

**STONEWALL RANCH  
MUNICIPAL UTILITY DISTRICT**

**Financial Statements and  
Supplemental Information  
as of and for the Year Ended  
September 30, 2019 and  
Independent Auditors' Report**



# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

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# ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS

COUNTY OF WILLIAMSON

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

of the STONEWALL RANCH MUNICIPAL UTILITY 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 \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, its annual audit report for the fiscal year ended September 30, 2019 and that copies of the annual audit report have been filed in the District office, located at c/o McLean & Howard, LLP, Barton Oaks Plaza, Building II, 901 S. Mopac Expressway Suite 225, Austin, Texas 78746.

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)

\_\_\_\_\_  
(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



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*An Affiliate of CPAmerica International*

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Stonewall Ranch Municipal Utility District:

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Stonewall Ranch Municipal Utility District (the "District"), as of and for the year ended September 30, 2019, 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.

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

*"A Registered Investment Advisor"*

*This firm is not a CPA firm*

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, 2019, 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") and other supplemental information listed in the table of contents are presented for purposes of additional analysis and are 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.

The other supplemental information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Maxwell Locke & Ritter LLP*

Austin, Texas  
February 5, 2020

# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

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## Management's Discussion and Analysis For the Year Ended September 30, 2019

In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, the management of Stonewall Ranch Municipal Utility District (the "District") offers the following narrative on the financial performance of the District for the year ended September 30, 2019. 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 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 of the District exceeded its assets and deferred outflows of resources by approximately \$56,000 as of September 30, 2019.
- For the 2019 fiscal year, the District levied an ad valorem tax of \$0.9000 on each \$100 of taxable property within the District. Property within the District was valued at approximately \$78.2 million, which resulted in a property tax levy of approximately \$716,000.

### 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 the 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 balances 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 the 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 and other supplemental information are presented immediately following the *Notes to the Basic Financial Statements*.

## Comparative Financial Statements

### Statement of Net Position

	Governmental Activities		
	2019	2018	% Change
Current assets	\$ 2,038,554	\$ 1,337,815	52.4%
Capital and other assets	8,105,863	3,189,842	154.1%
Total assets	\$ 10,144,417	\$ 4,527,657	124.1%
Deferred outflows of resources	\$ 62,587	\$ 66,694	(6.2%)
Current liabilities	\$ 334,891	\$ 145,590	130.0%
Long-term liabilities	9,928,554	4,131,499	140.3%
Total liabilities	\$ 10,263,445	\$ 4,277,089	140.0%
Net investment in capital assets	\$ (1,791,007)	\$ (800,341)	(123.8%)
Restricted for debt service	527,943	286,345	84.4%
Unrestricted	1,206,623	831,258	45.2%
Total net position	\$ (56,441)	\$ 317,262	(117.8%)

The District’s total assets were approximately \$10.1 million as of September 30, 2019. Of this amount, approximately \$8.0 million is accounted for by capital and intangible assets. The District had outstanding liabilities of approximately \$10.3 million as of September 30, 2019, of which approximately \$10.1 million represents bonds payable.

The District’s assessed value for fiscal year 2019 (which is based on the 2018 tax levy) was approximately \$78.2 million compared to approximately \$63.4 million for fiscal year 2018. The tax rate is set after modeling revenue and expenses for the upcoming five year period. The District’s primary revenue source is property taxes.

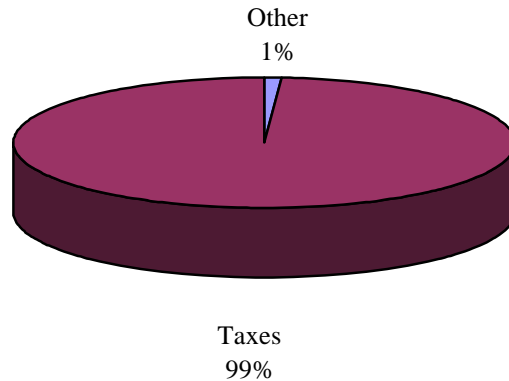


## Statement of Activities

	Governmental Activities		
	2019	2018	% Change
Property taxes, including penalties	\$ 716,669	\$ 580,005	23.6%
Interest	21,550	7,773	177.2%
<b>Total revenues</b>	<b>738,219</b>	<b>587,778</b>	<b>25.6%</b>
Service operations	172,841	109,296	58.1%
Debt service	815,144	167,042	388.0%
Depreciation and amortization	123,937	68,255	81.6%
<b>Total expenses</b>	<b>1,111,922</b>	<b>344,593</b>	<b>222.7%</b>
Change in net position	(373,703)	243,185	(253.7%)
Beginning net position	317,262	74,077	328.3%
Ending net position	<u>\$ (56,441)</u>	<u>\$ 317,262</u>	<u>(117.8%)</u>

Operating revenues increased by approximately \$150,000 to approximately \$738,000 for the fiscal year ended September 30, 2019. Property taxes generated approximately \$717,000 and interest provided approximately \$22,000 in revenues for the fiscal year ended September 30, 2019. Total expenses increased approximately \$767,000 to approximately \$1,112,000 for the fiscal year ended September 30, 2019. Net position decreased by approximately \$374,000 to an ending deficit balance of approximately \$56,000 for the year ended September 30, 2019.

### Sources of Revenue



## Analysis of Governmental Funds

	2019	2018	2017
Cash and cash equivalents	\$ 1,998,802	\$ 1,291,652	\$ 1,120,622
Receivables	40,216	46,241	3,306
Prepays	33,061	42,200	433
Total assets	<u>\$ 2,072,079</u>	<u>\$ 1,380,093</u>	<u>\$ 1,124,361</u>
Accounts payable	\$ 42,620	\$ 17,237	\$ 13,568
Other liabilities	33,823	42,416	563
Total liabilities	<u>76,443</u>	<u>59,653</u>	<u>14,131</u>
Deferred inflows of resources- property taxes	<u>6,691</u>	<u>3,963</u>	<u>2,927</u>
Nonspendable	418	403	433
Restricted	731,718	371,125	384,737
Unassigned	<u>1,256,809</u>	<u>944,949</u>	<u>722,133</u>
Total fund balances	<u>1,988,945</u>	<u>1,316,477</u>	<u>1,107,303</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,072,079</u>	<u>\$ 1,380,093</u>	<u>\$ 1,124,361</u>

The *General Fund* pays for daily operating expenditures. When comparing actual figures to the budget, revenues were more than budgeted by approximately \$22,000 due to more property taxes received and interest earned than budgeted. Expenditures were less than budgeted by approximately \$111,000 primarily due to lower than anticipated repairs and maintenance costs and there being no security expenditures in the current fiscal year. More detailed information about the District's budgetary comparison is presented in the *Basic Financial Statements*.

The *Debt Service Fund* remitted bond principal of \$165,000 and interest of \$248,311 during the 2019 fiscal year. More detailed information about the District's debt is presented in the *Notes to the Basic Financial Statements*.

The *Capital Projects Fund* purchases the District's infrastructure. During the fiscal year, the Capital Projects Fund had \$5,010,420 of capital outlay expenditures.

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

#### Capital Assets, net

	2019	2018
Land	\$ 179,718	\$ 179,718
Drainage facilities	1,738,129	-
Accumulated depreciation	<u>(17,906)</u>	<u>-</u>
Total	<u>\$ 1,899,941</u>	<u>\$ 179,718</u>

#### Intangible Assets, net

	2019	2018
Water capacity charges	\$ 3,218,606	\$ 3,218,606
Rights to receive service	3,404,670	194,124
Accumulated amortization	<u>(508,637)</u>	<u>(402,606)</u>
Total	<u>\$ 6,114,639</u>	<u>\$ 3,010,124</u>

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

**Long-Term Debt Activity**

	2019	2018
Total bonds outstanding	\$ 10,065,000	\$ 4,130,000
Add: Developer advances	54,754	116,499
Total	\$ 10,119,754	\$ 4,246,499

At September 30, 2019, the District owes approximately \$10.1 million to bond holders. The District issued \$2,600,000 in Series 2018 Bonds and \$3,500,000 in Series 2019 Bonds during the fiscal year ended September 30, 2019. During the 2019 fiscal year, the principal balance was reduced by \$165,000. At September 30, 2019, the District owed approximately \$55,000 to the developer for advances used to fund operating activities.

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

For fiscal year 2020, the tax rate has been set at \$0.9000 per \$100 of assessed valuation with \$0.4965 for maintenance and operating expenditures and \$0.4035 for debt service expenditures. The adopted budget for fiscal year 2020 projects revenues of approximately \$500,000 and expenditures of approximately \$260,000 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 c/o McLean & Howard, LLP, Barton Oaks Plaza, Building II, 901 S. Mopac Expressway Suite 225, Austin, Texas 78746.

# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

## STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET YEAR ENDED SEPTEMBER 30, 2019

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Note 2)	Statement of Net Position
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 1,266,202	573,257	159,343	1,998,802	-	1,998,802
Receivables:						
Taxes	4,150	2,541	-	6,691	-	6,691
Interfund	33,525	-	-	33,525	(33,525)	-
Prepaid items	418	-	32,643	33,061	-	33,061
Bond insurance costs	-	-	-	-	91,283	91,283
Capital assets, net of accumulated depreciation:						
Land	-	-	-	-	179,718	179,718
Drainage facilities	-	-	-	-	1,720,223	1,720,223
Intangible assets, net of accumulated amortization	-	-	-	-	6,114,639	6,114,639
Total assets	<u>\$ 1,304,295</u>	<u>575,798</u>	<u>191,986</u>	<u>2,072,079</u>	<u>8,072,338</u>	<u>10,144,417</u>
<b>DEFERRED OUTFLOWS OF RESOURCES-</b>						
Deferred charges on bond refundings	-	-	-	-	62,587	62,587
Total assets and deferred outflows of resources	<u>\$ 1,304,295</u>	<u>\$ 575,798</u>	<u>\$ 191,986</u>	<u>\$ 2,072,079</u>	<u>\$ 8,134,925</u>	<u>\$ 10,207,004</u>
<b>LIABILITIES:</b>						
Accounts payable	\$ 42,620	-	-	42,620	-	42,620
Accrued bond interest payable	-	-	-	-	46,973	46,973
Accrued expenses payable	298	-	-	298	-	298
Interfund payables	-	882	32,643	33,525	(33,525)	-
Long-term liabilities:						
Due within one year	-	-	-	-	245,000	245,000
Due after one year	-	-	-	-	9,873,800	9,873,800
Developer advances	-	-	-	-	54,754	54,754
Total liabilities	<u>42,918</u>	<u>882</u>	<u>32,643</u>	<u>76,443</u>	<u>10,187,002</u>	<u>10,263,445</u>
<b>DEFERRED INFLOWS OF RESOURCES-</b>						
Property taxes	4,150	2,541	-	6,691	(6,691)	-
Total deferred inflows of resources	<u>4,150</u>	<u>2,541</u>	<u>-</u>	<u>6,691</u>	<u>(6,691)</u>	<u>-</u>
<b>FUND BALANCES / NET POSITION:</b>						
Fund balances:						
Nonspendable-						
Prepaid items	418	-	-	418	(418)	-
Restricted for:						
Debt service	-	572,375	-	572,375	(572,375)	-
Capital projects	-	-	159,343	159,343	(159,343)	-
Unassigned	1,256,809	-	-	1,256,809	(1,256,809)	-
Total fund balances	<u>1,257,227</u>	<u>572,375</u>	<u>159,343</u>	<u>1,988,945</u>	<u>(1,988,945)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,304,295</u>	<u>575,798</u>	<u>191,986</u>	<u>2,072,079</u>		
Net position:						
Net investment in capital assets					(1,791,007)	(1,791,007)
Restricted for debt service					527,943	527,943
Unrestricted					1,206,623	1,206,623
Total net position					<u>\$ (56,441)</u>	<u>\$ (56,441)</u>

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

# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

## STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES YEAR ENDED SEPTEMBER 30, 2019

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Note 2)	Statement of Activities
<b>EXPENDITURES / EXPENSES:</b>						
Service operations:						
Audit fees	\$ 15,500	-	-	15,500	-	15,500
Legal fees	24,821	-	-	24,821	-	24,821
Utilities	12,885	-	-	12,885	-	12,885
Bookkeeping fees	19,908	-	-	19,908	-	19,908
Repairs and maintenance	58,182	-	-	58,182	-	58,182
Director fees, including payroll taxes	6,597	-	-	6,597	-	6,597
Tax appraisal/collection fees	2,810	1,569	-	4,379	-	4,379
Insurance	2,656	-	-	2,656	-	2,656
Engineering fees	10,572	-	-	10,572	-	10,572
Capital outlay	-	-	5,010,420	5,010,420	(5,010,420)	-
Other	6,206	117	11,018	17,341	-	17,341
Debt service:						
Bond principal	-	165,000	-	165,000	(165,000)	-
Bond interest	-	248,311	-	248,311	39,404	287,715
Fiscal agent fees and other	-	400	622,029	622,429	(95,000)	527,429
Depreciation	-	-	-	-	17,906	17,906
Amortization	-	-	-	-	106,031	106,031
Total expenditures / expenses	160,137	415,397	5,643,467	6,219,001	(5,107,079)	1,111,922
<b>REVENUES:</b>						
Property taxes, including penalties	\$ 458,182	255,759	-	713,941	2,728	716,669
Interest	13,830	7,348	372	21,550	-	21,550
Total revenues	472,012	263,107	372	735,491	2,728	738,219
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	311,875	(152,290)	(5,643,095)	(5,483,510)	5,483,510	-
<b>OTHER FINANCING SOURCES:</b>						
Issuance of bonds	-	426,663	5,673,337	6,100,000	(6,100,000)	-
Premium on sale of bonds	-	-	55,978	55,978	(55,978)	-
Total other financing sources	-	426,663	5,729,315	6,155,978	(6,155,978)	-
CHANGE IN FUND BALANCES	311,875	274,373	86,220	672,468	(672,468)	-
CHANGE IN NET POSITION	-	-	-	-	(373,703)	(373,703)
<b>FUND BALANCES / NET POSITION:</b>						
Beginning of the year	945,352	298,002	73,123	1,316,477	(999,215)	317,262
End of the year	\$ 1,257,227	\$ 572,375	\$ 159,343	\$ 1,988,945	\$ (2,045,386)	\$ (56,441)

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

# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND YEAR ENDED SEPTEMBER 30, 2019

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE
<b>REVENUES:</b>			
Property taxes, including penalties	\$ 447,584	458,182	10,598
Interest	2,000	13,830	11,830
Total revenues	449,584	472,012	22,428
<b>EXPENDITURES:</b>			
Service operations:			
Audit fees	15,500	15,500	-
Legal fees	25,000	24,821	179
Utilities	14,000	12,885	1,115
Bookkeeping fees	20,000	19,908	92
Repairs and maintenance	125,000	58,182	66,818
Director fees, including payroll taxes	8,000	6,597	1,403
Tax appraisal/collection fees	6,000	2,810	3,190
Insurance	3,000	2,656	344
Engineering fees	20,000	10,572	9,428
Security	25,000	-	25,000
Other	9,500	6,206	3,294
Total expenditures	271,000	160,137	110,863
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	178,584	311,875	133,291
<b>FUND BALANCE:</b>			
Beginning of the year	945,352	945,352	-
End of the year	\$ 1,123,936	1,257,227	133,291

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

# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Stonewall Ranch Municipal Utility District (the “District”), was created, organized and established on March 28, 2006, by the Texas Commission on Environmental Quality (formerly the Texas Water Commission) pursuant to the provisions of Chapter 54 of the Texas Water Code. The District is a political subdivision of the State of Texas and operates under an elected Board of Directors (“the Board”).

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, if any, 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. Amounts reported as program revenues, if any, 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 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 accounts for 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. Formal budgetary integration is not employed for the Debt Service Fund or the Capital Projects Fund. The budget is proposed by the District's accountant 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 Fund Balances**

Cash and Cash Equivalents - Includes cash on deposit as well as money market funds.

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

Capital Assets - Capital assets, which include land and drainage improvements, 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 value of the assets or materially extend the assets' lives are not capitalized. Drainage improvements are depreciated using the straight-line method over the estimated useful life of fifty years.

Intangible Assets - Intangible assets, which include water capacity charges and rights to receive service, are reported in the governmental activities column in the government-wide financial statements. Intangible assets are defined by GASB Statement No. 51 as assets which lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Such assets are recorded at historical cost if purchased or estimated fair value at the date of donation if donated. Intangible assets are amortized using the straight-line method over the estimated benefit periods of the assets, which is fifty years.

Interfund Transactions - Transfers from one fund to another fund are reported as interfund receivables and payables if there is an 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 are deferred 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 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.

Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures during the period incurred in both the fund and government-wide financial statements.

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. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectibles 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.

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 Deferred 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.

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 December 15, 2019. 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, 2021.

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, 2019. 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, 2021.

## 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	\$ 1,988,945
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	91,283
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	1,899,941
Intangible assets, net of accumulated amortization	6,114,639
Deferred tax revenue is not available to pay for current-period expenditures and, therefore, is deferred in the funds.	6,691
The following liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable, net of bond premiums	(10,118,800)
Less: Deferred charges on bond refundings	62,587
Developer advances	(54,754)
Accrued interest payable	<u>(46,973)</u>
Total net position	<u>\$ (56,441)</u>

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

Change in governmental funds fund balance	\$ 672,468
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	4,948,675
Depreciation	(17,906)
Amortization - intangible assets	(106,031)
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	2,728
Bond proceeds and developer advances provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal and developer advances are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Bond proceeds, including premium	(6,155,978)
Repayment of bond principal	165,000
Repayment of developer advance	61,745
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	(33,758)
Amortization of deferred charges on bond refundings	(4,107)
Amortization of bond premium	2,178
Bond insurance premium	95,000
Amortization of bond insurance costs	(3,717)
Change in net position	<u>\$ (373,703)</u>

### 3. CASH AND CASH EQUIVALENTS

The District's deposits are required to be secured in a manner provided by law for the security of the funds. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of September 30, 2019, the District's bank 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 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 of principal, liquidity, return on investment, and standard of care.

The District is entitled to invest in the following:

- Obligations of the United States or its agencies and instrumentalities;
- Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States if the obligation is not:
  - An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
  - An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
  - A collateralized mortgage obligation that has a stated final maturity date of greater than 10 years; and
  - A collateralized mortgage obligation the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.
- Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the FDIC or by the explicit full faith and credit of the United States;
- Obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized rating firm not less than “A” or its equivalent;
- Certificates of deposit issued by a state or national bank domiciled in the same state or a savings and loan association domiciled in the same state and is guaranteed or insured by the FDIC or its successor or secured by obligations described above which have a market value at least equal to the deposit and are pledged to the District only and held by a third-party custodian;
- Fully insured certificates of deposit purchased from a broker or a bank that has its main office or a branch in the State of Texas and is selected from the list of qualified brokers approved in the District’s investment policy. All investments in such brokered certificates of deposit shall be made on a delivery versus payment basis to the District’s safekeeping agent, and the Investment Officer shall verify that the bank is fully insured with the FDIC prior to purchase. In the event that any bank from which the District has purchased a brokered certificate of deposit merges with, or is acquired by, another bank in which brokered certificates of deposit are owned by the District, the Investment Officer shall immediately contact the banks to liquidate any brokered certificate that exceeds FDIC insurance levels;
- An investment pool that meets the requirements of the Public Funds Investment Act;
- Other investments authorized by law and approved by the Board by resolution or minute entry.

At September 30, 2019, the District held no investments.

#### 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 interfund receivables or interfund payables. The composition of interfund balances as of September 30, 2019 is as follows:

Receivable Fund	Payable Fund	Amount
General	Debt Service	882
General	Capital Projects	32,643
Total		<u>\$ 33,525</u>

#### 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 was as follows:

	Balance September 30, 2018	Additions	Retirements and Transfers	Balance September 30, 2019
Capital asset not being depreciated-				
Land	\$ 179,718	-	-	179,718
Capital assets being depreciated-				
Drainage facilities	-	1,738,129	-	1,738,129
Less accumulated depreciation for-				
Drainage facilities	-	(17,906)	-	(17,906)
Total capital assets being depreciated, net	-	1,720,223	-	1,720,223
Capital assets, net	<u>\$ 179,718</u>	<u>1,720,223</u>	<u>-</u>	<u>1,899,941</u>

## 6. INTANGIBLE ASSETS

Intangible assets activity for the year ended September 30, 2019 was as follows:

	Balance September 30, 2018	Additions	Retirements and Transfers	Balance September 30, 2019
Water capacity charges	\$ 3,218,606	-	-	3,218,606
Rights to receive service	194,124	3,210,546	-	3,404,670
Total intangible assets	3,412,730	3,210,546	-	6,623,276
Less: accumulated amortization	(402,606)	(106,031)	-	(508,637)
Intangible assets, net	<u>\$ 3,010,124</u>	<u>3,104,515</u>	<u>-</u>	<u>6,114,639</u>

## 7. DEFERRED CHARGES ON BOND REFUNDING

The following is a summary of changes in deferred charges on bond refundings for the year ended September 30, 2019:

	Balance September 30, 2018	Additions	Retirements	Balance September 30, 2019
Deferred charges on bond refundings	\$ 66,694	-	(4,107)	<u>62,587</u>

## 8. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended September 30, 2019:

	Balance September 30, 2018	Additions/ Refundings	Retirements	Balance September 30, 2019
Bonds payable:				
Series 2015	\$ 2,560,000	-	(110,000)	2,450,000
Series 2016	1,570,000	-	(5,000)	1,565,000
Series 2018	-	2,600,000	(50,000)	2,550,000
Series 2019	-	3,500,000	-	3,500,000
Premium on bond issuances	-	55,978	(2,178)	53,800
Total	<u>\$ 4,130,000</u>	<u>6,155,978</u>	<u>(167,178)</u>	<u>10,118,800</u>



Bonds payable at September 30, 2019 consisted of the following:

<u>Series</u>	<u>Description</u>	<u>Matures</u>	<u>Interest Rates</u>	<u>Balance September 30, 2019</u>	<u>Due within one year</u>
	Unlimited Tax Refunding				
2015	Bonds	2035	3.95%	\$ 2,450,000	\$ 115,000
2016	Unlimited Tax Bonds	2041	2.00-3.75%	1,565,000	5,000
2018	Unlimited Tax Bonds	2043	3.00-5.00%	2,550,000	50,000
2019	Unlimited Tax Bonds	2044	3.00-5.00%	<u>3,500,000</u>	<u>75,000</u>
	Total			<u>\$ 10,065,000</u>	<u>\$ 245,000</u>

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

On October 3, 2018, the District issued \$2,600,000 Unlimited Tax Bonds, Series 2018, to reimburse the District's developer for construction, developer advances, pay interest on funds advanced by the developer on behalf of the District, capitalize interest related to the bonds, and pay certain other costs related to the issuance of bonds. The net proceeds of \$2,403,021 (after payment of \$285,935 in underwriter fees, insurance, and other bond related costs), which includes \$73,000 of surplus bond funds from prior bond issuances, were used for the following: \$200,863 was deposited in the Debt Service Fund representing capitalized interest to pay future debt service, and \$2,202,158 was deposited in the Capital Projects Fund to provide payments for developer reimbursements and future bond related items.

On July 10, 2019, the District issued \$3,500,000 Unlimited Tax Bonds, Series 2019, to reimburse the District's developer for construction, engineering, pay interest on funds advanced by the developer on behalf of the District, capitalize interest related to the bonds, and pay certain other costs related to the issuance of bonds. The net proceeds of \$3,271,325 (after payment of \$335,561 in underwriter fees, insurance, and other bond related costs), which includes \$66,864 of surplus bond funds from prior bond issuances, were used for the following: \$225,800 was deposited in the Debt Service Fund representing capitalized interest to pay future debt service, and \$3,045,525 was deposited in the Capital Projects Fund to provide payments for developer reimbursements and future bond related items.

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

Fiscal Year	Principal	Interest	Total Requirement
2020	245,000	383,802	628,802
2021	250,000	356,327	606,327
2022	260,000	345,289	605,289
2023	265,000	333,792	598,792
2024	275,000	322,038	597,038
2025-2029	1,610,000	1,421,478	3,031,478
2030-2034	1,975,000	1,106,482	3,081,482
2035-2039	2,360,000	733,559	3,093,559
2040-2044	2,825,000	288,938	3,113,938
Total	<u>\$ 10,065,000</u>	<u>\$ 5,291,705</u>	<u>\$ 15,356,705</u>

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

At September 30, 2019, unlimited tax bonds totaling \$19,820,000 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 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 inflows of resources. Taxes receivable are due January 1 and are delinquent if received after January 31 and are subject to penalty and interest charges.

In September 2018, the District levied a combined tax rate of \$0.9000 per \$100 of assessed valuation to finance operating expenditures and debt service requirements. The maintenance tax rate and the debt service tax rate were \$0.5775 and \$0.3225, respectively, for fiscal year 2019. The total 2018 tax levy was \$715,873 based on a taxable valuation of \$78,190,398.

## 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 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 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.

## **11. 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 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. During the year ended September 30, 2019, there were no significant reductions in insurance coverage from coverage in the prior year. No claims were filed during the last three years.

## **12. COMMITMENTS AND CONTINGENCIES**

The District is currently under development, and the construction of facilities is being paid by the developers of the District. The Board of the District authorized the funding of the projects and the reimbursement of the developer for the cost of the projects out of bond proceeds when the bonds are authorized and issued. The bond proceeds will be used to purchase all of the capital assets within the District including related infrastructure. As of September 30, 2019, the estimate of total bonds needed to purchase the remaining infrastructure was \$19,820,000. The developer of the land within the District has incurred costs related to construction of facilities. Such costs may be reimbursable to the developer by the District from proceeds of future District bond issues, subject to approval by the Texas Commission on Environmental Quality. In addition, at September 30, 2019, the District owed \$54,754 to the developer for advances used to fund operating activities.

# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

## INDEX OF SUPPLEMENTAL SCHEDULES REQUIRED BY TEXAS COMMISSION ON ENVIRONMENTAL QUALITY SEPTEMBER 30, 2019

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SCHEDULE INCLUDED		
<u>YES</u>	<u>NO</u>	
<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>      </u>	<u>X</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, 2019
<u>X</u>	<u>      </u>	TSI-8 Board Members, Key Personnel and Consultants

# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

## TSI-0 NOTES REQUIRED BY THE WATER DISTRICT ACCOUNTING MANUAL SEPTEMBER 30, 2019

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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 the basic financial statements.

(B) Contingent Liabilities

See Note 12 to the basic financial statements.

(C) Pension Coverage

Not applicable.

(D) Pledge of Revenues

See Note 8 to the basic financial statements.

(E) Compliance with Debt Service Requirements

The provisions of the bond resolutions as summarized in Note 8 to the basic financial statements relating to debt service requirements have been met.

(F) Redemption of Bonds

See Note 8 to the basic financial statements.

# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

## TSI-1 SCHEDULE OF SERVICES AND RATES SEPTEMBER 30, 2019

### 1. Services Provided by the District during the Fiscal Year:

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Retail Water   | <input type="checkbox"/> Wholesale Water      | <input checked="" 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 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 (other than emergency interconnect) |   |  |
| <input type="checkbox"/> Other (specify): _____   |   |  |

### 2. Retail Service Providers

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

	Minimum Charge	Minimum	Flat Rate Y/N	Rate per 1000 Gallons Over Minimum	Usage Levels
WATER:	\$ - <sup>(1)</sup>	-	N	\$ -	-
WASTEWATER:	\$ - <sup>(1)</sup>	-	N	\$ -	-
SURCHARGE:	\$ -	-	-	\$ -	-

District employs winter averaging for wastewater usage? Yes  No

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

#### b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC's
Unmetered	0.0	0.0	1.0	0.0
< 3/4"	0.0	0.0	1.0	0.0
1"	0.0	0.0	2.5	0.0
1 1/2"	0.0	0.0	5.0	0.0
2"	0.0	0.0	8.0	0.0
3"	0.0	0.0	15.0	0.0
4"	0.0	0.0	25.0	0.0
6"	0.0	0.0	50.0	0.0
8"	0.0	0.0	80.0	0.0
10"	0.0	0.0	115.0	0.0
Total Water	0.0 <sup>(1)</sup>	0.0 <sup>(1)</sup>		0.0
Total Wastewater	0.0 <sup>(1)</sup>	0.0 <sup>(1)</sup>	1.0	0.0

(1) The District receives service from the City of Georgetown. As a result, service rates are set by the City of Georgetown, not the District.

(continued)

# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

## TSI-1 SCHEDULE OF SERVICES AND RATES (continued) SEPTEMBER 30, 2019

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

Gallons pumped into system: \_\_\_\_\_ - \_\_\_\_\_ (1)

Gallons billed to customers: \_\_\_\_\_ - \_\_\_\_\_ (1)

<b>Water Accountability Ratio</b> (Gallons billed / Gallons Pumped) <b>n/a</b>
--

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

Does the District assess standby fees? Yes  No

If yes, Date of the most recent Commission Order: \_\_\_\_\_

Does the District have Operation and Maintenance standby fees? Yes  No

If yes, Date of the most recent Commission Order: \_\_\_\_\_

### 5. Location of District

County(ies) in which district is located: \_\_\_\_\_ Williamson \_\_\_\_\_

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: \_\_\_\_\_

Is the District located within a city's extra territorial jurisdiction (ETJ)?  
Entirely  Partly  Not at all

ETJ's in which district is located: \_\_\_\_\_ Liberty Hill \_\_\_\_\_

Are Board members appointed by an office outside the district?  
Yes  No

If Yes, by whom? \_\_\_\_\_

(1) The District receives service from the City of Georgetown.

# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

## TSI-2 SCHEDULE OF GENERAL FUND EXPENDITURES SEPTEMBER 30, 2019

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Personnel Expenditures (including benefits)	\$	-
Professional Fees:		
Auditing		15,500
Legal		24,821
Engineering		10,572
Financial Advisor		-
Purchased Services for Resale-		
Bulk Water and Wastewater Purchases		-
Contracted Services:		
Bookkeeping		19,908
General Manager		-
Appraisal District		2,810
Tax Collector		-
Other Contracted Services		-
Utilities		12,885
Repairs and Maintenance		58,182
Administrative Expenditures:		
Directors' Fees		6,597
Office Supplies		-
Insurance		2,656
Other Administrative Expenditures		6,206
Capital Outlay:		
Capitalized Assets		-
Expenditures not Capitalized		-
Tap Connection Expenditures		-
Solid Waste Disposal		-
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		-
TOTAL EXPENDITURES	\$	<u>160,137</u>

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



# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

## TSI-4 ANALYSIS OF TAXES LEVIED AND RECEIVABLE SEPTEMBER 30, 2019

	Maintenance Taxes	Debt Service Taxes			
TAXES RECEIVABLE, SEPTEMBER 30, 2018	\$ 2,405	\$ 1,558			
2018 Tax Roll	459,352	256,521			
Adjustments	(213)	(119)			
Total to be accounted for	461,544	257,960			
Tax collections:					
Current year	457,589	255,569			
Prior years	(195)	(150)			
Total collections	457,394	255,419			
TAXES RECEIVABLE, SEPTEMBER 30, 2019	<u>\$ 4,150</u>	<u>\$ 2,541</u>			
TAXES RECEIVABLE, BY YEARS					
2016	1,273	683			
2017	1,132	875			
2018	1,745	983			
TAXES RECEIVABLE, SEPTEMBER 30, 2019	<u>\$ 4,150</u>	<u>\$ 2,541</u>			
PROPERTY VALUATIONS-					
	2018	2017	2016	2015	2014
Land and improvements	\$ 78,190,398	\$ 63,414,435	\$ 59,380,458	\$ 56,506,339	\$ 40,738,485
Total Property Valuations	<u>\$ 78,190,398</u>	<u>\$ 63,414,435</u>	<u>\$ 59,380,458</u>	<u>\$ 56,506,339</u>	<u>\$ 40,738,485</u>
TAX RATES PER \$100 VALUATION:					
Debt Service tax rates	\$ 0.3225	\$ 0.3930	\$ 0.3150	\$ 0.4010	\$ 0.5246
Maintenance tax rates	0.5775	0.5085	0.5865	0.5005	0.3936
TOTAL TAX RATES PER \$100 VALUATION:	<u>\$ 0.9000</u>	<u>\$ 0.9015</u>	<u>\$ 0.9015</u>	<u>\$ 0.9015</u>	<u>\$ 0.9182</u>
ORIGINAL TAX LEVY	<u>\$ 715,873</u>	<u>\$ 576,923</u>	<u>\$ 564,643</u>	<u>\$ 514,743</u>	<u>\$ 411,183</u>
PERCENT OF TAXES COLLECTED TO TAXES LEVIED **	<u>99.62%</u>	<u>99.65%</u>	<u>99.65%</u>	<u>100.00%</u>	<u>100.00%</u>
Maximum Tax Rate Approved by Voters:	<u>\$ 1.00 on 11/15/2006</u>				

\*\* Calculated as taxes collected in current and previous years divided by tax levy.

# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

## TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS SEPTEMBER 30, 2019

DUE DURING FISCAL YEARS ENDING 9/30	UNLIMITED TAX REFUNDING BONDS, SERIES 2015			UNLIMITED TAX BONDS, SERIES 2016			UNLIMITED TAX BONDS, SERIES 2018			UNLIMITED TAX BONDS, SERIES 2019			ANNUAL REQUIREMENTS FOR ALL SERIES		
	Principal Due 9/01	Interest Due 3/01,9/01	Total	Principal Due 9/01	Interest Due 3/01,9/01	Total	Principal Due 9/01	Interest Due 3/01,9/01	Total	Principal Due 9/01	Interest Due 3/01,9/01	Total	Principal Due 9/01	Interest Due 3/01,9/01	Total
2020	115,000	96,775	211,775	5,000	57,356	62,356	50,000	96,025	146,025	75,000	133,646	208,646	245,000	383,802	628,802
2021	125,000	92,233	217,233	5,000	57,256	62,256	45,000	93,525	138,525	75,000	113,313	188,313	250,000	356,327	606,327
2022	130,000	87,295	217,295	5,000	57,156	62,156	50,000	91,275	141,275	75,000	109,563	184,563	260,000	345,289	605,289
2023	130,000	82,160	212,160	5,000	57,044	62,044	55,000	88,775	143,775	75,000	105,813	180,813	265,000	333,792	598,792
2024	135,000	77,025	212,025	5,000	56,925	61,925	60,000	86,025	146,025	75,000	102,063	177,063	275,000	322,038	597,038
2025	140,000	71,693	211,693	5,000	56,750	61,750	60,000	83,025	143,025	100,000	98,313	198,313	305,000	309,781	614,781
2026	155,000	66,163	221,163	5,000	56,575	61,575	55,000	80,025	135,025	100,000	93,313	193,313	315,000	296,076	611,076
2027	155,000	60,040	215,040	5,000	56,400	61,400	60,000	78,375	138,375	100,000	88,313	188,313	320,000	283,128	603,128
2028	165,000	53,918	218,918	5,000	56,225	61,225	60,000	76,575	136,575	100,000	85,313	185,313	330,000	272,031	602,031
2029	170,000	47,400	217,400	5,000	56,050	61,050	65,000	74,700	139,700	100,000	82,312	182,312	340,000	260,462	600,462
2030	180,000	40,685	220,685	5,000	55,875	60,875	65,000	72,588	137,588	125,000	79,313	204,313	375,000	248,461	623,461
2031	190,000	33,575	223,575	5,000	55,700	60,700	65,000	70,475	135,475	125,000	75,563	200,563	385,000	235,313	620,313
2032	195,000	26,070	221,070	5,000	55,525	60,525	70,000	68,363	138,363	125,000	71,813	196,813	395,000	221,771	616,771
2033	200,000	18,368	218,368	5,000	55,350	60,350	75,000	65,913	140,913	125,000	68,063	193,063	405,000	207,694	612,694
2034	210,000	10,468	220,468	5,000	55,175	60,175	75,000	63,288	138,288	125,000	64,312	189,312	415,000	193,243	608,243
2035	55,000	2,173	57,173	150,000	55,000	205,000	100,000	60,663	160,663	125,000	60,563	185,563	430,000	178,399	608,399
2036	-	-	-	200,000	49,750	249,750	115,000	57,163	172,163	150,000	56,063	206,063	465,000	162,976	627,976
2037	-	-	-	200,000	42,750	242,750	125,000	53,138	178,138	150,000	51,563	201,563	475,000	147,451	622,451
2038	-	-	-	225,000	35,250	260,250	115,000	48,606	163,606	150,000	47,063	197,063	490,000	130,919	620,919
2039	-	-	-	225,000	26,813	251,813	125,000	44,438	169,438	150,000	42,563	192,563	500,000	113,814	613,814
2040	-	-	-	240,000	18,375	258,375	125,000	39,750	164,750	150,000	37,875	187,875	515,000	96,000	611,000
2041	-	-	-	250,000	9,375	259,375	130,000	35,063	165,063	175,000	33,187	208,187	555,000	77,625	632,625
2042	-	-	-	-	-	-	395,000	30,188	425,188	175,000	28,500	203,500	570,000	58,688	628,688
2043	-	-	-	-	-	-	410,000	15,375	425,375	175,000	23,250	198,250	585,000	38,625	623,625
2044	-	-	-	-	-	-	-	-	-	600,000	18,000	618,000	600,000	18,000	618,000
	<u>2,450,000</u>	<u>866,041</u>	<u>3,316,041</u>	<u>1,565,000</u>	<u>1,082,675</u>	<u>2,647,675</u>	<u>2,550,000</u>	<u>1,573,336</u>	<u>4,123,336</u>	<u>3,500,000</u>	<u>1,769,653</u>	<u>5,269,653</u>	<u>10,065,000</u>	<u>5,291,705</u>	<u>15,356,705</u>

# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

## TSI-6 ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT SEPTEMBER 30, 2019

	<u>Bond Issue</u>	<u>Bond Issue</u>	<u>Bond Issue</u>	<u>Bond Issue</u>	
	Series 2015	Series 2016	Series 2018	Series 2019	Total
Interest Rate	3.95%	2.00-3.75%	3.00-5.00%	3.00-5.00%	
Dates Interest Payable	3/1 ; 9/1	3/1 ; 9/1	3/1 ; 9/1	3/1 ; 9/1	
Maturity Dates	9/1/2035	9/1/2041	9/1/2043	9/1/2044	
Bonds Outstanding at Beginning of Current Fiscal Year	\$ 2,560,000	\$ 1,570,000	\$ -	\$ -	\$ 4,130,000
Issuances During the Current Fiscal Year:	-	-	2,600,000	3,500,000	6,100,000
Retirements During the Current Fiscal Year:					
Principal	(110,000)	(5,000)	(50,000)	-	(165,000)
Bonds Outstanding at End of Current Fiscal Year	<u>\$ 2,450,000</u>	<u>\$ 1,565,000</u>	<u>\$ 2,550,000</u>	<u>\$ 3,500,000</u>	<u>\$ 10,065,000</u>
Interest Paid During the Current Fiscal Year	<u>\$ 101,120</u>	<u>\$ 57,456</u>	<u>\$ 89,735</u>	<u>\$ -</u>	<u>\$ 248,311</u>
Paying Agent's Name & Address:	<u>BOKF, N.A.</u>	<u>BOKF, N.A.</u>	<u>UMB Bank, NA</u>	<u>UMB Bank, NA</u>	
	<u>Austin, Texas</u>	<u>Austin, Texas</u>	<u>Austin, Texas</u>	<u>Austin, Texas</u>	

Bond Authority:	<u>Tax Bonds*</u>	<u>Refunding Bonds</u>
Amount Authorized by Voters	\$ 30,500,000	\$ 45,750,000
Amount Issued	<u>10,680,000</u>	<u>2,845,000</u>
Remaining To Be Issued	<u>\$ 19,820,000</u>	<u>\$ 42,905,000</u>

\* Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes.

Debt Service Fund Cash and Temporary Investments balances as of September 30, 2019:	<u>\$ 573,257</u>
Average Annual Debt Service Payment (Principal & Interest) for the remaining term of all debt:	<u>\$ 614,268</u>

# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

## TSI-7 COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND AND DEBT SERVICE FUND FIVE YEARS ENDED SEPTEMBER 30, 2019

	AMOUNTS					PERCENTAGE OF FUND TOTAL REVENUES				
	2019	2018	2017	2016	2015	2019	2018	2017	2016	2015
GENERAL FUND REVENUES:										
Property taxes, including penalties	\$ 458,182	\$ 326,682	\$ 365,943	\$ 314,540	\$ 160,464	97.1%	98.4%	99.3%	99.2%	98.8%
Interest	13,830	5,327	2,500	2,633	1,961	2.9%	1.6%	0.7%	0.8%	1.2%
<b>TOTAL GENERAL FUND REVENUES</b>	<b>472,012</b>	<b>332,009</b>	<b>368,443</b>	<b>317,173</b>	<b>162,425</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
GENERAL FUND EXPENDITURES:										
Audit fees	15,500	15,000	15,000	14,500	14,500	3.3%	4.5%	4.1%	4.6%	8.9%
Legal fees	24,821	14,708	23,892	12,861	9,129	5.3%	4.4%	6.5%	4.1%	5.6%
Utilities	12,885	10,564	9,271	8,414	12,346	2.7%	3.2%	2.5%	2.7%	7.6%
Bookkeeping fees	19,908	17,489	14,619	11,952	10,510	4.2%	5.3%	4.0%	3.8%	6.5%
Repairs and maintenance	58,182	25,099	90,389	16,201	9,915	12.3%	7.6%	24.5%	5.1%	6.1%
Director fees, including payroll taxes	6,597	3,414	5,329	3,552	3,391	1.4%	1.0%	1.4%	1.1%	2.1%
Tax appraisal/collection fees	2,810	3,693	3,918	3,817	1,363	0.6%	1.1%	1.1%	1.2%	0.8%
Insurance	2,656	2,612	1,792	1,742	2,030	0.6%	0.8%	0.5%	0.5%	1.2%
Engineering fees	10,572	12,981	18,017	773	635	2.2%	3.9%	4.9%	0.2%	0.4%
Other	6,206	3,663	3,265	2,216	502	1.3%	1.1%	0.9%	0.7%	0.4%
Capital outlay	-	-	400,000	-	-	-	-	108.6%	-	-
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>160,137</b>	<b>109,223</b>	<b>585,492</b>	<b>76,028</b>	<b>64,321</b>	<b>33.9%</b>	<b>32.9%</b>	<b>159.0%</b>	<b>24.0%</b>	<b>39.6%</b>
<b>EXCESS (DEFICIT) OF GENERAL FUND REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ 311,875</b>	<b>\$ 222,786</b>	<b>\$ (217,049)</b>	<b>\$ 241,145</b>	<b>\$ 98,104</b>	<b>66.1%</b>	<b>67.1%</b>	<b>-59.0%</b>	<b>76.0%</b>	<b>60.4%</b>
DEBT SERVICE FUND REVENUES AND OTHER FINANCING SOURCES:										
Property taxes, including penalties	\$ 255,759	\$ 252,287	\$ 196,469	\$ 265,840	\$ 213,874	37.1%	99.2%	61.7%	99.7%	7.0%
Interest	7,348	2,146	1,114	704	424	1.1%	0.8%	0.3%	0.3%	-
Bond proceeds	426,663	-	121,009	-	2,845,000	61.9%	-	38%	-	93%
<b>TOTAL DEBT SERVICE FUND REVENUES AND OTHER FINANCING SOURCES</b>	<b>689,770</b>	<b>254,433</b>	<b>318,592</b>	<b>266,544</b>	<b>3,059,298</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
DEBT SERVICE FUND EXPENDITURES AND OTHER FINANCING USES:										
Tax appraisal/collection fees	1,569	-	-	-	1,816	-	-	-	-	-
Bond principal	165,000	105,000	105,000	85,000	75,000	23.9%	41.3%	33.0%	31.9%	2.5%
Bond interest	248,311	162,593	151,282	120,382	80,136	36.0%	63.9%	47.5%	45.2%	2.6%
Payment to refunded bond escrow account	-	-	-	-	2,749,357	-	-	-	-	89.9%
Fiscal agent fees and other	400	400	200	541	89,377	0.1%	0.2%	0.1%	0.2%	2.9%
Other	117	73	76	36	204	-	-	-	-	-
<b>TOTAL DEBT SERVICE FUND EXPENDITURES AND OTHER FINANCING USES</b>	<b>415,397</b>	<b>268,066</b>	<b>256,558</b>	<b>205,959</b>	<b>2,995,890</b>	<b>60.2%</b>	<b>105.4%</b>	<b>80.6%</b>	<b>77.3%</b>	<b>97.9%</b>
<b>EXCESS (DEFICIT) OF DEBT SERVICE FUND REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ 274,373</b>	<b>\$ (13,633)</b>	<b>\$ 62,034</b>	<b>\$ 60,585</b>	<b>\$ 63,408</b>	<b>39.8%</b>	<b>-5.4%</b>	<b>19.4%</b>	<b>22.7%</b>	<b>2.1%</b>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	(1)	(1)	(1)	(1)	(1)					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	(1)	(1)	(1)	(1)	(1)					

(1) District receives service from the City of Georgetown.

# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

## TSI-8 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS SEPTEMBER 30, 2019

Complete District Mailing Address:	c/o McLean & Howard, LLP Barton Oaks Plaza, Building II, 901 S. Mopac Expressway Suite 225, Austin, Texas 78746
District Business Telephone Number:	(512) 328-2008
Submission Date of the most recent District Registration Form TWC Sections 36.054 & 49.054):	March 1, 2019
Limits on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution TWC Section 49.060)	\$7,200

Name and Address:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimbursements	Title at Year End
		9/30/2019	9/30/2019	
<b>Board Members:</b>				
Kareem T. Hajjar	(Elected) 05/2016-05/2020	\$ 1,500	\$ -	President
Scott Wuest	(Elected) 05/2016-05/2020	\$ 1,500	\$ -	Vice-President
Michael Shaw	(Appointed) 11/2018 - 05/2022	\$ 1,200	\$ -	Secretary
Graham Carter	(Elected) 05/2018 - 05/2022	\$ 1,200	\$ -	Treasurer/ Asst. Secretary
Melissa Neslund	(Elected) 05/2018 - 05/2022	\$ 900	\$ -	Asst. Secretary
<b>Consultants:</b>				
Montoya & Monzingo, LLP	6/2006	\$ 20,851	\$ -	Bookkeeper
Maxwell Locke & Ritter LLP	4/2011	\$ 39,500	\$ -	Auditor
Public Finance Group	8/2009	\$ 155,237	\$ -	Financial Advisor
Williamson County Tax Collector	11/2006	\$ 4,260	\$ -	Tax Collector
Jones-Heroy & Associates	3/2012	\$ 54,985	\$ -	Engineer
McLean & Howard L.L.P.	4/2017	\$ 57,016	\$ -	Attorney

\* Fees of Office are the amounts actually paid to a director during the District's fiscal year.

# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

## OSI-1 SCHEDULE OF PRINCIPAL TAXPAYERS SEPTEMBER 30, 2019

Taxpayer	Type of Property	Tax Roll Year		
		2019	2018	2017
Project Royal LP	Real Land & Improvements	\$ 12,273,090	\$ -	\$ -
RSI Stonewall LLC	Real Land & Improvements	2,960,814	11,031,450	5,438,544
RSI Stonewall LLC	Real Land & Improvements	976,015	-	-
Pulte Homes of Texas LP	Real Land & Improvements	884,945	1,055,760	-
Pulte Homes of Texas LP	Real Land & Improvements	867,263	-	-
Compagno B.J. & D.E., Trustees Compagno Family Trust	Real Land & Improvements	587,741	560,510	537,372
Wright, L.A. & M.D.	Real Land & Improvements	587,303	573,648	525,757
Garner, J. R.	Real Land & Improvements	490,420	-	-
Wise, B. & T.	Real Land & Improvements	465,544	-	-
Yates, M.J.	Real Land & Improvements	419,557	410,693	387,358
Gray, L.E. & L.C.	Real Land & Improvements	-	409,260	382,334
Captex Properties LLC	Real Land & Improvements	-	387,646	341,487
Achumuma, R. & A.	Real Land & Improvements	-	345,550	329,473
Mitchell, J. & J.	Real Land & Improvements	-	333,702	318,166
Sikora, P. J. & S. J.	Real Land & Improvements	-	332,447	-
RSI Communities - Texas LLC	Real Land & Improvements	-	-	735,048
Califano, K.	Real Land & Improvements	-	-	321,707
<b>Total</b>		<b>\$ 8,239,602</b>	<b>\$ 15,440,666</b>	<b>\$ 9,317,246</b>
Percent of Assessed Valuation		<b>7.0%</b>	<b>16.6%</b>	<b>12.2%</b>

# STONEWALL RANCH MUNICIPAL UTILITY DISTRICT

## OSI-2 SCHEDULE OF ASSESSED VALUE BY CLASSIFICATION SEPTEMBER 30, 2019

Type of Property	Tax Roll Year					
	2019		2018		2017	
	Amount	%	Amount	%	Amount	%
Residence (Single Family)	\$ 84,083,641	71.2%	\$ 69,289,982	74.7%	\$ 58,772,515	76.7%
Residential Inventory	-	0.0%	-	0.0%	-	0.0%
Vacant Lot	300	0.0%	-	0.0%	-	0.0%
Acreage	3,506,883	3.0%	4,514,580	4.9%	5,468,937	7.1%
Tangible Personal Business	55,793	0.0%	18,677	0.0%	467,544	0.6%
Real Inventory	18,681,960	15.8%	7,746,189	8.3%	735,048	1.0%
Exempt Property	11,848,536	10.0%	11,202,760	12.1%	11,151,724	14.6%
Total *	<u>\$ 118,177,113</u>	<u>100.0%</u>	<u>\$ 92,772,188</u>	<u>100.0%</u>	<u>\$ 76,595,768</u>	<u>100.0%</u>

\* A portion of this balance is under ARB Review.