

**South Buda  
Water Control and  
Improvement District No. 1**

**Financial Statements and  
Supplemental Information  
as of and for the Year Ended  
September 30, 2020 and  
Independent Auditors' Report**

# South Buda Water Control and Improvement District No 1

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# Annual Filing Affidavit

The State of Texas

County of Hays

I, \_\_\_\_\_  
(Name of Duly Authorized District Representative)

of the South Buda Water Control and Improvement District No. 1

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 \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, its annual audit report for the year ended September 30, 2020 and that copies of the annual audit report have been filed in the District office, located at 12912 Hill Country Blvd., Suite F-232, Austin, Texas 78738.

The annual filing affidavit and the attached copy of the 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: \_\_\_\_\_, 20\_\_\_\_. By: \_\_\_\_\_  
(Signature of District Representative)

Marvin B. Morgan, Board President  
(Typed Name and Title of above District Representative)

Sworn to and subscribed to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
(Signature of Notary)

(SEAL)

\_\_\_\_\_  
(Printed Name of Notary)

My Commission Expires On: \_\_\_\_\_  
Notary Public in and for the State of Texas.

## **Independent Auditors' Report**

To the Board of Directors of  
South Buda Water Control and Improvement District No. 1:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of South Buda Water Control and Improvement District No. 1 (the "District"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2020, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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.

The supplemental information required by the TCEQ listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

Austin, Texas  
January xx, 2021

# South Buda Water Control and Improvement District No. 1

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## Management's Discussion and Analysis For the Year Ended September 30, 2020

In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, the management of South Buda Water Control and Improvement District No. 1 (the "District") offers the following narrative on the financial performance of the District for the year ended September 30, 2020. 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 "Total Governmental Funds" column. An adjustment column includes those entries needed, if any, 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 liabilities and deferred inflows of the District exceeded its assets and deferred outflows of resources at the close of the most recent year by \$864,274, primarily due to the use of the proceeds of the \$2,055,000 Unlimited Tax Road Bonds issued during the year ended September 30, 2014. The District reimbursed one of its developers \$1,744,629 from these bond proceeds for road construction and improvements that were subsequently conveyed by the District to the Hays County Commissioners Court, thus there were no capital assets reflected in District's Statement of Net Position to offset the liabilities incurred for the bond issuance. However, the District's current assets exceeded its current liabilities at September 30, 2020 by \$2,722,860.
- Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, generally property taxes, since the capital assets themselves cannot be used to liquidate these liabilities.

## 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 *Statement of Net Position and Governmental Funds Balance Sheet* includes a column (titled "Total Governmental Funds") 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* includes a column (titled “Total Governmental Funds”) 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*.

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		
	2020	2019	% Change
Current assets	\$ 4,173,231	\$ 6,591,829	(37%)
Capital and non-current assets	23,659,049	20,853,521	13%
Total assets	<u>\$ 27,832,280</u>	<u>\$ 27,445,350</u>	<u>1%</u>
Deferred outflows of resources	<u>\$ 167,162</u>	<u>\$ 162,886</u>	<u>3%</u>
Current liabilities	\$ 1,450,371	\$ 1,304,960	11%
Long-term liabilities	27,413,345	27,844,302	(2%)
Total liabilities	<u>\$ 28,816,716</u>	<u>\$ 29,149,262</u>	<u>(1%)</u>
Net investment in capital assets	\$ (1,526,258)	\$ (6,891,493)	78%
Restricted	2,281,989	1,726,113	32%
Unrestricted	<u>(1,620,005)</u>	<u>3,624,354</u>	<u>(145%)</u>
Total net position	<u>\$ (864,274)</u>	<u>\$ (1,541,026)</u>	<u>44%</u>

The District’s total assets were approximately \$27,800,000 as of September 30, 2020. Of this amount, approximately \$23,600,000 is included in capital and intangible assets. The District had outstanding liabilities of approximately \$28,800,000 as of September 30, 2020. Of this amount, approximately \$25,600,000 is included in bonds payable.

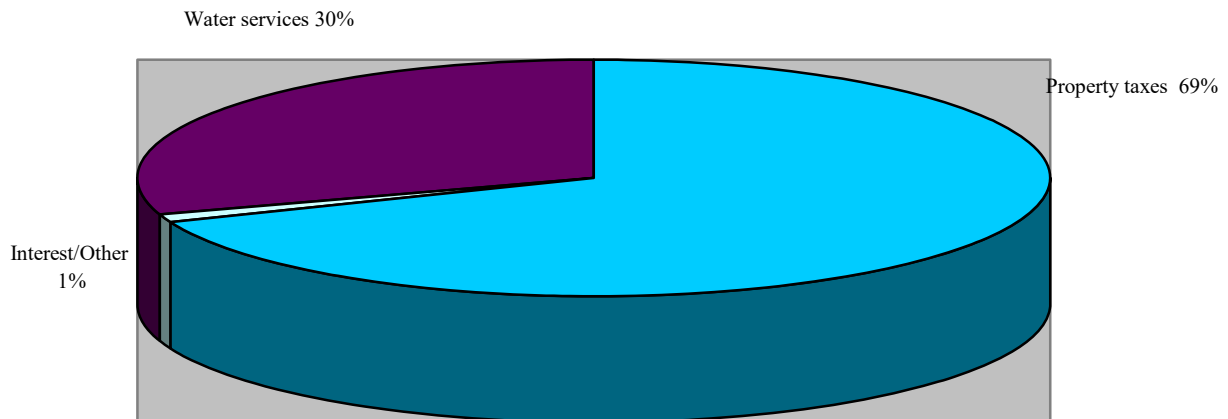


## Statement of Activities

	Governmental Activities		
	2020	2019	% Change
Water and tap/inspection fees	\$ 1,162,165	\$ 922,863	26%
Property taxes	2,683,751	2,516,956	7%
Interest and miscellaneous	21,276	45,367	(53%)
<b>Total revenues</b>	<b>3,867,192</b>	<b>3,485,186</b>	<b>11%</b>
Water	802,844	749,517	7%
Professional fees	290,122	136,436	113%
Repairs and maintenance	103,597	488,647	(79%)
Contracted services	145,505	143,736	1%
Bond issuance costs	175,124	-	100%
Debt service	977,754	1,003,193	(3%)
Recurring operating	163,632	150,369	9%
Depreciation and amortization	531,862	532,095	(<1%)
<b>Total expenses</b>	<b>3,190,440</b>	<b>3,203,993</b>	<b>(&lt;1%)</b>
Change in net position	676,752	281,193	141%
Beginning net position	(1,541,026)	(1,822,219)	15%
Ending net position	<u>\$ (864,274)</u>	<u>\$ (1,541,026)</u>	<u>44%</u>

Operating revenues were approximately \$3,867,000 for the year ended September 30, 2020. Of this amount, water and tap/inspection fees provided approximately \$1,162,000 and property taxes provided approximately \$2,684,000 in revenues. Total expenses were approximately \$3,190,000 for the year ended September 30, 2020. Of this amount, professional fees totaled approximately \$290,000, water purchases totaled approximately \$803,000, and debt service totaled approximately \$978,000. Net position increased approximately \$677,000 for the year ended September 30, 2020.

### Source of Revenue



## Analysis of Governmental Funds

	2020	2019	2018
Cash	\$ 3,751,620	6,176,964	4,183,711
Investments	234,551	232,432	14,131
Receivables	179,860	194,791	258,040
Inventory	9,765	-	-
<b>Total assets</b>	<b>4,175,796</b>	<b>6,604,187</b>	<b>4,455,882</b>
Accounts payable	537,578	505,534	487,439
Meter deposits	71,975	55,975	55,475
Unearned revenue	47,000	-	-
<b>Total liabilities</b>	<b>656,553</b>	<b>561,509</b>	<b>542,914</b>
Total deferred inflows of resources	39,433	53,596	18,419
Nonspendable	9,765		
Restricted for:			
Debt service	2,401,658	1,847,253	1,395,997
Capital projects	56,387	56,264	56,097
Assigned for:			
Lift Station Phase 2	648	3,071,741	1,028,989
Builder advances	251,298	251,298	251,298
Unassigned fund balance	760,054	762,526	1,162,168
<b>Total fund balances</b>	<b>3,479,810</b>	<b>5,989,082</b>	<b>3,894,549</b>
Total liabilities, deferred inflows of resources and fund balances	\$ 4,175,796	6,604,187	4,455,882

The *General Fund* pays for daily operating expenditures. When comparing actual to budget, actual revenues and other financing sources were more than budget by approximately \$260,000 primarily due to increased water service revenues received. Actual expenditures were greater than budget by approximately \$3,526,000, primarily due to unbudgeted capital outlay. More detailed information about the District's budget is presented in the *Basic Financial Statements*.

The *Debt Service Fund* remitted bond principal of \$595,000 and bond interest of \$965,996. 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 and had no capital outlay expenditures for the year ended September 30, 2020.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. While the disruption is expected to be temporary, there is uncertainty around the duration. Due to the nature of the District's services, the pandemic may negatively impact the District's business, results of operations, and financial position; however, the related financial impact cannot be reasonably estimated at this time.

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

Capital assets consisted of the following at September 30, 2020:

Land and easements	\$ 624,121
Construction in progress	4,279,521
Infrastructure	<u>17,784,050</u>
Subtotal	22,687,692
Accumulated depreciation	<u>(2,188,887)</u>
Total	<u>\$ 20,498,805</u>

More detailed information about the District's capital assets is presented in the *Notes to Basic Financial Statements*.

Intangible assets consisted of the following at September 30, 2020:

Rights to receive service	\$ 3,490,425
Accumulated amortization	<u>(417,507)</u>
Total	<u>\$ 3,072,918</u>

More detailed information about the District's intangible assets is presented in the *Notes to Basic Financial Statements*.

Long-term debt consisted of the following at September 30, 2020:

Current portion	\$ 648,118
Long-term portion	<u>24,989,247</u>
Total	<u>\$ 25,637,365</u>

At September 30, 2020, the District owed approximately \$251,000 to the builder for advances used to fund operating activities, approximately \$2,200,000 to developers for advances used to fund construction, and approximately \$25,600,000 million to bond holders. At September 30, 2020, unlimited tax bonds and unlimited tax road bonds of \$52,405,000 and \$3,945,000, respectively, were authorized by the voters of the District, but unissued. 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 2021 (tax year 2020), the tax rate has been set at \$0.90 per \$100 of assessed valuation with \$0.195 for maintenance and operating expenditures and \$0.705 for debt service. The adopted budget for fiscal year 2021 projects revenues of approximately \$1,837,000 and expenditures of approximately \$1,419,000 for the General Fund.

### 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 12912 Hill Country Blvd., Suite F-232, Austin, Texas 78738.

# South Buda Water Control and Improvement District No. 1

## Statement of Net Position and Governmental Funds Balance Sheet September 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Note 2)	Statement of Net Position
<b>Assets:</b>						
Cash	\$ 1,295,492	2,399,093	56,387	3,750,972	-	3,750,972
Restricted cash	648	-	-	648	-	648
Temporary investments	234,551	-	-	234,551	-	234,551
Receivables:						
Service accounts	137,862	-	-	137,862	-	137,862
Property tax	10,837	28,596	-	39,433	-	39,433
Interfund	-	2,565	-	2,565	(2,565)	-
Inventory	9,765	-	-	9,765	-	9,765
Bond insurance costs	-	-	-	-	87,326	87,326
Intangible assets (net of accumulated amortization)- Rights to receive service	-	-	-	-	3,072,918	3,072,918
Capital assets (net of accumulated depreciation):						
Land and easements	-	-	-	-	624,121	624,121
Construction in progress	-	-	-	-	4,279,521	4,279,521
Infrastructure	-	-	-	-	15,595,163	15,595,163
Total assets	<u>\$ 1,689,155</u>	<u>2,430,254</u>	<u>56,387</u>	<u>4,175,796</u>	<u>23,656,484</u>	<u>27,832,280</u>
<b>Deferred outflows of resources-</b>						
Deferred charges on bond refunding	-	-	-	-	167,162	167,162
<b>Liabilities:</b>						
Accounts payable	\$ 535,013	-	-	535,013	-	535,013
Meter deposits	71,975	-	-	71,975	-	71,975
Interfund payables	2,565	-	-	2,565	(2,565)	-
Accrued bond interest payable	-	-	-	-	148,265	148,265
Unearned revenue	47,000	-	-	47,000	-	47,000
Long-term liabilities:						
Due within one year - bonds	-	-	-	-	537,225	537,225
Due within one year - accretion payable	-	-	-	-	110,893	110,893
Due after one year - bonds	-	-	-	-	24,871,631	24,871,631
Due after one year - accretion payable	-	-	-	-	117,616	117,616
Builder advances	-	-	-	-	251,298	251,298
Developer advances	-	-	-	-	2,172,800	2,172,800
Total liabilities	<u>656,553</u>	<u>-</u>	<u>-</u>	<u>656,553</u>	<u>28,207,163</u>	<u>28,863,716</u>
<b>Deferred inflows of resources-</b>						
Deferred revenue - property taxes	10,837	28,596	-	39,433	(39,433)	-
<b>Fund balances/net position:</b>						
Fund balances:						
Nonspendable	9,765	-	-	9,765	(9,765)	-
Restricted for:						
Debt service	-	2,401,658	-	2,401,658	(2,401,658)	-
Capital projects	-	-	56,387	56,387	(56,387)	-
Assigned for:						
Lift Station Phase 2	648	-	-	648	(648)	-
Builder advances	251,298	-	-	251,298	(251,298)	-
Unassigned	760,054	-	-	760,054	(760,054)	-
Total fund balances	<u>1,021,765</u>	<u>2,401,658</u>	<u>56,387</u>	<u>3,479,810</u>	<u>(3,479,810)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,689,155</u>	<u>2,430,254</u>	<u>56,387</u>	<u>4,175,796</u>		
<b>Net position:</b>						
Net investment in capital assets					(1,526,258)	(1,526,258)
Restricted for debt service					2,281,989	2,281,989
Unrestricted					(1,620,005)	(1,620,005)
Total net position					<u>\$ (864,274)</u>	<u>(864,274)</u>

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

*This document is a draft for internal review and discussion and is not intended for external distribution.*

# South Buda Water Control and Improvement District No. 1

## Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances Year Ended September 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Note 2)	Statement of Activities
<b>Expenditures/expenses:</b>						
Service operations:						
Water purchases	\$ 802,844	-	-	802,844	-	802,844
Engineering fees	183,783	-	-	183,783	-	183,783
Legal fees	91,339	-	-	91,339	-	91,339
Repairs and maintenance	103,597	-	-	103,597	-	103,597
Management fees	21,387	-	-	21,387	-	21,387
Garbage services	105,457	-	-	105,457	-	105,457
Tax assessor	18,661	-	-	18,661	-	18,661
Directors' fees	18,906	-	-	18,906	-	18,906
Audit fees	15,000	-	-	15,000	-	15,000
Insurance	11,959	-	-	11,959	-	11,959
Recurring operating	132,767	-	-	132,767	-	132,767
Capital outlay	3,321,683	-	-	3,321,683	(3,321,683)	-
Debt service:						
Bond principal	-	595,000	-	595,000	(595,000)	-
Interest	-	965,996	-	965,996	5,993	971,989
Bond issuance costs	-	194,122	-	194,122	(18,998)	175,124
Fiscal agent fees and other	2,400	3,365	-	5,765	-	5,765
Amortization	-	-	-	-	87,262	87,262
Depreciation	-	-	-	-	444,600	444,600
Total expenditures/expenses	4,829,783	1,758,483	-	6,588,266	(3,397,826)	3,190,440
<b>Revenues:</b>						
Program revenues:						
Water service	1,081,997	-	-	1,081,997	-	1,081,997
Tap connection fees	52,768	-	-	52,768	-	52,768
Inspection fees	27,400	-	-	27,400	-	27,400
Total program revenues	1,162,165	-	-	1,162,165	-	1,162,165
Net program expense						(2,028,275)
General revenues:						
Property taxes, including penalties and interest	587,524	2,110,390	-	2,697,914	(14,163)	2,683,751
Interest and other	16,294	4,859	123	21,276	-	21,276
Total general revenues	603,818	2,115,249	123	2,719,190	(14,163)	2,705,027
Total revenues	1,765,983	2,115,249	123	3,881,355	(14,163)	3,867,192
<b>Excess (deficit) of revenues over (under) expenditures</b>	(3,063,800)	356,766	123	(2,706,911)	3,383,663	676,752
<b>Other financing sources (uses):</b>						
Issuance of bonds	-	2,915,000	-	2,915,000	(2,915,000)	-
Premium on sale of bonds	-	29,427	-	29,427	(29,427)	-
Discount on sale of bonds	-	(31,347)	-	(31,347)	31,347	-
Payment to refunded bond escrow agent	-	(2,715,441)	-	(2,715,441)	2,715,441	-
Total other financing sources, net	-	197,639	-	197,639	(197,639)	-
Change in fund balances / net position	(3,063,800)	554,405	123	(2,509,272)	3,186,024	676,752
Fund balances/net position:						
Beginning of year	4,085,565	1,847,253	56,264	5,989,082	(7,530,108)	(1,541,026)
End of year	\$ 1,021,765	2,401,658	56,387	3,479,810	(4,344,084)	(864,274)

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

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# South Buda Water Control and Improvement District No. 1

## Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance
Revenues:			
Water service	\$ 920,720	1,081,997	161,277
Tap connection fees	-	52,768	52,768
Inspection fees	-	27,400	27,400
Property taxes, including penalties and interest	560,571	587,524	26,953
Interest on temporary investments	25,000	16,294	(8,706)
Total revenues	<u>1,506,291</u>	<u>1,765,983</u>	<u>259,692</u>
Expenditures:			
Service operations:			
Water purchases	790,000	802,844	(12,844)
Engineering fees	60,000	183,783	(123,783)
Legal fees	81,000	91,339	(10,339)
Repairs and maintenance	84,140	103,597	(19,457)
Management fees	20,000	21,387	(1,387)
Garbage services	106,398	105,457	941
Tax assessor	15,000	18,661	(3,661)
Directors' fees	15,600	18,906	(3,306)
Audit fees	14,000	15,000	(1,000)
Insurance	11,000	11,959	(959)
Recurring operating	103,282	132,767	(29,485)
Capital outlay	-	3,321,683	(3,321,683)
Debt service-			
Fiscal agent fees and other	3,200	2,400	800
Total expenditures	<u>1,303,620</u>	<u>4,829,783</u>	<u>(3,526,163)</u>
Excess (deficit) of revenues over (under) expenditures	202,671	(3,063,800)	(3,266,471)
Fund balance:			
Beginning of year	<u>4,085,565</u>	<u>4,085,565</u>	<u>-</u>
End of year	<u>\$ 4,288,236</u>	<u>1,021,765</u>	<u>(3,266,471)</u>

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

# South Buda Water Control and Improvement District No. 1

## Notes to Basic Financial Statements Year Ended September 30, 2020

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### 1. Summary of Significant Accounting Policies

South Buda Water Control and Improvement District No. 1 (the “District”) was created by the Hays County Commissioners Court on January 25, 2005, in accordance with Article XVI, Section 29 of the Constitution of the State of Texas (the “State”) and with Chapter 54 of the Texas Water Code. The Board of Directors (the “Board”) held its first meeting July 18, 2005.

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 which has been elected by District residents or appointed by the Board. 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 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 “Total Governmental Funds” column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the statement of net position and the statement of activities. 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 separated 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. 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.

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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 include 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. The budget is proposed by the District Manager for the fiscal year commencing the following October 1, and is adopted on the modified accrual basis, which is consistent with generally accepted accounting principles.

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

Restricted cash - Restricted cash consisted of builder and developer advances that will be repaid through future bond issuances and funds assigned to the construction of Lift Station Phase 2.

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.



Accounts Receivable - The District provides for uncollectible accounts receivable using the allowance method of accounting for bad debts. Under this method of accounting, a provision for uncollectible accounts is charged to earnings. The allowance account is increased or decreased based on past collection history and management's evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance account, and recoveries of previously charged off accounts are added to the allowance. The District believes all accounts were collectible at September 30, 2020.

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.

Inventories - Inventories in the General Fund consist of electronic meters. Inventories are charged to expenditures when consumed. Inventory is recorded at cost using the FIFO method.

Encumbrances - Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at September 30th, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. There were no outstanding encumbrances at September 30, 2020 provided for in the subsequent year's budget.

Capital Assets - Capital assets, which include land and easements, construction in progress, and infrastructure, are reported in the government-wide column in the statement of net position. Public domain ("infrastructure") capital assets including water and drainage systems are capitalized. Capital assets are defined by the District as assets with an initial individual cost of at least \$5,000. All capital assets and capital asset improvements are recorded at historical cost if purchased or estimated acquisition value at the date of donation if donated. Interest incurred during construction of capital facilities is not capitalized.

Capital assets (other than land and easements and construction in progress) are depreciated using the straight line method over the following estimated useful lives: infrastructure - forty years.

Intangible Asset - Rights to receive service are reported in the government-wide column in the statement of net position at historical cost and are amortized using the straight line method over an estimated useful life of forty years.

Long-Term Debt - Unlimited tax bonds, which have been issued to fund capital projects, are to be repaid from tax revenues of the District.

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, as well as bond insurance costs, are deferred and amortized over the life of the bonds using the straight line method. 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 and discounts on debt issuances are reported as other financing sources and uses. Issuance costs, including bond insurance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Fund Equity - 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 governmental funds. See Note 10 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 7 for additional information on deferred outflows 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.

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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.

### **Recently Issued Accounting Pronouncements**

In June 2017, the GASB issued GASB Statement No. 87, *Leases*, effective for fiscal years beginning after June 15, 2021. The objective of GASB Statement No. 87 is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. Management is evaluating the effects that the full implementation of GASB Statement No. 87 will have on its financial statements for the year ended September 30, 2022.

In June 2018, the GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for fiscal years beginning after December 15, 2020. The objective of GASB Statement No. 89 is to enhance the relevance and comparability of information about capital assets and to simplify accounting for interest costs incurred before the end of a construction period. Under GASB Statement No. 89, interest costs will no longer be capitalized as part of the asset but will be shown as an expenditure in the fund financial statements and as an expense in the government-wide financial statements. Management is evaluating the effects that the full implementation of GASB Statement No. 89 will have on its financial statements for the year ended September 30, 2022.

## 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 balance	\$ 3,479,810
Prepaid bond insurance costs are recorded as expenditures in the funds, but are amortized over the life of the related bonds in the statement of net position.	87,326
Capital and intangible assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets, net of accumulated depreciation	20,498,805
Intangible assets, net of accumulated amortization	3,072,918
Deferred tax revenue is not available to pay for current-period expenditures and, therefore, is deferred in the funds.	39,433
The following liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable, net of discounts and premiums	(25,408,856)
Less: Deferred charges on bond refunding	167,162
Bond interest payable	(148,265)
Accretion payable	(228,509)
Developer advances	(2,172,800)
Builder advances	(251,298)
Total net position	<u>\$ (864,274)</u>

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

Change in fund balances	\$ (2,509,272)
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 and amortization expense:	
Capital outlay	3,321,683
Amortization expense	(87,262)
Depreciation expense	(444,600)
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	(14,163)
Bond proceeds provide current financial resources to governmental funds, but issuing debt and receiving advances 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:	
Bond proceeds, including premium and discount	(2,913,080)
Repayment of bond principal	595,000
Payment to refunded bond escrow agent	2,715,441
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 governmental funds:	
Change in bond interest payable	12,544
Amortization of original issue discount	(8,842)
Amortization of bond premium	9,430
Amortization of deferred charges on bond refunding	(11,165)
Bond insurance premium	18,998
Change in accretion payable	(4,669)
Amortization of bond insurance costs	(3,291)
Change in net position	<u>\$ 676,752</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, 2020, 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, 2020, the District had investments in an external local governmental investment pool, Texas Local Governmental Investment Pool ("TexPool"), of \$234,551 which has a Standard & Poor's rating of AAAM and a weighted average maturity of one day.

Although TexPool is not registered with the SEC as an investment company, it operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. This investment is 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 serves as 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, 2020, investments were included in an external local governmental investment pool with a rating which is in compliance with the District's investment policy.

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.

**4. Interfund Receivables and Payables**

During the course of operations, numerous 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, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
Debt Service	General	\$ 2,565

## 5. Capital Assets

Capital assets activity for the year ended September 30, 2020 was as follows:

	Balance September 30, 2019	Additions	Retirements and Transfers	Balance September 30, 2020
Capital assets not being depreciated:				
Land and easements	\$ 624,121	-	-	624,121
Construction in progress	957,838	3,321,683	-	4,279,521
Total capital assets not being depreciated	1,581,959	3,321,683	-	4,903,642
Capital assets being depreciated-				
Infrastructure	17,784,050	-	-	17,784,050
Less accumulated depreciation for-				
Infrastructure	(1,744,287)	(444,600)	-	(2,188,887)
Total capital assets being depreciated, net	16,039,763	(444,600)	-	15,595,163
Capital assets, net	<u>\$ 17,621,722</u>	<u>2,877,083</u>	<u>-</u>	<u>20,498,805</u>

## 6. Intangible Asset

Intangible asset activity for the year ended September 30, 2020 was as follows:

	Balance September 30, 2019	Additions	Retirements and Transfers	Balance September 30, 2020
Intangible asset-				
Rights to receive service	\$ 3,490,425	-	-	3,490,425
Less accumulated amortization	(330,245)	(87,262)	-	(417,507)
Intangible asset, net	<u>\$ 3,160,180</u>	<u>(87,262)</u>	<u>-</u>	<u>3,072,918</u>

Pursuant to the terms and conditions of the Consent and Development Agreement in November 2005, the City of Buda was conveyed certain wastewater facilities that were acquired by the District upon reimbursement of the District's developers through the issuance of the Series 2011, 2014, 2015, 2016, 2017, and 2018 bonds during prior years. Due to this, the amount related to these wastewater facilities is reflected as an intangible asset for the rights to receive wastewater service from the City of Buda. This intangible asset is amortized over the estimated useful life from the date of conveyance.

## 7. Deferred Charges on Bond Refundings

The following is a summary of changes in deferred charges on bond refundings for the year ended September 30, 2020:

	Balance September 30, 2019	Additions	Retirements	Balance September 30, 2020
Deferred charges on bond refundings	\$ 162,886	15,441	(11,165)	167,162

## 8. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2020:

	Balance September 30, 2019	Additions	Retirements	Balance September 30, 2020
Bonds payable	\$ 25,824,998	2,915,000	(3,295,000)	25,444,998
Issuance discount on bonds	(166,683)	(31,347)	8,842	(189,188)
Premium on bonds	133,049	29,427	(9,430)	153,046
Accretion on capital appreciation bonds	223,840	4,669	-	228,509
Total	\$ 26,015,204	2,917,749	(3,295,588)	25,637,365



Long-term debt at September 30, 2020, was comprised of the following:

	Balance September 30, 2020	Due in One Year
\$2,055,000, Series 2013, Unlimited Tax Road Bonds, due in annual installments August 1, 2016 thru 2043. Interest varies from 2.25% to 5.10% and is payable on February 1 and August 1 each year.	1,870,000	40,000
\$2,130,000, Series 2014, Unlimited Tax Bonds, due in annual installments August 1, 2016 thru 2044. Interest varies from 3.50% to 5.00% and is payable on February 1 and August 1 each year.	1,945,000	40,000
\$3,000,000, Series 2015, Unlimited Tax Bonds, due in annual installments August 1, 2017 thru 2045. Interest varies from 3.00% to 5.00% and is payable on February 1 and August 1 each year.	2,790,000	60,000
\$4,000,000, Series 2016, Unlimited Tax Bonds, due in annual installments August 1, 2017 thru 2045. Interest varies from 2.00% to 3.70% and is payable on February 1 and August 1 each year.	3,690,000	85,000
\$2,274,998, Series 2016, Unlimited Tax Refunding Bonds, due in annual installments August 1, 2017 thru 2034. Interest varies from 1.83% to 4.00% and is payable on February 1 and August 1 each year.	2,154,998	12,225
\$6,340,000, Series 2017, Unlimited Tax Bonds, due in annual installments August 1, 2019 thru 2046. Interest varies from 2.25% to 4.00% and is payable on February 1 and August 1 each year.	6,105,000	130,000
\$4,045,000, Series 2018, Unlimited Tax Bonds, due in annual installments August 1, 2020 thru 2047. Interest varies from 3.00% to 4.00% and is payable on February 1 and August 1 each year.	3,975,000	70,000
\$2,915,000, Series 2020, Unlimited Tax Refunding Bonds, due in annual installments August 1, 2021 thru 2041. Interest varies from 2.00% to 3.00% and is payable on February 1 and August 1 each year.	2,915,000	100,000
	<u>\$ 25,444,998</u>	<u>\$ 537,225</u>

The bonds require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and cover the cost of assessing and collecting taxes. These provisions have been met, and the cash allocated for these purposes is sufficient to meet debt service requirements through the fiscal year ended September 30, 2020.

As of September 30, 2020, the debt service requirements to maturity on the long-term debt outstanding is as follows:

Fiscal Year	Principal	Interest	Total Requirement
2021	\$ 537,225	1,002,369	1,539,594
2022	562,773	993,539	1,556,312
2023	705,000	853,809	1,558,809
2024	745,000	834,161	1,579,161
2025	775,000	813,202	1,588,202
2026-2030	4,475,000	3,670,770	8,145,770
2031-2035	5,355,000	2,858,171	8,213,171
2036-2040	5,600,000	1,931,107	7,531,107
2041-2045	5,800,000	825,838	6,625,838
2046-2047	890,000	44,087	934,087
Total	<u>\$ 25,444,998</u>	<u>13,827,053</u>	<u>39,272,051</u>

The outstanding Series 2016 Unlimited Tax Refunding Bonds include both Serial and Capital Appreciation Bonds. The interest shown above, with respect to the Capital Appreciation Bonds, includes the interest to be paid on bonds maturing in the respective years and does not include accrued interest on bonds not maturing in those years.

On May 14, 2020, the District issued \$2,915,000 of Unlimited Tax Refunding Bonds to advance refund \$2,700,000 of previously issued District bonds in order to lower its overall debt service requirements. The net proceeds of \$2,718,958 (after payment of \$194,122 in underwriting fees, insurance, and other issuance costs) were used for the following: \$2,715,441 was deposited with an escrow agent to provide the debt service payment on the portion of bonds advance refunded and \$3,517 was deposited in the Debt Service Fund for bond issuance costs. As a result, \$2,700,000 of bond principal is considered defeased and the liability for these bonds was removed from the basic financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$15,441. This amount is recorded as a deferred outflow of resources and amortized over the remaining life of the refunded debt which is shorter than the life of the new debt issued. The advance refunding reduced debt service payments by \$554,278 and resulted in an economic gain of \$442,270.

At September 30, 2020, unlimited tax bonds and unlimited tax road bonds of \$52,405,000 and \$3,945,000, respectively, were authorized by the District but unissued.

## 9. 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 Hays Central Appraisal District. District property tax revenues are recognized when levied to the extent that they are collected and become available to finance expenditures of the District in the current fiscal period. 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. The maximum allowable maintenance tax of \$1.00 was established by the voters on September 10, 2005.

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In September 2019, the District levied a combined tax rate of \$0.90 per \$100 of assessed valuation to finance operating expenditures and debt service requirements. The maintenance tax rate and the debt service tax rate were \$0.195 and \$0.705, respectively. The total 2019 tax levy was \$2,671,546 based on a taxable valuation of \$293,339,903.

## **10. 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 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 or Board designee 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 is included in the Governmental Funds Balance Sheet on page 10. 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 has the authority to 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.

## **11. Commitments and Contingent Liabilities**

The District has entered into several Cost Share Agreements between the District and the developers for the sharing of construction and engineering expenses related to various projects. The Cost Share Agreements represent the respective pro-rata share of capacity each party shall have in the projects. At September 30, 2020, the District had builder and developer advance liabilities of \$251,298 and \$2,172,800, respectively, related to advances received to fund future project costs.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. While the disruption is expected to be temporary, there is uncertainty around the severity and duration. Due to the nature of the District's services, the pandemic may negatively impact the District's business, results of operations, and financial position; however, the related financial impact cannot be reasonably estimated at this time. The District is actively managing its operations to maintain its cash flow and management believes that the District has adequate liquidity.

## **12. Risk Management**

The District's risk management program includes coverage through third party insurance providers for automobile liability, director and officer liability, public officials' position liability and commercial umbrella and general liability. No claims were filed during the previous three years.

## **13. Subsequent Events**

On November 12, 2020, the District issued \$8,200,000 in Unlimited Tax Bonds, Series 2020 to reimburse the District's developers for construction and engineering costs, developer advances, water and wastewater impact fees, land acquisition costs, pay interest on funds advanced by the developers on behalf of the District, and pay administrative costs and certain other costs related to the issuance of the bonds. The developer advance liability of \$2,172,800 at September 30, 2020 was repaid in full with the Series 2020 bond proceeds.

# South Buda Water Control and Improvement District No. 1

## Index of Supplemental Schedules Required by Texas Commission on Environmental Quality Year Ended September 30, 2020

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Schedule Included			
Yes	No		
<u>X</u>	<u>      </u>	TSI-0	Notes Required by the Water District Accounting Manual
<u>X</u>	<u>      </u>	TSI-1	Schedule of Services and Rates
<u>X</u>	<u>      </u>	TSI-2	Schedule of General Fund Expenditures
<u>X</u>	<u>      </u>	TSI-3	Schedule of Temporary Investments
<u>X</u>	<u>      </u>	TSI-4	Analysis of Taxes Levied and Receivable
<u>X</u>	<u>      </u>	TSI-5	Long-Term Debt Service Requirements by Years
<u>X</u>	<u>      </u>	TSI-6	Analysis of Changes in Long-Term Bonded Debt
<u>X</u>	<u>      </u>	TSI-7	Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund Five Years Ended September 30, 2020
<u>X</u>	<u>      </u>	TSI-8	Board Members, Key Personnel and Consultants

# South Buda Water Control and Improvement District No. 1

## TSI-0 Notes Required by the Water District Accounting Manual Year Ended September 30, 2020

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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

Not applicable.

(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.

# South Buda Water Control and Improvement District No. 1

## TSI-1 Schedule of Services and Rates Year Ended September 30, 2020

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### 1. Services Provided by the District:

- |  |   |                                     |
|--|---|-------------------------------------|
| <input checked="" type="checkbox"/> Retail water   | <input type="checkbox"/> Wholesale water      | <input type="checkbox"/> Drainage   |
| <input type="checkbox"/> Retail wastewater   | <input type="checkbox"/> Wholesale wastewater | <input type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks/recreation  | <input type="checkbox"/> Fire protection      | <input type="checkbox"/> Security   |
| <input checked="" type="checkbox"/> Solid waste/garbage  | <input type="checkbox"/> Flood control        | <input type="checkbox"/> Roads      |
| <input type="checkbox"/> Participates in joint venture, regional system and or wastewater service<br>(other than emergency interconnect) |   |                                     |
| <input type="checkbox"/> Other (specify): _____  |   |                                     |

### 2. Retail Service Providers:

#### a. Retail Rates for a 5/8" Meter (or equivalent):

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons Over Minimum Use</u>	<u>Usage Levels</u>
Water	\$ 71.75	-	Y	\$ 7.47 9.20 10.43 14.17	0 to 2,000 2,001 to 10,000 10,001 to 20,000 20,001 and above
Wastewater	\$ (1)	(1)	Y	\$ (1)	No Limit
Surcharge	\$ None	-	-	\$ -	-

District employs winter averaging for wastewater usage?  Yes  No

Total charges per 10,000 gallons usage: Water: \$ 160.29 Wastewater: \$ -

(continued)

(1) - Wastewater services are provided by the City of Buda

# South Buda Water Control and Improvement District No. 1

## TSI-1 Schedule of Services and Rates (continued)

Year Ended September 30, 2020

### b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered	-	-	x 1.0	-
5/8"	552	550	x 1.0	550.0
3/4"	2	2	x 1.5	3.0
1"	3	3	x 2.5	7.5
1 1/2"	-	-	x 5.0	-
2"	3	3	x 8.0	24.0
3"	3	3	x 15.0	45.0
4"	1	1	x 25.0	25.0
6"	-	-	x 50.0	-
8"	-	-	x 80.0	-
10"	-	-	x 115.0	-
Total Water	564	562		654.5
Total Wastewater (1)	-	-	x 1.0	-

### 3. Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):

Gallons pumped into system:	<u>57,747,000</u>	Water accountability ratio:
Gallons billed to customers:	<u>54,570,000</u>	(Gallons billed/gallons pumped)
		<u>94.5%</u>

### 4. Standby Fees (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If yes, Date of the most recent Commission Order:	<u>N/A</u>	
Does the District have Operation and Maintenance standby fees?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If yes, Date of the most recent Commission Order:	<u>N/A</u>	

(1) - Wastewater services are provided by the City of Buda

(continued)

*This document is a draft for internal review and discussion and is not intended for external distribution.*



# South Buda Water Control and Improvement District No. 1

## TSI-1 Schedule of Services and Rates (continued)

Year Ended September 30, 2020

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### 5. Location of District:

County(ies) in which district is located:

Hays

Is the District located entirely within one county?

Yes

No

Is the District located within a city?

Entirely

Partly

Not at all

City(ies) in which District is located:

N/A

Is the District located within a city's extra territorial jurisdiction (ETJ?)

Entirely

Partly

Not at all

ETJ's in which district is located:

City of Buda

Are Board members appointed by an office outside the District?

Yes

No

If yes, by whom?

N/A

# South Buda Water Control and Improvement District No. 1

## TSI-2 Schedule of General Fund Expenditures Year Ended September 30, 2020

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Personnel expenditures (including benefits)	\$	-
Professional fees:		
Auditing		15,000
Legal		91,339
Engineering		183,783
Financial advisor		-
Purchased services for resale-		
Bulk water and wastewater service purchases		802,844
Contracted services:		
Bookkeeping		22,850
General manager		21,387
Appraisal district		18,661
Tax collector		-
Other contracted services		3,600
Utilities		61,189
Repairs and maintenance		103,597
Administrative expenditures:		
Directors' fees		18,906
Office supplies		4,211
Insurance		11,959
Other administrative expenses		43,317
Capital outlay:		
Capitalized assets		3,321,683
Expenditures not capitalized		-
Tap connection expenditures		-
Solid waste disposal		105,457
Fire fighting		-
Parks and recreation		-
Other expenditures		-
Total expenditures	\$	<u>4,829,783</u>

Number of persons employed by the District: 0 Full-Time 5 Part-Time

(Does not include independent contractors or consultants)

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# South Buda Water Control and Improvement District No. 1

## TSI-3 Schedule of Temporary Investments Year Ended September 30, 2020

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<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at September 30, 2020</u>	<u>Accrued Interest Receivable at September 30, 2020</u>
<u>General Fund</u>					
Investment in TexPool	000078961	Variable	N/A	<u>\$ 234,551</u>	<u>\$ -</u>

# South Buda Water Control and Improvement District No. 1

## TSI-4 Analysis of Taxes Levied and Receivable Year Ended September 30, 2020

	<u>Maintenance</u>	<u>Debt Service</u>
Taxes receivable, September 30, 2019	\$ 13,927	\$ 39,669
2019 Tax roll	578,835	2,092,711
Adjustments	<u>(246)</u>	<u>(605)</u>
Total to be accounted for	<u>592,516</u>	<u>2,131,775</u>
Tax collections:		
Current year	575,055	2,079,046
Prior years	<u>6,624</u>	<u>24,133</u>
Total collections	<u>581,679</u>	<u>2,103,179</u>
Taxes receivable, September 30, 2020	<u>\$ 10,837</u>	<u>\$ 28,596</u>
Taxes receivable, by years:		
2019	\$ 3,800	\$ 13,645
2018	1,871	6,765
2017	1,245	2,758
2016	1,063	2,317
2015 and earlier	<u>2,858</u>	<u>3,111</u>
Taxes receivable, September 30, 2020	<u>\$ 10,837</u>	<u>\$ 28,596</u>

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Property valuations-				
Land improvements and personal property	<u>\$ 293,339,903</u>	<u>268,172,186</u>	<u>242,278,144</u>	<u>190,916,619</u>
Tax rates per \$100 valuation:				
Maintenance tax rates	\$ 0.1950	0.1950	0.2800	0.2831
Debt service tax rates	<u>0.7050</u>	<u>0.7050</u>	<u>0.6200</u>	<u>0.6169</u>
Total tax rates per \$100 valuation	<u>\$ 0.9000</u>	<u>0.9000</u>	<u>0.9000</u>	<u>0.9000</u>
Original tax levy	<u>\$ 2,671,546</u>	<u>2,486,429</u>	<u>1,917,967</u>	<u>1,534,714</u>
Percent of taxes collected to be levied	<u>99.35%</u>	<u>99.65%</u>	<u>99.79%</u>	<u>99.78%</u>

# South Buda Water Control and Improvement District No. 1

## TSI-5 Long-Term Debt Service Requirements - By Years September 30, 2020

Due During Fiscal Years Ending 9/30	Unlimited Tax Road Bonds Series 2013			Unlimited Tax Bonds Series 2014			Unlimited Tax Bonds Series 2015			Unlimited Tax Bonds Series 2016			Unlimited Tax Refunding Bonds Series 2016		
	Principal Due 8/1	Interest Due 2/1, 8/1	Total	Principal Due 8/1	Interest Due 2/1, 8/1	Total	Principal Due 8/1	Interest Due 2/1, 8/1	Total	Principal Due 8/1	Interest Due 2/1, 8/1	Total	Principal Due 8/1	Interest Due 2/1, 8/1	Total
2021	\$ 40,000	88,868	128,868	\$ 40,000	75,875	115,875	\$ 60,000	98,431	158,431	\$ 85,000	116,058	201,058	\$ 12,225	188,775	201,000
2022	45,000	87,587	132,587	45,000	73,875	118,875	60,000	95,431	155,431	90,000	114,358	204,358	7,773	198,227	206,000
2023	45,000	86,058	131,058	45,000	72,300	117,300	65,000	93,631	158,631	95,000	112,558	207,558	130,000	76,000	206,000
2024	50,000	84,436	134,436	50,000	70,725	120,725	70,000	91,681	161,681	95,000	110,658	205,658	140,000	72,100	212,100
2025	55,000	82,538	137,538	50,000	68,975	118,975	70,000	89,581	159,581	100,000	108,758	208,758	140,000	67,900	207,900
2026	55,000	80,337	135,337	55,000	67,225	122,225	75,000	87,481	162,481	105,000	106,258	211,258	150,000	62,300	212,300
2027	60,000	78,055	138,055	60,000	65,300	125,300	80,000	85,231	165,231	110,000	103,633	213,633	160,000	56,300	216,300
2028	60,000	75,445	135,445	60,000	63,200	123,200	85,000	82,731	167,731	115,000	100,883	215,883	170,000	49,900	219,900
2029	65,000	72,715	137,715	65,000	61,100	126,100	85,000	80,075	165,075	120,000	97,433	217,433	180,000	43,100	223,100
2030	70,000	69,693	139,693	65,000	58,663	123,663	90,000	77,419	167,419	125,000	93,833	218,833	190,000	35,900	225,900
2031	75,000	66,332	141,332	70,000	56,225	126,225	95,000	74,381	169,381	130,000	90,083	220,083	205,000	28,300	233,300
2032	75,000	62,695	137,695	75,000	53,600	128,600	95,000	71,175	166,175	135,000	86,183	221,183	215,000	20,100	235,100
2033	80,000	59,020	139,020	80,000	50,600	130,600	100,000	67,969	167,969	140,000	82,133	222,133	220,000	13,650	233,650
2034	85,000	55,100	140,100	85,000	47,400	132,400	110,000	64,469	174,469	145,000	77,933	222,933	235,000	7,050	242,050
2035	90,000	50,935	140,935	85,000	44,000	129,000	115,000	60,619	175,619	155,000	73,220	228,220	-	-	-
2036	95,000	46,525	141,525	90,000	40,600	130,600	120,000	56,594	176,594	160,000	68,183	228,183	-	-	-
2037	100,000	41,870	141,870	95,000	37,000	132,000	130,000	52,394	182,394	165,000	62,983	227,983	-	-	-
2038	105,000	36,870	141,870	100,000	33,200	133,200	135,000	47,844	182,844	175,000	57,620	232,620	-	-	-
2039	110,000	31,620	141,620	105,000	29,200	134,200	140,000	42,950	182,950	180,000	51,495	231,495	-	-	-
2040	115,000	26,010	141,010	110,000	25,000	135,000	150,000	37,875	187,875	190,000	45,195	235,195	-	-	-
2041	125,000	20,145	145,145	120,000	20,600	140,600	155,000	32,250	187,250	195,000	38,545	233,545	-	-	-
2042	130,000	13,770	143,770	125,000	15,800	140,800	165,000	26,438	191,438	205,000	31,720	236,720	-	-	-
2043	140,000	7,140	147,140	130,000	10,800	140,800	170,000	20,250	190,250	215,000	24,545	239,545	-	-	-
2044	-	-	-	140,000	5,600	145,600	180,000	13,875	193,875	225,000	17,020	242,020	-	-	-
2045	-	-	-	-	-	145,600	190,000	7,125	197,125	235,000	8,695	243,695	-	-	-
2046	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 1,870,000</u>	<u>1,323,764</u>	<u>3,193,764</u>	<u>\$ 1,945,000</u>	<u>1,146,863</u>	<u>3,237,463</u>	<u>\$ 2,790,000</u>	<u>1,557,900</u>	<u>4,347,900</u>	<u>\$ 3,690,000</u>	<u>1,879,983</u>	<u>5,569,983</u>	<u>\$ 2,154,998</u>	<u>919,602</u>	<u>3,074,600</u>

(continued)

# South Buda Water Control and Improvement District No. 1

## TSI-5 Long-Term Debt Service Requirements - By Years (continued) September 30, 2020

Due During Fiscal Years Ending 9/30	Unlimited Tax Bonds Series 2017			Unlimited Tax Bonds Series 2018			Unlimited Tax Refunding Bonds Series 2020			Annual Requirements For All Series		
	Principal Due 8/1	Interest Due 2/1, 8/1	Total	Principal Due 8/1	Interest Due 2/1, 8/1	Total	Principal Due 8/1	Interest Due 2/1, 8/1	Total	Principal Due	Interest Due	Total
	2021	\$ 130,000	218,175	348,175	\$ 70,000	138,663	208,663	\$ 100,000	77,524	177,524	\$ 537,225	1,002,369
2022	135,000	212,975	347,975	75,000	136,562	211,562	105,000	74,524	179,524	562,773	993,539	1,556,312
2023	140,000	207,575	347,575	80,000	134,313	214,313	105,000	71,374	176,374	705,000	853,809	1,558,809
2024	145,000	204,425	349,425	85,000	131,912	216,912	110,000	68,224	178,224	745,000	834,161	1,579,161
2025	155,000	201,163	356,163	90,000	129,363	219,363	115,000	64,924	179,924	775,000	813,202	1,588,202
2026	160,000	196,900	356,900	95,000	126,662	221,662	120,000	61,474	181,474	815,000	788,637	1,603,637
2027	165,000	192,500	357,500	95,000	123,813	218,813	125,000	57,874	182,874	855,000	762,706	1,617,706
2028	175,000	187,550	362,550	100,000	120,962	220,962	130,000	55,374	185,374	895,000	736,045	1,631,045
2029	180,000	182,300	362,300	105,000	117,713	222,713	130,000	52,774	182,774	930,000	707,210	1,637,210
2030	190,000	176,450	366,450	115,000	114,300	229,300	135,000	49,914	184,914	980,000	676,172	1,656,172
2031	200,000	170,275	370,275	120,000	110,562	230,562	135,000	46,943	181,943	1,030,000	643,101	1,673,101
2032	210,000	163,525	373,525	125,000	106,663	231,663	140,000	44,074	184,074	1,070,000	608,015	1,678,015
2033	215,000	156,438	371,438	130,000	102,600	232,600	145,000	40,924	185,924	1,110,000	573,334	1,683,334
2034	225,000	148,913	373,913	135,000	98,375	233,375	150,000	37,300	187,300	1,170,000	536,540	1,706,540
2035	235,000	141,038	376,038	145,000	93,819	238,819	150,000	33,550	183,550	975,000	497,181	1,472,181
2036	250,000	132,813	382,813	150,000	88,925	238,925	160,000	29,800	189,800	1,025,000	463,440	1,488,440
2037	260,000	123,438	383,438	160,000	83,863	243,863	160,000	25,400	185,400	1,070,000	426,948	1,496,948
2038	270,000	113,688	383,688	165,000	78,462	243,462	165,000	21,000	186,000	1,115,000	388,684	1,503,684
2039	285,000	103,563	388,563	175,000	72,688	247,688	170,000	16,050	186,050	1,165,000	347,566	1,512,566
2040	295,000	92,876	387,876	185,000	66,563	251,563	180,000	10,950	190,950	1,225,000	304,469	1,529,469
2041	310,000	81,813	391,813	195,000	59,856	254,856	185,000	5,550	190,550	1,285,000	258,759	1,543,759
2042	325,000	70,188	395,188	200,000	52,788	252,788	-	-	-	1,150,000	210,704	1,360,704
2043	340,000	58,000	398,000	215,000	44,788	259,788	-	-	-	1,210,000	165,523	1,375,523
2044	355,000	44,400	399,400	225,000	36,187	261,187	-	-	-	1,125,000	117,082	1,242,082
2045	370,000	30,200	400,200	235,000	27,750	262,750	-	-	-	1,030,000	73,770	1,103,770
2046	385,000	15,400	400,400	245,000	18,937	263,937	-	-	-	630,000	34,337	664,337
2047	-	-	-	260,000	9,750	269,750	-	-	-	260,000	9,750	269,750
	<u>\$ 6,105,000</u>	<u>3,626,581</u>	<u>9,731,581</u>	<u>\$ 3,975,000</u>	<u>2,426,839</u>	<u>6,401,839</u>	<u>\$ 2,915,000</u>	<u>945,521</u>	<u>3,860,521</u>	<u>\$ 25,444,998</u>	<u>13,827,053</u>	<u>39,272,051</u>

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# South Buda Water Control and Improvement District No. 1

## TSI-6 Analysis of Changes in Long-Term Debt September 30, 2020

	Series 2010	Series 2011	Series 2013	Series 2014	Series 2015	Series 2016	Series 2016 Ref	Series 2017	Series 2018	Series 2020 Ref	Totals
Interest rate	3.00 to 5.25%	3.00 to 5.00%	2.25 to 5.10%	3.50 to 5.00%	3.00 to 5.00%	2.00 to 3.70%	1.83 to 4.00%	2.25 to 4.00%	2.25 to 4.00%	2.00 to 3.00%	
Dates interest payable	2/1; 8/1	2/1; 8/1	2/1; 8/1	2/1; 8/1	2/1; 8/1	2/1; 8/1	2/1; 8/1	2/1; 8/1	2/1; 8/1	2/1; 8/1	
Maturity dates	8/1/12 to 8/1/20	8/1/14 to 8/1/41	8/1/16 to 8/1/43	8/1/16 to 8/1/44	8/1/17 to 8/1/45	8/1/17 to 8/1/45	8/1/17 to 8/1/34	8/1/19 to 8/1/46	8/1/19 to 8/1/47	8/1/20 to 8/1/41	
Bonds outstanding, beginning of year	\$ 95,000	2,770,000	1,910,000	1,985,000	2,845,000	3,770,000	2,179,998	6,225,000	4,045,000	-	25,824,998
Bonds issued during current year	-	-	-	-	-	-	-	-	-	2,915,000	2,915,000
Bonds retired during current year	(95,000)	(2,770,000)	(40,000)	(40,000)	(55,000)	(80,000)	(25,000)	(120,000)	(70,000)	-	(3,295,000)
Bonds outstanding, end of year	\$ -	-	1,870,000	1,945,000	2,790,000	3,690,000	2,154,998	6,105,000	3,975,000	2,915,000	25,444,998
Interest paid during current year	\$ 4,085	118,311	90,068	77,875	101,181	117,658	76,500	222,975	140,762	16,581	965,996

Paying agent's name & address for Series 2010: Wells Fargo Bank, N.A., Austin, Texas

Paying agent's name & address for Series 2011,  
2013, 2014, 2015, 2016, 2016 Ref, 2017,  
2018 & 2020 Ref:

Bank of Texas, N.A., Austin, Texas

	Tax Bonds	Tax Road Bonds
Bond authority:		
Amount authorized	\$ 78,000,000	6,000,000
Amount issued	25,595,000	2,055,000
Remaining to be issued	\$ 52,405,000	3,945,000

Debt Service Fund cash and temporary investments  
balances as of September 30, 2020: \$ 2,399,093

Average annual debt service payments  
(principal & interest) for remaining term of debt: \$ 1,454,520

# South Buda Water Control and Improvement District No. 1

## TSI-7 Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund For Five Years Ended September 30, 2020

	Amounts					Percent of Fund Total Revenues				
	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016
<b>General Fund</b>										
Revenues and other sources:										
Water service	\$ 1,081,997	922,863	918,874	923,364	775,619	61.2 %	25.1	44.1	50.0	50.0
Impact fees	-	-	219,282	55,842	58,566	-	0.1	10.5	3.8	3.8
Tap connection fees	52,768	-	-	13,000	53,200	3.0	-	-	3.4	3.4
Inspection fees	27,400	-	-	3,950	19,350	1.6	-	-	1.3	1.3
Property taxes, including penalties and interest	587,524	538,239	710,378	600,209	639,274	33.3	14.6	34.1	41.2	41.2
Interest on temporary investments	16,294	40,349	6,123	3,870	4,353	0.9	1.1	0.3	0.3	0.3
Developer advances	-	2,172,800	-	-	-	-	59.1	-	-	-
Transfers between funds	-	-	229,756	46,548	-	-	-	11.0	-	-
<b>Total revenues and other sources</b>	<b>1,765,983</b>	<b>3,674,251</b>	<b>2,084,413</b>	<b>1,646,783</b>	<b>1,550,362</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Expenditures:										
Water purchases	802,844	749,517	1,054,535	1,132,063	814,233	45.5	20.4	50.6	68.7	52.5
Engineering fees	183,783	48,247	47,818	20,283	66,152	10.4	1.3	2.3	1.2	4.3
Legal fees	91,339	71,189	128,309	97,257	69,333	5.2	1.9	6.2	5.9	4.5
Repairs and maintenance	103,597	488,647	372,085	111,448	122,904	5.9	13.3	17.9	6.8	7.9
Management fees	21,387	20,017	21,213	20,054	20,608	1.2	0.5	1.0	1.2	1.3
Garbage services	105,457	107,068	116,884	109,540	96,727	6.0	2.9	5.6	6.7	6.2
Inspection fees	-	-	230	9,028	17,538	-	-	-	0.5	1.1
Tax assessor	18,661	16,651	15,208	14,191	10,276	1.1	0.5	0.7	0.9	0.7
Directors' fees	18,906	15,449	20,080	6,511	15,326	1.1	0.4	1.0	0.4	1.0
Audit fees	15,000	17,000	14,000	13,500	13,000	0.8	0.5	0.7	0.8	0.8
Insurance	11,959	10,902	9,723	7,284	7,418	0.7	0.3	0.5	0.4	0.5
Recurring operating	132,767	124,018	111,138	105,305	107,766	7.5	3.4	5.3	6.4	7.0
Capital outlay	3,321,683	362,036	177,663	50,207	323,475	188.1	9.9	8.4	3.0	20.8
Bond issuance costs	-	-	-	4,500	500	-	-	-	0.3	0.1
Fiscal agent fees	2,400	400	-	2,600	-	0.1	-	0.1	0.1	-
<b>Total expenditures</b>	<b>4,829,783</b>	<b>2,031,141</b>	<b>2,088,886</b>	<b>1,703,771</b>	<b>1,685,256</b>	<b>273.5</b>	<b>55.3</b>	<b>100.2</b>	<b>103.5</b>	<b>108.7</b>
Excess (deficit) of revenues and other sources over (under) expenditures	\$ (3,063,800)	1,643,110	(4,473)	(56,988)	(134,894)	(173.5) %	44.7	(0.2)	(3.5)	(8.7)
<b>Debt Service Fund</b>										
Revenues and other sources:										
Property taxes, including penalties and interest	\$ 2,110,390	1,943,540	1,572,359	1,307,971	894,249	41.7 %	99.8	99.8	33.1	99.7
Interest on temporary advances	4,859	4,851	2,773	1,265	1,902	0.1	0.2	0.2	-	0.2
Proceeds from bond issuance	2,915,000	-	-	2,274,998	500	57.6	-	-	57.5	0.1
Premium on sale of bonds	29,427	-	-	369,458	-	0.6	-	-	9.4	-
<b>Total revenues and other sources</b>	<b>5,059,676</b>	<b>1,948,391</b>	<b>1,575,132</b>	<b>3,953,692</b>	<b>896,651</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Expenditures and other uses:										
Interest and fiscal charges	1,163,483	987,135	872,267	888,438	627,146	23.0	50.7	55.4	22.5	69.9
Bond principal	595,000	510,000	365,000	390,000	200,000	11.8	26.2	23.2	9.9	22.3
Discount on sale of bonds	31,347	-	-	-	-	0.7	-	-	-	-
Payment to refunded bond escrow agent	2,715,441	-	-	2,470,463	-	54	-	-	62.5	-
<b>Total expenditures and other uses:</b>	<b>4,505,271</b>	<b>1,497,135</b>	<b>1,237,267</b>	<b>3,748,901</b>	<b>827,146</b>	<b>89.2</b>	<b>76.9</b>	<b>78.6</b>	<b>94.9</b>	<b>92.2</b>
Excess of revenues and other sources over expenditures and other uses	\$ 554,405	451,256	337,865	204,791	69,505	10.8 %	23.1	21.4	5.1	7.8
Total active retail water connections	562	514	514	511	495					
Total active retail wastewater connections (1)	-	-	-	-	-					

(1) Wastewater services are provided by the City of Buda



# South Buda Water Control and Improvement District No. 1

## TSI-8 Board Members, Key Personnel and Consultants September 30, 2020

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Complete District Mailing Address: 12912 Hill Country Blvd. Suite F-232  
Austin, Texas 78738

District Business Telephone Number: (512) 476-6604

Submission date of the most recent District Registration Form: November 3, 2020  
(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)

<u>Names</u>	<u>Elected and Expires or Date Hired</u>	<u>Fees 09/30/20</u>	<u>Expense Reimbursements 09/30/20</u>	<u>Title at Year End</u>
<b>Board Members:</b>				
Marvin B. Morgan	(Elected) 5/20-5/24	\$ 3,150	128	President
Sean M. Denton	(Elected) 5/20-5/24	6,000	-	Vice-President
Dante Angelini	(Elected) 5/20-5/24	4,050	91	Secretary
Jefferson W. Barton	(Elected) 5/18 - 5/22	2,100	188	Assistant Secretary
John D. Fowler	(Appointed) 6/20 - 5/22	750	-	Assistant Secretary
<b>Former Board Members-</b>				
Joe Priesnitz	(Elected) 5/18 - 4/20	900	12	

Note: No director is disqualified from serving on this board under the Texas Water Code.

(continued)

# South Buda Water Control and Improvement District No. 1

## TSI-8 Board Members, Key Personnel and Consultants (continued) September 30, 2020

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Names and Addresses	Term of Office Elected & Expires or Date Hired	Fees & Expense Reimbursements 9/30/20	Title at Period End
<b>Consultants:</b>			
AWR Services, Inc.	2011	\$ 186,806	Operator
Berrier & Company, P.C.	2020	18,749	Bookkeeper
Willatt & Flickinger, PLLC	2005	93,664	Attorney
Gray Engineering, Inc.	2005	350,445	Engineer
Specialized Public Finance, Inc.	2010	-	Financial Advisor
Maxwell Locke & Ritter LLP	2006	15,000	Auditor
Hays Central Appraisal District	2006	18,661	Appraisal District
Hays County Tax Assessor/Collector	2006	-	Tax Collector