily required for fair presentation of the audited basic financial statements of the District which are contained in the preceding section of this report. They are presented in conformity with requirements of the Texas Commission on Environmental Quality to assure disclosure of specifically required facts.

(A) Creation of District

See Note 1 to basic financial statements.

(B) Contingent Liabilities

See Note 11 to basic financial statements.

(C) Pension Coverage

See Note 13 to basic financial statements.

(D) Pledge of Revenues

See Note 9 to basic financial statements.

(E) Compliance with Debt Service Requirements

See Note 9 to basic financial statements.

(F) Redemption of Bonds

See Note 9 to basic financial statements.

# Upper Brushy Creek WCID

## TSI-2 Schedule of General Fund Expenditures Year Ended September 30, 2023

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Personnel expenditures (including benefits)	\$ 619,448
Professional fees:	
Auditing	18,500
Legal	110,214
Engineering	353,222
Financial Advisor	-
Purchased services for resale-	
Bulk water and wastewater service purchases	-
Contracted services:	
Bookkeeping	35,292
General manager	-
Appraisal district	-
Tax collector	87,043
Other contracted services	-
Utilities	-
Repairs and maintenance	515,245
Administrative expenditures:	
Directors' fees	5,700
Office supplies	16,858
Insurance	8,708
Other administrative expenses	188,303
Capital outlay:	
Capitalized assets	9,335,136
Expenditures not capitalized	164,513
Tap connection expenditures	-
Solid waste disposal	-
Fire fighting	-
Parks and recreation	-
Other expenditures	
Total expenditures	\$ 11,458,182

Number of persons employed by the District: 5 Full-Time 5 Part-Time  
(Does not include independent contractors or consultants)

# Upper Brushy Creek WCID

## TSI-3 Schedule of Temporary Investments September 30, 2023

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Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at 9/30/23	Accrued Interest Receivable at 9/30/23
<b>General Fund-</b>					
TexPool	XXX0001 - 0003	Variable	N/A	\$ 49,105,140	\$ -
Total				\$ 49,105,140	\$ -
<b>Debt Service Fund-</b>					
TexPool	XXX0005 - 0006	Variable	N/A	\$ 124,804	\$ -
Total				\$ 124,804	\$ -
<b>Capital Projects Fund-</b>					
TexPool	XXX0004	Variable	N/A	\$ 34,674,965	\$ -
Total				\$ 34,674,965	\$ -
Total - All Funds				\$ 83,904,909	\$ -

# Upper Brushy Creek WCID

## TSI-4 Analysis of Taxes Levied and Receivable Year Ended September 30, 2023

	Maintenance Taxes	Debt Service Taxes		
Taxes receivable, September 30, 2022	\$ 111,240	\$ -		
2022 Original tax levy	10,181,913	2,824,180		
Adjustments	(34,816)	-		
Total to be accounted for	10,258,337	2,824,180		
Tax collections:				
Current year	10,156,834	2,816,180		
Prior years	(28,847)	-		
Rollbacks	37,008	-		
Total collections	10,164,995	2,816,180		
Taxes receivable, September 30, 2023	\$ 93,342	\$ 8,000		
Taxes receivable, by years				
2022	\$ 28,954	\$ 8,000		
2021 and prior	62,604	-		
Rollbacks	1,784	-		
Taxes receivable, September 30, 2023	\$ 93,342	\$ 8,000		
	2022	2021	2020	2019
Property valuations-				
Land, improvements, and personal property	\$ 75,049,326,116	\$ 60,939,777,143	\$ 53,212,372,236	\$ 50,590,913,265
Tax rates per \$100 valuation:				
Maintenance tax rates	0.0137	0.0175	0.02	0.02
Debt service tax rates	0.0038	0.00	0.00	0.00
Total tax rates per \$100 valuation	\$ 0.0175	\$ 0.0175	\$ 0.02	\$ 0.02
Original tax levy	\$ 13,006,093	\$ 10,664,461	\$ 10,624,797	\$ 10,062,717
Percent of taxes collected to taxes levied	99.7%	99.9%	99.9%	99.9%

# Upper Brushy Creek WCID

## TSI-5 Long-Term Debt Service Requirements - By Years

September 30, 2023

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### Unlimited Tax Bonds Series 2022

Due During Fiscal Years Ending 9/30	Principal Due 8/15	Interest Due 2/15, 8/15	Total
2024	\$ 1,400,000	1,444,719	2,844,719
2025	1,455,000	1,416,718	2,871,718
2026	1,510,000	1,387,619	2,897,619
2027	1,570,000	1,357,418	2,927,418
2028	1,635,000	1,310,319	2,945,319
2029	1,700,000	1,261,268	2,961,268
2030	1,755,000	1,210,269	2,965,269
2031	1,815,000	1,157,619	2,972,619
2032	1,870,000	1,103,169	2,973,169
2033	1,935,000	1,056,419	2,991,419
2034	2,000,000	1,005,625	3,005,625
2035	2,060,000	953,125	3,013,125
2036	2,125,000	899,050	3,024,050
2037	2,195,000	840,613	3,035,613
2038	2,270,000	780,250	3,050,250
2039	2,340,000	717,825	3,057,825
2040	2,415,000	650,550	3,065,550
2041	2,500,000	578,100	3,078,100
2042	2,575,000	503,100	3,078,100
2043	2,660,000	425,850	3,085,850
2044	2,745,000	346,050	3,091,050
2045	2,835,000	263,700	3,098,700
2046	2,930,000	178,650	3,108,650
2047	3,025,000	90,750	3,115,750
	<b>\$ 51,320,000</b>	<b>20,938,775</b>	<b>72,258,775</b>

# Upper Brushy Creek WCID

## TSI-6 Analysis of Changes in Long-Term Bonded Debt September 30, 2023

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### Series 2022

Interest rate	2.00 to 3.00%
Dates interest payable	2/15; 8/15
Maturity date	8/15/2047
Bonds outstanding, beginning of year	\$ 51,965,000
Bonds issued during the current year	-
Bonds retired during the current year	<u>(645,000)</u>
Bonds outstanding, end of year	<u>\$ 51,320,000</u>
Interest paid during the current year	<u>\$ 2,061,078</u>

Paying Agent's Name & Address: BOKF, NA, Dallas, Texas

Bond Authority:	Tax Bonds	Other Bonds	Refunding Bonds
Bond authorized by voters	\$ 85,000,000	-	-
Amount issued	<u>51,965,000</u>	-	-
Remaining to be issued	<u>\$ 33,035,000</u>	-	-

Debt Service Fund Cash and Temporary Investments balances  
as of September 30, 2023: \$ 124,804

Average annual debt service payment (principal & interest)  
for remaining term of all debt: \$ 3,010,782

## Upper Brushy Creek WCID

### TSI-7 Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund Five Years Ended September 30, 2023

	Amounts					Percent of Fund Total Revenues				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
<b>General Fund</b>										
Revenues:										
Property taxes	\$ 10,164,995	10,666,599	10,604,904	10,022,938	9,338,571	79.1 %	91.3	99.2	88.9	92.4
Developer fees	1,200	45,986	26,400	48,423	15,400	0.1	0.4	0.2	0.4	0.2
Contribution revenue	229,839	559,952	-	-	109,249	1.8	4.8	-	-	1.1
Interest on temporary investments and other	2,431,186	373,476	38,317	351,985	627,184	18.8	3.2	0.4	3.2	6.1
Penalties and interest on property taxes	21,792	33,668	21,971	23,889	20,172	0.2	0.3	0.2	0.2	0.2
Other revenue	-	-	-	825,000	-	-	-	-	7.3	-
Total revenues	<u>12,849,012</u>	<u>11,679,681</u>	<u>10,691,592</u>	<u>11,272,235</u>	<u>10,110,576</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Expenditures:										
Service operations:										
Maintenance and repairs	515,245	582,332	698,725	762,715	868,017	4.0	5.0	6.5	6.8	8.6
Legal fees	110,214	51,176	54,071	63,410	38,665	0.9	0.4	0.5	0.6	0.4
Engineering fees	353,222	386,745	524,416	493,952	515,696	2.7	3.3	4.9	4.4	5.1
Contracted services	53,792	35,760	24,556	25,630	36,814	0.4	0.3	0.2	0.2	0.4
Preparation of tax rolls	87,043	98,684	97,023	96,171	78,378	0.7	0.8	0.9	0.9	0.8
Salaries	619,448	482,051	482,803	437,528	436,376	4.8	4.1	4.5	3.9	4.3
Directors' fees	5,700	7,950	12,300	13,050	14,400	0.1	0.1	0.1	0.1	0.1
Insurance	8,708	7,872	7,075	7,785	6,462	0.1	0.1	0.1	0.1	0.1
Cedar Park - Block House Creek project	164,513	174,573	-	-	-	1.3	1.5	-	-	-
Other	205,161	305,150	459,391	175,013	139,149	1.6	2.6	4.3	1.5	1.4
Capital outlay	<u>9,335,136</u>	<u>366,561</u>	<u>6,321,112</u>	<u>390,641</u>	<u>868,598</u>	<u>72.6</u>	<u>3.2</u>	<u>59.2</u>	<u>3.4</u>	<u>8.5</u>
Total expenditures	<u>11,458,182</u>	<u>2,498,854</u>	<u>8,681,472</u>	<u>2,465,895</u>	<u>3,002,555</u>	<u>89.2</u>	<u>21.4</u>	<u>81.2</u>	<u>21.9</u>	<u>29.7</u>
Excess of revenues over expenditures	<u>\$ 1,390,830</u>	<u>9,180,827</u>	<u>2,010,120</u>	<u>8,806,340</u>	<u>7,108,021</u>	<u>10.8 %</u>	<u>78.6</u>	<u>18.8</u>	<u>78.1</u>	<u>70.3</u>
<b>Debt Service Fund</b>										
Revenues:										
Property taxes	\$ 2,816,180	-	-	-	-	98.7 %	-	-	-	-
Interest on temporary investments and other	31,760	-	-	-	-	1.1	-	-	-	-
Penalties and interest on property taxes	4,712	-	-	-	-	0.2	-	-	-	-
Total revenues	<u>2,852,652</u>	-	-	-	-	<u>100.0</u>	-	-	-	-
Expenditures:										
Preparation of tax rolls	24,143	-	-	-	-	0.8	-	-	-	-
Other	200	-	-	-	-	0.1	-	-	-	-
Debt service	<u>2,706,078</u>	-	-	-	-	<u>94.8</u>	-	-	-	-
Total expenditures	<u>2,730,421</u>	-	-	-	-	<u>95.7</u>	-	-	-	-
Excess of revenues over expenditures	<u>\$ 122,231</u>	-	-	-	-	<u>4.3 %</u>	-	-	-	-

# Upper Brushy Creek WCID

## TSI-8 Board Members, Key Personnel and Consultants September 30, 2023

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Complete District Mailing Address: 460 Texas Avenue

Round Rock, Texas 78664

District Business Telephone Number: (512) 284-7685

Submission date of the most recent  
District Registration Form: September 29, 2022  
(TWC Sections 36.054 and 49.054)

Limit on fees of office that a director  
may receive during a fiscal year: \$7,200  
(Set by Board Resolution - TWC Sections 49.060)

Name	Term of Office Elected & Expires or Date Hired	Fees 9/30/23	Expense Reimbursements 9/30/23	Title at 9/30/23
<b>Board Members:</b>				
Jeremiah D. Williams	Elected 11/20 - 5/24	\$ 1,650	\$ -	President
Casey Clawson	Elected 5/22 - 5/26	900	-	Vice President
Greg Brill	Elected 11/20 - 5/24	1,200	-	Secretary
Lyle Grimes	Appointed 11/21 - 5/24	900	-	Director
Ed Orlin	Elected 5/22 - 5/26	1,050	-	Director
<b>Key Administrative Personnel:</b>				
Alysha Girard	Hired 9/18	173,758	-	General Manager (employee)
Gregor Forbes	Hired 9/18	135,164	-	Chief Project Manager (employee)
Lisa Moravitz	Hired 9/12	105,196	-	District Clerk (employee)
Tiffany White	Hired 10/18	81,542	-	Executive Assistant (employee)
Laura Harris	Hired 12/22	91,645	-	CIP Manager (employee)

(continued)

## Upper Brushy Creek WCID

### TSI-8 Board Members, Key Personnel and Consultants (continued) September 30, 2023

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Name	Date Hired	Fees and Expense Reimbursements 9/30/23	Title at 9/30/23
<b>Consultants:</b>			
Sheets & Crossfield, P.C.	2002	\$ 130,850	Attorney
Bickerstaff Heath Delgado Acosta, LLP	2022	93,980	Attorney
Freese and Nichols, Inc.	2002	270,960	Engineer
AECOM (formerly known as URS Corporation)	2012	332,078	Engineer
HDR, Inc.	2015	261,037	Engineer
U.S. Geological Survey	2013	184,500	Water Gauge Operator
Maxwell Locke & Ritter LLP	2002	18,500	Auditor
Bott & Douthitt PLLC	2022	47,056	Accountant
Williamson Central Appraisal District	2002	67,554	Appraisal District