



Upper Brushy Creek Water Control and Improvement District

**Financial Statements and
Supplemental Information
as of and for the
Year Ended September 30, 2024 and
Independent Auditors' Report**

MAXWELL LOCKE & RITTER LLP | Accounting & Advisory

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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 11th day of December, 2024, its annual audit report for the fiscal year ended September 30, 2024, 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.

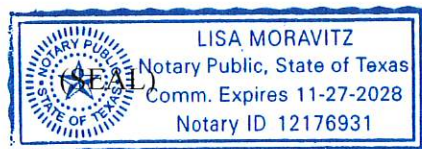
Date: December 11, 2024.

By: [Signature]
(Signature of District Representative)

Jeremiah D. Williams, Board President
(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this 11th day of December, 2024.

[Signature]
(Signature of Notary)



Lisa Moravitz
(Printed Name of Notary)

My Commission Expires On: 11-27-2028
Notary Public in and for the State of Texas.

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, 2024, 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, 2024, 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.

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 (asset) 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 11, 2024

Upper Brushy Creek WCID

Management's Discussion and Analysis For the Year Ended September 30, 2024

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, 2024. 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 \$118,316,825 (*net position*). Of this amount, \$60,792,215 (*unrestricted net position*) may be used to meet the District's ongoing obligations.
- The District's net property tax values increased by approximately \$6.7 billion from \$75,049,326,116 during the year ended September 30, 2023 to \$81,770,818,350 during the year ended September 30, 2024. Total tax revenue increased by approximately \$774 thousand during the year ended September 30, 2024.

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		
	2024	2023	% Change
Current assets	\$ 85,384,210	\$ 84,344,170	1%
Capital and non-current assets	87,359,933	73,360,789	19%
Total assets	172,744,143	157,704,959	10%
Deferred outflows of resources	58,966	77,456	(24%)
Current liabilities	5,649,136	3,445,315	64%
Long-term liabilities	48,825,801	50,296,489	(3%)
Total liabilities	54,474,937	53,741,804	1%
Deferred inflows of resources	11,347	15,346	(26%)
Net investment in capital assets	57,524,610	54,668,077	5%
Unrestricted	60,792,215	49,357,188	23%
Total net position	\$ 118,316,825	\$ 104,025,265	14%

The District's total assets were approximately \$172.7 million as of September 30, 2024. Of this amount, approximately \$87.3 million was included in capital and intangible assets. The District had outstanding liabilities of approximately \$54.5 million. Of this amount, approximately \$50.3 million was related to long-term debt.

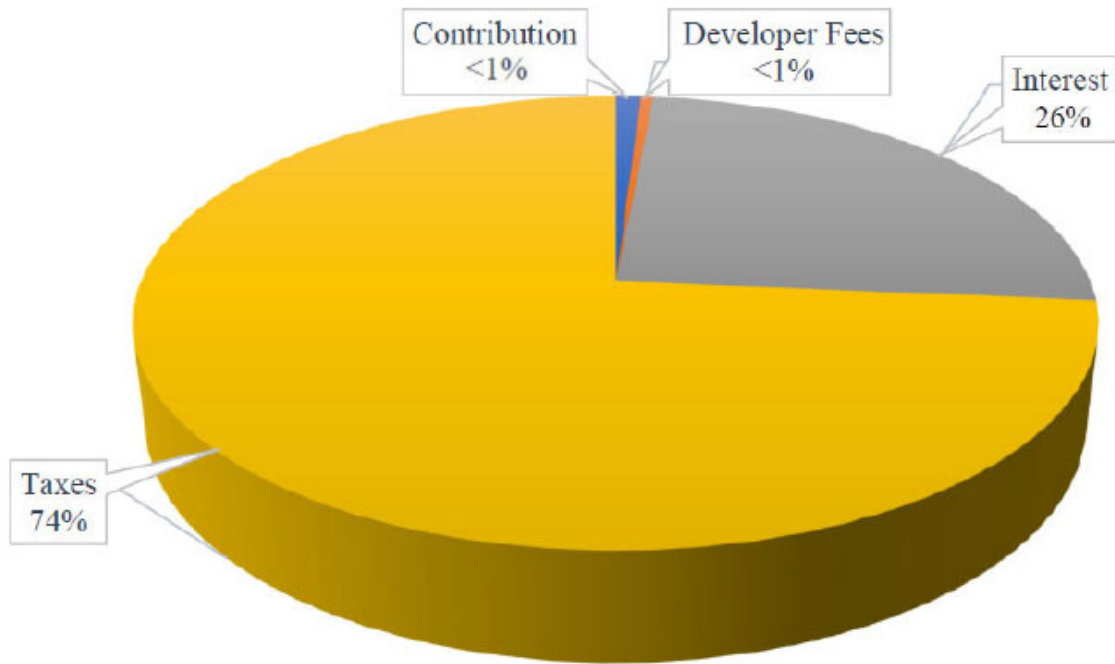
The District's assessed value in fiscal year 2024 was approximately \$81.8 billion compared to \$75.0 billion in fiscal year 2023. The tax rate is set after reviewing operations and maintenance and debt service requirements. The District's primary revenue source is property tax revenue.

Statement of Activities

	Governmental Activities		
	2024	2023	% Change
Property taxes	\$ 13,744,912	\$ 12,971,277	6%
Developer fees	28,484	1,200	2,274%
Contribution revenue	500	229,839	(99%)
Interest on temporary investments and other	4,761,545	4,333,519	10%
Penalties and interest on property taxes	30,097	26,504	14%
Total revenues	18,565,538	17,562,339	6%
Maintenance and repairs	748,816	515,245	45%
Engineering fees	330,379	353,222	(6%)
Contracted services	55,492	53,792	3%
Preparation of tax rolls	144,467	111,186	30%
Legal fees	97,061	110,214	(12%)
Salaries	541,331	596,633	(9%)
Other	226,645	612,263	(63%)
Debt service	1,425,531	1,438,829	(1%)
Depreciation	704,256	1,609,224	(56%)
Total expenses	4,273,978	5,400,608	(21%)
Change in net position	14,291,560	12,161,731	18%
Beginning net position	104,025,265	91,863,534	13%
Ending net position	\$ 118,316,825	\$ 104,025,265	14%

Operating revenues were approximately \$18.6 million for the fiscal year ended September 30, 2024, of which property taxes provided approximately \$13.7 million. Total expenses were approximately \$4.3 million for the fiscal year ended September 30, 2024. Net position increased approximately \$14.3 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 \$541 thousand, maintenance and repairs for the dams of approximately \$749 thousand, and engineering fees of approximately \$330 thousand during the year ended September 30, 2024.

Sources of Revenue



Financial Analysis of Governmental Funds

	2024	2023	2022
Cash	\$ 155,163	\$ 258,139	\$ 161,011
Temporary investments	85,075,668	83,904,909	96,295,436
Taxes receivable	148,884	101,342	111,240
Interfund receivable	291,383	536,722	293,927
Prepaid items	4,495	-	-
Due from other governments	-	79,780	121,785
Total assets	\$ 85,675,593	\$ 84,880,892	\$ 96,983,399
Total liabilities	\$ 4,308,429	\$ 2,401,447	\$ 1,314,346
Total deferred inflows of resources	148,884	101,342	111,240
Nonspendable fund balance	4,495	-	-
Restricted fund balance	20,885,011	33,143,928	47,714,468
Committed fund balance	798,429	798,429	798,429
Assigned fund balance	27,393,115	-	-
Unassigned fund balance	32,137,230	48,435,746	47,044,916
Total fund balances	81,218,280	82,378,103	95,557,813
Total liabilities, deferred inflows of resources and fund balances	\$ 85,675,593	\$ 84,880,892	\$ 96,983,399

The *General Fund* pays for daily operating expenditures. When comparing actual to the amended budget, actual revenues were more than budgeted by approximately \$2.5 million primarily due to higher than anticipated interest income. Actual expenditures were lower than budgeted by approximately \$5.9 million primarily due to less capital outlay expenditures than expected. More detailed information about the District's budgetary comparison is presented in the *Basic Financial Statements*.

The *Debt Service Fund* remitted bond principal of \$1.4 million and bond interest of approximately \$1.4 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 \$14.1 million for the year ended September 30, 2024.

Capital Assets and Long-Term Debt Activity

Capital Assets

	2024	2023
Earthen dams	\$ 52,020,660	\$ 46,260,781
Construction in progress	21,494,475	12,998,780
Buildings and improvements	1,961,828	1,961,828
Land	22,882,270	22,454,505
Furniture and equipment	45,938	45,938
Subtotal	98,405,171	83,721,832
Accumulated depreciation	(11,569,119)	(10,864,863)
Total	<u>\$ 86,836,052</u>	<u>\$ 72,856,969</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

	2024	2023
Current portion	\$ 1,455,000	\$ 1,400,000
Long-term portion	48,465,000	49,920,000
Total	<u>\$ 49,920,000</u>	<u>\$ 51,320,000</u>

The District owes approximately \$49.9 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 2025, the tax rate has been set at \$0.0170 per \$100 of assessed valuation, which is comprised of an M&O tax rate of \$0.0134 per \$100 of assessed valuation and an I&S tax rate of \$0.0036 per \$100 of assessed valuation. The adopted budget for 2025 projects a decrease in the fund balance of the General Fund of approximately \$4.6 million primarily due to spending down assigned fund balance for capital improvement projects. When compared to the 2024 amended budget, revenues are expected to increase by approximately 19% and expenditures are expected to increase by approximately 109% in 2025.

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, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments (Note 2)	Statement of Net Position
Assets:						
Cash	\$ 155,163	\$ -	\$ -	\$ 155,163	\$ -	\$ 155,163
Temporary investments	60,398,828	409,209	24,267,631	85,075,668	-	85,075,668
Taxes receivable	130,377	18,507	-	148,884	-	148,884
Interfund receivable	287,454	3,929	-	291,383	(291,383)	-
Prepaid items	4,495	-	-	4,495	-	4,495
Intangible asset	-	-	-	-	485,900	485,900
Capital assets (net of accumulated depreciation):						
Earthen dams	-	-	-	-	40,818,826	40,818,826
Buildings and improvements	-	-	-	-	1,634,857	1,634,857
Construction in progress	-	-	-	-	21,494,475	21,494,475
Land	-	-	-	-	22,882,270	22,882,270
Furniture and equipment	-	-	-	-	5,624	5,624
Net pension asset	-	-	-	-	37,981	37,981
Total assets	<u>\$ 60,976,317</u>	<u>\$ 431,645</u>	<u>\$ 24,267,631</u>	<u>\$ 85,675,593</u>	<u>\$ 87,068,550</u>	<u>\$ 172,744,143</u>
Deferred Outflows of Resources:						
Pension contributions after measurement date	\$ -	\$ -	\$ -	\$ -	\$ 33,039	\$ 33,039
Deferred outflows related to pension asset	-	-	-	-	25,927	25,927
Total deferred outflows of resources	-	-	-	-	58,966	58,966
Liabilities:						
Accounts payable	467,339	11,586	2,016,741	2,495,666	-	2,495,666
Retainage payable	-	-	1,479,977	1,479,977	-	1,479,977
Interfund payable	3,929	-	287,454	291,383	(291,383)	-
Accrued liabilities	41,403	-	-	41,403	-	41,403
Bond interest payable	-	-	-	-	177,090	177,090
Long-term liabilities:						
Due within one year	-	-	-	-	1,455,000	1,455,000
Due after one year	-	-	-	-	48,825,801	48,825,801
Total liabilities	<u>512,671</u>	<u>11,586</u>	<u>3,784,172</u>	<u>4,308,429</u>	<u>50,166,508</u>	<u>54,474,937</u>
Deferred Inflows of Resources:						
Deferred revenue - property taxes	130,377	18,507	-	148,884	(148,884)	-
Deferred inflows related to pension asset	-	-	-	-	11,347	11,347
Total deferred inflows of resources	<u>130,377</u>	<u>18,507</u>	<u>-</u>	<u>148,884</u>	<u>(137,537)</u>	<u>11,347</u>
Fund Balances/Net Position:						
Fund balances:						
Nonspendable for prepaid items	4,495	-	-	4,495	(4,495)	-
Restricted for capital projects	-	-	20,483,459	20,483,459	(20,483,459)	-
Restricted for debt service	-	401,552	-	401,552	(401,552)	-
Committed to Rattan Creek						
Regional Detention projects	798,429	-	-	798,429	(798,429)	-
Assigned for capital improvement projects	27,393,115	-	-	27,393,115	(27,393,115)	-
Unassigned (includes a minimum \$15 million reserve for emergencies - See Note 11)	32,137,230	-	-	32,137,230	(32,137,230)	-
Total fund balance	<u>60,333,269</u>	<u>401,552</u>	<u>20,483,459</u>	<u>81,218,280</u>	<u>(81,218,280)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 60,976,317</u>	<u>\$ 431,645</u>	<u>\$ 24,267,631</u>	<u>\$ 85,675,593</u>		
Net position:						
Net investment in capital assets					57,524,610	57,524,610
Unrestricted					60,792,215	60,792,215
Total net position					<u>\$ 118,316,825</u>	<u>\$ 118,316,825</u>

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, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments (Note 2)	Statement of Activities
Expenditures/expenses:						
Service operations:						
Maintenance and repairs	\$ 748,816	\$ -	\$ -	\$ 748,816	\$ -	\$ 748,816
Legal fees	97,061	-	-	97,061	-	97,061
Engineering fees	330,379	-	-	330,379	-	330,379
Contracted services	55,492	-	-	55,492	-	55,492
Preparation of tax rolls	113,024	31,443	-	144,467	-	144,467
Salaries	546,901	-	-	546,901	(5,570)	541,331
Directors' fees	5,400	-	-	5,400	-	5,400
Insurance	10,067	-	-	10,067	-	10,067
Other	209,029	2,149	-	211,178	-	211,178
Capital outlay	559,333	-	14,124,006	14,683,339	(14,683,339)	-
Debt service:						
Principal	-	1,400,000	-	1,400,000	(1,400,000)	-
Interest	-	1,444,719	-	1,444,719	(19,188)	1,425,531
Depreciation	-	-	-	-	704,256	704,256
Total expenditures/expenses	<u>2,675,502</u>	<u>2,878,311</u>	<u>14,124,006</u>	<u>19,677,819</u>	<u>(15,403,841)</u>	<u>4,273,978</u>
Revenues:						
General revenues:						
Property taxes	10,715,179	2,982,191	-	13,697,370	47,542	13,744,912
Developer fees	28,484	-	-	28,484	-	28,484
Contribution revenue	500	-	-	500	-	500
Interest on temporary investments and other	3,006,621	169,156	1,585,768	4,761,545	-	4,761,545
Penalties and interest on property taxes	23,812	6,285	-	30,097	-	30,097
Total general revenues	<u>13,774,596</u>	<u>3,157,632</u>	<u>1,585,768</u>	<u>18,517,996</u>	<u>47,542</u>	<u>18,565,538</u>
Total revenues	<u>13,774,596</u>	<u>3,157,632</u>	<u>1,585,768</u>	<u>18,517,996</u>	<u>47,542</u>	<u>18,565,538</u>
Excess (deficiency) of revenues over (under) expenditures	11,099,094	279,321	(12,538,238)	(1,159,823)	1,159,823	-
Change in net position					14,291,560	14,291,560
Fund balance/net position:						
Beginning of year	49,234,175	122,231	33,021,697	82,378,103	21,647,162	104,025,265
End of year	<u>\$ 60,333,269</u>	<u>\$ 401,552</u>	<u>\$ 20,483,459</u>	<u>\$ 81,218,280</u>	<u>\$ 37,098,545</u>	<u>\$ 118,316,825</u>

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, 2024

	Original Budget	Amended Budget	Actual	Variance
Revenues:				
Property taxes	\$ 10,824,153	\$ 10,824,153	\$ 10,715,179	\$ (108,974)
Developer fees	20,000	20,000	28,484	8,484
Contribution revenue	-	425,000	500	(424,500)
Interest on temporary investments and other	-	-	3,006,621	3,006,621
Penalties and interest on property taxes	-	-	23,812	23,812
Total revenues	10,844,153	11,269,153	13,774,596	2,505,443
Expenditures:				
Service operations:				
Maintenance and repairs	1,043,000	1,043,000	748,816	294,184
Legal fees	125,000	125,000	97,061	27,939
Engineering fees	600,000	600,000	330,379	269,621
Contracted services	55,000	55,000	55,492	(492)
Preparation of tax rolls	137,000	137,000	113,024	23,976
Salaries	700,000	700,000	546,901	153,099
Directors' fees	10,000	10,000	5,400	4,600
Insurance	9,000	9,000	10,067	(1,067)
Election costs	150,000	150,000	-	150,000
Other	421,000	421,000	209,029	211,971
Capital outlay	-	5,370,000	559,333	4,810,667
Total expenditures	3,250,000	8,620,000	2,675,502	5,944,498
Excess of revenues over expenditures	7,594,153	2,649,153	11,099,094	8,449,941
Fund Balance:				
Beginning of year	49,234,175	49,234,175	49,234,175	-
End of year	\$ 56,828,328	\$ 51,883,328	\$ 60,333,269	\$ 8,449,941

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, 2024

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.

Prepaid Items - Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid assets in both the government-wide and fund financial statements. Prepaid assets are charged to expenditures when consumed.

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, 2024.

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, 2024, 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, 2024.

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 11 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 12 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.

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	\$ 81,218,280
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	86,836,052
Net pension asset is not receivable in the current period and, therefore, is not reported in the funds.	37,981
Deferred tax revenue is not available to pay for current-period expenditures and, therefore, is deferred in the governmental funds balance sheet	148,884
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	(50,280,801)
Bond interest payable	(177,090)
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	33,039
Deferred outflows related to pension asset	25,927
Deferred inflows related to pension asset	<u>(11,347)</u>
Total net position	<u><u>\$ 118,316,825</u></u>

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

Net change in fund balances	\$ (1,159,823)
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	14,683,339
Depreciation expense	(704,256)
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	47,542
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	1,400,000
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	3,500
Amortization of bond premium	22,315
Amortization of original issue discount	(6,627)
Pension contributions made before the measurement date	13,926
Pension contributions made after the measurement date	33,039
Adjustments for ending deferred inflows and outflows related to net pension asset	(41,395)
Change in net position	<u>\$ 14,291,560</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, 2024, 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, 2024, the District had investments in an external local governmental investment pool, Texas Local Governmental Investment Pool ("TexPool"), totaling \$85,075,668. The funds invested in TexPool have a weighted average maturity of one day and a Standard & Poor's rating of AAAM.

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, 2024, 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, 2024, 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, 2024, 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, 2024 was as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Fund	\$ 287,454
Debt Service Fund	General Fund	3,929
Total		<u>\$ 291,383</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 14, 2023, the District levied a combined tax rate of \$0.0170 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 \$0.0133 and \$0.0037, respectively. The total 2023 tax levy was \$13,807,262 based on a taxable valuation of \$81,770,818,350.

6. 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 \$247,500 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, 2024.

7. Capital Assets

Capital assets activity for the year ended September 30, 2024 was as follows:

	Balance September 30, 2023	Additions	Deletions/ Transfers	Balance September 30, 2024
Capital assets, not being depreciated:				
Construction in progress	\$ 12,998,780	14,255,574	(5,759,879)	21,494,475
Land	22,454,505	427,765	-	22,882,270
Total capital assets, not being depreciated	35,453,585	14,683,339	(5,759,879)	44,376,745
Capital assets, being depreciated:				
Earthen dams	46,260,781	-	5,759,879	52,020,660
Buildings and improvements	1,961,828	-	-	1,961,828
Furniture and equipment	45,938	-	-	45,938
Total capital assets, being depreciated	48,268,547	-	5,759,879	54,028,426
Less accumulated depreciation for:				
Earthen dams	(10,567,471)	(634,363)	-	(11,201,834)
Buildings and improvements	(261,577)	(65,394)	-	(326,971)
Furniture and equipment	(35,815)	(4,499)	-	(40,314)
Total accumulated depreciation	(10,864,863)	(704,256)	-	(11,569,119)
Total capital assets, being depreciated, net	37,403,684	(704,256)	5,759,879	42,459,307
Capital assets, net	<u>\$ 72,856,969</u>	<u>13,979,083</u>	<u>-</u>	<u>86,836,052</u>

8. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2024:

	Balance 9/30/2023	Additions	Retirements	Balance 9/30/2024
Unlimited Tax Bonds	\$ 51,320,000	-	(1,400,000)	49,920,000
Discount on bonds	(159,059)	-	6,627	(152,432)
Premium on bonds	535,548	-	(22,315)	513,233
Total	<u>\$ 51,696,489</u>	<u>-</u>	<u>(1,415,688)</u>	<u>50,280,801</u>

Bonds payable at September 30, 2024 consisted of the following:

Series	Description	Matures	Interest Rates	Balance 9/30/2024	Due within one year
2022	Unlimited Tax Bonds	8/15/2047	2% - 3%	\$ 49,920,000	\$ 1,455,000

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
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
2030-2034	9,375,000	5,533,101	14,908,101
2035-2039	10,990,000	4,190,863	15,180,863
2040-2044	12,895,000	2,503,650	15,398,650
2045-2047	8,790,000	533,100	9,323,100
Total	<u>\$ 49,920,000</u>	<u>19,494,056</u>	<u>69,414,056</u>

At September 30, 2024, unlimited tax bonds of \$33,035,000 were authorized by the voters of the District, but unissued.

9. 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.

10. 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, 2024.

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. The City has not progressed the project beyond conceptual design. As of September 30, 2024, the District has contributed \$339,086 to the Block House Project.

The District had remaining construction commitments of \$21,948,834 as of September 30, 2024.

11. 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 minimum of \$15,000,000 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. As of September 30, 2024, unassigned fund balance was comprised of the following:

Unassigned Fund Balance:	
Emergency fund account	\$ 15,535,596
Remaining unassigned fund balance	<u>16,601,634</u>
Total unassigned fund balance	<u>\$ 32,137,230</u>

12. 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 870 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 service, 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, 2023, was as follows:

Retirees and beneficiaries currently receiving benefits	1
Terminated employees entitled to but not yet receiving benefits	2
Active plan members	4
Total	<u>7</u>

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 8.64% for 2024 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, 2024 equaled \$46,972.

Net Pension Asset

Actuarial Assumptions

The District's net pension asset was measured as of December 31, 2023 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, 2023 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	18.4 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, 2023 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 2024 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%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
International Equities - Developed	MSCI World Ex USA (net) Index	5.00%	4.75%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.65%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index (c)	4.00%	6.90%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (d)	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (e)	25.00%	7.75%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.25%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.60%

- (a) Target asset allocation adopted at the March 2024 TCDRS Board meeting.
- (b) Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.20%, per Cliffwater's 2024 capital market assumptions.
- (c) Includes vintage years 2005-present of Quarter Pooled Horizon internal rates of return.
- (d) Includes vintage years 2007-present of Quarter Pooled Horizon internal rates of return.
- (e) Includes vintage years 2006-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, 2023 were as follows:

	Total Pension Liability	Increase (Decrease) Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance as of December 31, 2022	\$ 533,040	\$ 550,960	\$ (17,920)
Changes for the year:			
Service cost	69,690	-	69,690
Interest on total pension liability (1)	45,446	-	45,446
Effect of plan changes (2)	-	-	-
Effect of economic/demographic gains or losses	8,689	-	8,689
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	-	-	-
Benefit payments	(9,690)	(9,690)	-
Administrative expenses	-	(358)	358
Member contributions	-	25,621	(25,621)
Net investment income	-	61,240	(61,240)
Employer contributions	-	53,677	(53,677)
Other (3)	-	3,706	(3,706)
Balance as of December 31, 2023	<u>\$ 647,175</u>	<u>\$ 685,156</u>	<u>\$ (37,981)</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	\$ 722,547	\$ 647,175	\$ 582,746
Fiduciary net position	685,156	685,156	685,156
Net pension liability / (asset)	<u>\$ 37,391</u>	<u>\$ (37,981)</u>	<u>\$ (102,410)</u>

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

For the year ended September 30, 2024, the District recognized pension expense of \$41,395. As of September 30, 2024, the deferred outflows and inflows of resources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,557	\$ 11,062
Changes of assumptions	4,512	285
Net difference between projected and actual earnings	8,858	-
Contributions made subsequent to measurement date	33,039	-
Total	<u>\$ 58,966</u>	<u>\$ 11,347</u>

The \$33,039 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, 2025. The remaining amounts currently reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Pension Expense Amount
Year ended September 30:	
2025	\$ 2,576
2026	37
2027	11,417
2028	(899)
2029	1,449
	<u>\$ 14,580</u>

13. 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 (Asset) and Related Ratios September 30, 2024

	Year Ended December 31, 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*
Total Pension Liability									
Service cost	\$ 69,690	\$ 53,853	\$ 52,393	\$ 49,022	\$ 46,563	\$ 32,823	\$ 30,320	\$ 30,531	\$ 18,768
Interest on total pension liability	45,446	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	8,689	2,990	2,180	(1,281)	1,463	(26,568)	1,506	-	(7,791)
Benefit payments/refunds of contributions	(9,690)	-	(398)	-	-	-	-	-	-
Net change in total pension liability	114,135	94,281	84,365	91,691	67,928	22,840	45,625	39,045	16,678
Total pension liability, beginning	533,040	438,759	354,394	262,703	194,775	171,935	126,310	87,265	70,587
Total pension liability, ending (a)	<u>\$ 647,175</u>	<u>\$ 533,040</u>	<u>\$ 438,759</u>	<u>\$ 354,394</u>	<u>\$ 262,703</u>	<u>\$ 194,775</u>	<u>\$ 171,935</u>	<u>\$ 126,310</u>	<u>\$ 87,265</u>
Fiduciary Net Position									
Employer contributions	\$ 53,677	\$ 38,771	\$ 33,835	\$ 32,336	\$ 34,969	\$ 23,016	\$ 21,503	\$ 18,690	\$ 14,393
Member contributions	25,621	18,573	18,045	17,246	17,226	11,595	10,975	10,340	7,854
Investment income net of investment expenses	61,240	(35,423)	89,152	30,817	34,305	(2,904)	18,777	6,594	(2,559)
Benefit payments/refunds of contributions	(9,690)	-	(398)	-	-	-	-	-	-
Administrative expenses	(358)	(323)	(282)	(277)	(227)	(168)	(117)	(72)	(57)
Other	3,706	8,508	1,562	1,497	1,828	1,049	434	2,118	(7)
Net change in fiduciary net position	134,196	30,106	141,914	81,619	88,101	32,588	51,572	37,670	19,624
Fiduciary net position, beginning	550,960	520,854	378,940	297,321	209,220	176,632	125,060	87,390	67,766
Fiduciary net position, ending (b)	\$ 685,156	\$ 550,960	\$ 520,854	\$ 378,940	\$ 297,321	\$ 209,220	\$ 176,632	\$ 125,060	\$ 87,390
Net pension liability / (asset), ending = (a) - (b)	\$ (37,981)	\$ (17,920)	\$ (82,095)	\$ (24,546)	\$ (34,618)	\$ (14,445)	\$ (4,697)	\$ 1,250	\$ (125)
Fiduciary net position as a % of total pension liability	105.87%	103.36%	118.71%	106.93%	113.18%	107.42%	102.73%	99.01%	100.14%
Pensionable covered payroll	\$ 640,535	\$ 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	-5.93%	-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.

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Schedule of District Contributions September 30, 2024

Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Pensionable Covered Payroll *	Actual Contribution as a % of Covered Payroll
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%
2024	46,972	46,972	-	548,657	8.6%

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

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Notes to Required Supplementary Information Year Ended September 30, 2024

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	18.4 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.

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 decreased from 19.2 years to 18.4 years

Upper Brushy Creek WCID

Index of Supplemental Schedules Required by the Texas Commission on Environmental Quality Year Ended September 30, 2024

Schedule Included		
Yes	No	
<u>X</u>		TSI-0 Notes Required by the Water District Accounting Manual
	<u>X</u>	TSI-1 Schedule of Services and Rates
<u>X</u>		TSI-2 Schedule of General Fund Expenditures
<u>X</u>		TSI-3 Schedule of Temporary Investments
<u>X</u>		TSI-4 Analysis of Taxes Levied and Receivable
<u>X</u>		TSI-5 Long-Term Debt Service Requirements by Years
<u>X</u>		TSI-6 Analysis of Changes in Long-Term Bonded Debt
<u>X</u>		TSI-7 Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund - Five Years Ended September 30, 2024
<u>X</u>		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, 2024

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 10 to basic financial statements.

(C) Pension Coverage

See Note 12 to basic financial statements.

(D) Pledge of Revenues

See Note 8 to basic financial statements.

(E) Compliance with Debt Service Requirements

See Note 8 to basic financial statements.

(F) Redemption of Bonds

See Note 8 to basic financial statements.

Upper Brushy Creek WCID

TSI-2 Schedule of General Fund Expenditures Year Ended September 30, 2024

Personnel expenditures (including benefits)	\$ 546,901
Professional fees:	
Auditing	19,000
Legal	97,061
Engineering	330,379
Financial Advisor	-
Purchased services for resale-	
Bulk water and wastewater service purchases	-
Contracted services:	
Bookkeeping	36,492
General manager	-
Appraisal district	-
Tax collector	113,024
Other contracted services	-
Utilities	-
Repairs and maintenance	748,816
Administrative expenditures:	
Directors' fees	5,400
Office supplies	8,632
Insurance	10,067
Other administrative expenses	200,397
Capital outlay:	
Capitalized assets	559,333
Expenditures not capitalized	-
Tap connection expenditures	-
Solid waste disposal	-
Fire fighting	-
Parks and recreation	-
Other expenditures	-
Total expenditures	<u>\$ 2,675,502</u>

Number of persons employed by the District: 4 Full-Time 5 Part-Time
(Does not include independent contractors or consultants)

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TSI-3 Schedule of Temporary Investments September 30, 2024

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at 9/30/24	Accrued Interest Receivable at 9/30/24
General Fund- TexPool	XXX0001 - 0003	Variable	N/A	\$ 60,398,828	\$ -
Total				\$ 60,398,828	\$ -
Debt Service Fund- TexPool	XXX0005 - 0006	Variable	N/A	\$ 409,209	\$ -
Total				\$ 409,209	\$ -
Capital Projects Fund- TexPool	XXX0004	Variable	N/A	\$ 24,267,631	\$ -
Total				\$ 24,267,631	\$ -
Total - All Funds				\$ 85,075,668	\$ -

Upper Brushy Creek WCID

TSI-4 Analysis of Taxes Levied and Receivable Year Ended September 30, 2024

	Maintenance Taxes	Debt Service Taxes		
Taxes receivable, September 30, 2023	\$ 93,342	\$ 8,000		
2023 Original tax levy	10,802,152	3,005,110		
Adjustments	(54,751)	(13,005)		
Total to be accounted for	10,840,743	3,000,105		
Tax collections:				
Current year	10,753,153	2,991,479		
Prior years	(53,408)	(9,881)		
Rollbacks	10,621	-		
Total collections	10,710,366	2,981,598		
Taxes receivable, September 30, 2024	<u>\$ 130,377</u>	<u>\$ 18,507</u>		
Taxes receivable, by years				
2023	\$ 49,000	\$ 13,631		
2022 and prior	59,242	4,876		
Rollbacks	22,135	-		
Taxes receivable, September 30, 2024	<u>\$ 130,377</u>	<u>\$ 18,507</u>		
	2023	2022	2021	2020
Property valuations-				
Land, improvements, and personal property	\$ 81,770,818,350	\$ 75,049,326,116	\$ 60,939,777,143	\$ 53,212,372,236
Tax rates per \$100 valuation:				
Maintenance tax rates	0.0133	0.0137	0.0175	0.02
Debt service tax rates	0.0037	0.0038	0.00	0.00
Total tax rates per \$100 valuation	<u>\$ 0.0170</u>	<u>\$ 0.0175</u>	<u>\$ 0.0175</u>	<u>\$ 0.02</u>
Original tax levy	<u>\$ 13,807,262</u>	<u>\$ 13,006,093</u>	<u>\$ 10,664,461</u>	<u>\$ 10,624,797</u>
Percent of taxes collected to taxes levied	99.5%	99.9%	99.9%	99.9%

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TSI-5 Long-Term Debt Service Requirements - By Years September 30, 2024

Due During Fiscal Years Ending 9/30	Unlimited Tax Bonds Series 2022		
	Principal Due 8/15	Interest Due 2/15, 8/15	Total
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
	<u>\$ 49,920,000</u>	<u>19,494,056</u>	<u>69,414,056</u>

Upper Brushy Creek WCID

TSI-6 Analysis of Changes in Long-Term Bonded Debt September 30, 2024

	<u>Series 2022</u>
Interest rate	2.00 to 3.00%
Dates interest payable	2/15; 8/15
Maturity date	8/15/2047
Bonds outstanding, beginning of year	\$ 51,320,000
Bonds issued during the current year	-
Bonds retired during the current year	<u>(1,400,000)</u>
Bonds outstanding, end of year	<u>\$ 49,920,000</u>
Interest paid during the current year	<u>\$ 1,444,719</u>

Paying Agent's Name & Address:	<u>BOKF, NA, Dallas, Texas</u>		
	<u>Tax Bonds</u>	<u>Other Bonds</u>	<u>Refunding Bonds</u>
Bond Authority:			
Bond authorized by voters	\$ 85,000,000	-	-
Amount issued	<u>51,965,000</u>	<u>-</u>	<u>-</u>
Remaining to be issued	<u>\$ 33,035,000</u>	<u>-</u>	<u>-</u>

Debt Service Fund Cash and Temporary Investments balances as of September 30, 2024:	<u>\$ 409,209</u>
Average annual debt service payment (principal & interest) for remaining term of all debt:	<u>\$ 3,018,002</u>

Upper Brushy Creek WCID

TSI-7 Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund Five Years Ended September 30, 2024

	Amounts					Percent of Fund Total Revenues				
	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
General Fund										
Revenues:										
Property taxes	\$ 10,715,179	10,164,995	10,666,599	10,604,904	10,022,938	77.8 %	79.1	91.3	99.2	88.9
Developer fees	28,484	1,200	45,986	26,400	48,423	0.3	0.1	0.4	0.2	0.4
Contribution revenue	500	229,839	559,952	-	-	0.1	1.8	4.8	-	-
Interest on temporary investments and other	3,006,621	2,431,186	373,476	38,317	351,985	21.6	18.8	3.2	0.4	3.2
Penalties and interest on property taxes	23,812	21,792	33,668	21,971	23,889	0.2	0.2	0.3	0.2	0.2
Other revenue	-	-	-	-	825,000	-	-	-	-	7.3
Total revenues	13,774,596	12,849,012	11,679,681	10,691,592	11,272,235	100.0	100.0	100.0	100.0	100.0
Expenditures:										
Service operations:										
Maintenance and repairs	748,816	515,245	582,332	698,725	762,715	5.4	4.0	5.0	6.5	6.8
Legal fees	97,061	110,214	51,176	54,071	63,410	0.7	0.9	0.4	0.5	0.6
Engineering fees	330,379	353,222	386,745	524,416	493,952	2.4	2.7	3.3	4.9	4.4
Contracted services	55,492	53,792	35,760	24,556	25,630	0.4	0.4	0.3	0.2	0.2
Preparation of tax rolls	113,024	87,043	98,684	97,023	96,171	0.8	0.7	0.8	0.9	0.9
Salaries	546,901	619,448	482,051	482,803	437,528	4.0	4.8	4.1	4.5	3.9
Directors' fees	5,400	5,700	7,950	12,300	13,050	0.1	0.1	0.1	0.1	0.1
Insurance	10,067	8,708	7,872	7,075	7,785	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	209,029	205,161	305,150	459,391	175,013	1.5	1.6	2.6	4.3	1.5
Capital outlay	559,333	9,335,136	366,561	6,321,112	390,641	4.0	72.6	3.2	59.2	3.4
Total expenditures	2,675,502	11,458,182	2,498,854	8,681,472	2,465,895	19.4	89.2	21.4	81.2	21.9
Excess of revenues over expenditures	\$ 11,099,094	1,390,830	9,180,827	2,010,120	8,806,340	80.6 %	10.8	78.6	18.8	78.1
Debt Service Fund										
Revenues:										
Property taxes	\$ 2,982,191	2,816,180	-	-	-	94.4 %	98.7	-	-	-
Interest on temporary investments and other	169,156	31,760	-	-	-	5.4	1.1	-	-	-
Penalties and interest on property taxes	6,285	4,712	-	-	-	0.2	0.2	-	-	-
Total revenues	3,157,632	2,852,652	-	-	-	100.0	100.0	-	-	-
Expenditures:										
Preparation of tax rolls	31,443	24,143	-	-	-	1.0	0.8	-	-	-
Other	2,149	200	-	-	-	0.2	0.1	-	-	-
Debt service	2,844,719	2,706,078	-	-	-	90.0	94.8	-	-	-
Total expenditures	2,878,311	2,730,421	-	-	-	91.2	95.7	-	-	-
Excess of revenues over expenditures	\$ 279,321	122,231	-	-	-	8.8 %	4.3	-	-	-

Upper Brushy Creek WCID

TSI-8 Board Members, Key Personnel and Consultants September 30, 2024

Complete District Mailing Address:	<u>460 Texas Avenue</u>
	<u>Round Rock, Texas 78664</u>
District Business Telephone Number:	<u>(512) 284-7685</u>
Submission date of the most recent District Registration Form: (TWC Sections 36.054 and 49.054)	<u>May 31, 2024</u>
Limit on fees of office that a director may receive during a fiscal year: (Set by Board Resolution - TWC Sections 49.060)	<u>\$7,200</u>

Name	Term of Office Elected & Expires or Date Hired	Fees 9/30/24	Expense Reimbursements 9/30/24	Title at 9/30/24
Board Members:				
Jeremiah D. Williams	Elected 5/24 - 5/28	\$ 1,500	\$ -	President
Casey Clawson	Elected 5/22 - 5/26	1,050	-	Vice President
Greg Brill	Elected 5/24 - 5/28	1,050	-	Secretary
Lyle Grimes	Elected 5/24 - 5/28	900	-	Director
Ed Orlin	Elected 5/22 - 5/26	900	-	Director
Key Administrative Personnel:				
Alysha Girard	Hired 9/18	183,975	-	General Manager (employee)
Gregor Forbes	Hired 9/18	31,967	-	Former Project Manager (employee)
Lisa Moravitz	Hired 9/12	117,506	-	District Clerk (employee)
Tiffany White	Hired 10/18	92,937	-	Executive Assistant (employee)
Laura Harris	Hired 12/22	122,272	-	CIP Manager (employee)

(continued)

Upper Brushy Creek WCID

TSI-8 Board Members, Key Personnel and Consultants (continued) September 30, 2024

Name	Date Hired	Fees and Expense Reimbursements 9/30/24	Title at 9/30/24
Consultants:			
Sheets & Crossfield, P.C.	2002	\$ 23,152	Attorney
Bickerstaff Heath Delgado Acosta, LLP	2022	111,067	Attorney
Freese and Nichols, Inc.	2002	253,164	Engineer
AECOM (formerly known as URS Corporation)	2012	245,510	Engineer
HDR, Inc.	2015	1,140,487	Engineer
U.S. Geological Survey	2013	247,125	Water Gauge Operator
Maxwell Locke & Ritter LLP	2002	19,000	Auditor
Bott & Douthitt PLLC	2022	36,874	Accountant
Williamson Central Appraisal District	2002	83,128	Appraisal District