

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT**

WILLIAMSON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2021

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT**

WILLIAMSON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2021

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ANNUAL FILING AFFIDAVIT

STATE OF TEXAS

COUNTY OF WILLIAMSON

I, _____ of the
(Name of Duly Authorized District Representative)

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

(Name of District)

hereby swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the **10th day of February, 2022**, its annual audit report for the fiscal year ended **September 30, 2021** and that copies of the annual audit report have been filed in the District's office, located at:

16318 Great Oaks Drive
Round Rock, Texas 78681
(Address of District's Office)

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 the annual filing requirements of Texas Water Code 49.194.

Date: _____, _____ By: _____
(Signature of District Representative)

(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this _____ day of _____, _____.

(Signature of Notary)

(SEAL)

(Printed Name of Notary)

My Commission Expires On: _____, _____.
Notary Public in the State of Texas

McCALL GIBSON SWEDLUND BARFOOT PLLC

Certified Public Accountants

13100 Wortham Center Drive
Suite 235
Houston, Texas 77065-5610
(713) 462-0341
Fax (713) 462-2708

PO Box 29584
Austin, TX 78755-5126
(512) 610-2209
www.mgsbpllc.com
E-Mail: mgsb@mgsbpllc.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Brushy Creek Municipal
Utility District
Williamson County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Brushy Creek Municipal Utility District (the "District"), as of and for the year ended September 30, 2021, 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.

Auditor's 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 auditor's 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 District'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, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Directors
Brushy Creek Municipal
Utility District

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of District Contributions and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund 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 supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* and other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked “Unaudited” on which we express no opinion or provide any assurance, 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

February 10, 2022

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Management’s discussion and analysis of Brushy Creek Municipal Utility District’s (the “District”) financial performance provides an overview of the District’s financial activities for the fiscal year ended September 30, 2021.

USING THIS ANNUAL REPORT

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 Statement of Revenues, Expenditures, and Changes in Fund Balances
 - Notes to the Financial Statements

This report also includes required supplementary information and other supplementary information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District’s annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District’s overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes all of the District’s assets, liabilities and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District’s net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District’s governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in the Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information (“RSI”). The budgetary comparison schedule is included as RSI for the General Fund, and the schedule of changes in net pension liability and related ratios as well as the schedule of District contributions is included as RSI. There is also Supplementary Information Required by the Water District Financial Management Guide and Other Supplementary Information related to property taxes.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$45,105,670 as of September 30, 2021. Of this amount, \$22,525,652 (unrestricted net position) may be used to meet the District's ongoing obligations.

A portion of the District's net position reflects its net investment in capital assets (e.g. water, wastewater and drainage facilities, as well as land, construction in progress, buildings, and furniture, fixtures and equipment, less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide various services to District residents.

The following is a comparative analysis of government-wide changes in net position:

	Summary of Changes in the Statement of Net Position		
	2021	2020	Change Positive (Negative)
Current and Other Assets	\$ 32,210,311	\$ 33,219,975	\$ (1,009,664)
Capital Assets (Net of Accumulated Depreciation)	50,803,168	51,484,113	(680,945)
Total Assets	\$ 83,013,479	\$ 84,704,088	\$ (1,690,609)
Deferred Outflows of Resources	\$ 947,834	\$ 618,304	\$ 329,530
Current Liabilities	\$ 6,001,697	\$ 5,891,246	\$ (110,451)
Long -Term Liabilities	32,541,739	37,132,520	4,590,781
Total Liabilities	\$ 38,543,436	\$ 43,023,766	\$ 4,480,330
Deferred Inflows of Resources	\$ 312,207	\$ 136,140	\$ (176,067)
Net Position:			
Net Investment in Capital Assets	\$ 18,492,505	\$ 15,547,661	\$ 2,944,844
Restricted	4,087,513	5,072,525	(985,012)
Unrestricted	22,525,652	21,542,300	983,352
Total Net Position	\$ 45,105,670	\$ 42,162,486	\$ 2,943,184

The District's total assets were approximately \$83.0 million as of September 30, 2021. Of this amount, approximately \$50.8 million was accounted for by capital assets. The District had outstanding liabilities of approximately \$38.5 million of which approximately \$34.7 million represents bonds payable.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table provides a summary of the District's operations for the years ended September 30, 2021, and September 30, 2020. The District's net position increased by \$2,943,184.

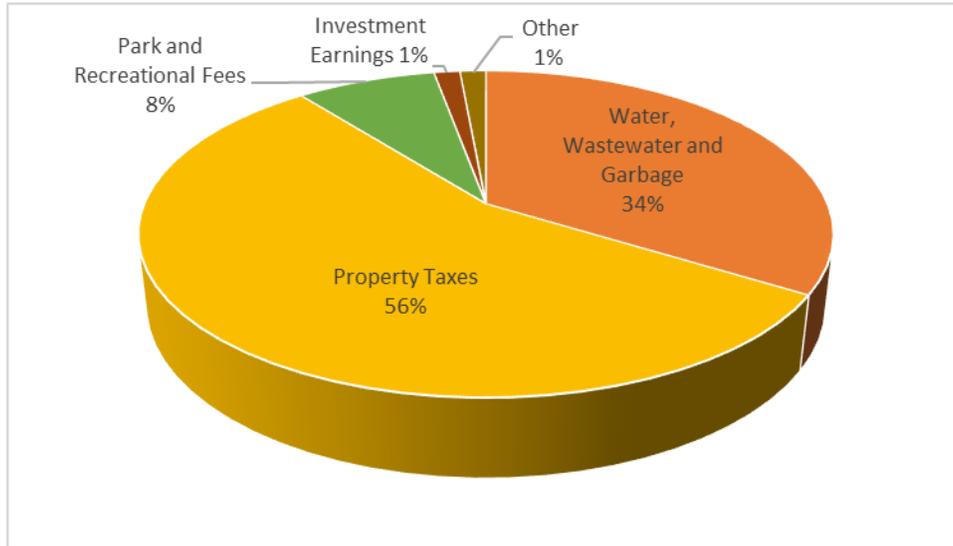
	Summary of Changes in the Statement of Activities		
	2021	2020	Change Positive (Negative)
Revenues:			
Water, Wastewater and Garbage	\$ 6,804,223	\$ 6,796,924	\$ 7,299
Property Taxes	11,203,255	10,828,335	374,920
Park and Recreational Fees	1,560,908	1,165,846	395,062
Investment Earnings	90,800	467,944	(377,144)
Contributions	2,550	350	2,200
Other	288,605	311,026	(22,421)
Total Revenues	19,950,341	19,570,425	379,916
Expenses:			
Water, Wastewater and Garbage	2,871,703	2,805,730	(65,973)
Salary and Related Expenditures	5,287,559	4,780,671	(506,888)
Administrative	336,695	345,785	9,090
Repairs and Maintenance	1,385,387	1,276,114	(109,273)
Utilities	585,697	611,657	25,960
Professional Fees	518,969	687,494	168,525
Contracted Services	515,883	747,105	231,222
Other	781,832	710,576	(71,256)
Debt Service	931,847	1,081,740	149,893
Depreciation	3,791,585	3,367,645	(423,940)
Total Expenses	17,007,157	16,414,517	(592,640)
Change in Net Position	\$ 2,943,184	\$ 3,155,908	\$ (212,724)
Net Position, Beginning of Year	42,162,486	39,006,578	3,155,908
Net Position, End of Year	\$ 45,105,670	\$ 42,162,486	\$ 2,943,184

The District's net property tax values increased by approximately \$75.3 million or 3% from \$2,171,065,972 to \$2,246,365,598 for District-wide and approximately \$19.3 million or 4% from \$515,650,174 to \$534,966,231 for the Defined Area. The tax rate is set after reviewing operations and maintenance requirements, interest and sinking fund requirements, and proposed water and wastewater rates. The District-wide rate remained the same at \$0.460 per \$100 of assessed value while the Defined Area rate decreased from \$0.165 to \$0.160 per \$100 of assessed value. Total tax revenue increased by approximately \$375,000 year-over-year.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The District's main revenue sources are property taxes, utility services, and recreational fees.



FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

	2021	2020
Cash and Cash Equivalents	\$ 1,064,054	\$ 1,805,161
Investments	30,187,660	30,320,919
Receivables	864,346	799,765
Interfund Receivables	1,229,613	4,293,588
Prepays and Other Assets	56,142	65,476
Total Assets	\$ 33,401,815	\$ 37,284,909
Accounts Payable	\$ 921,338	\$ 974,590
Refundable Deposits	667,548	657,095
Other Liabilities	348,744	256,373
Intefund Payables	1,229,613	4,293,588
Unearned Revenue	82,210	22,354
Bond Interest Payable	2,645	29,280
Total Liabilities	3,252,098	6,233,280
Deferred Inflows of Resources -		
Property Taxes	74,043	93,960
Nonspendable	55,889	61,254
Restricted	7,748,798	9,663,248
Committed	8,114,900	6,643,547
Assigned	1,932,451	-
Unassigned	12,223,636	14,589,620
Total Fund Balance	30,075,674	30,957,669
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 33,401,815	\$ 37,284,909

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT’S GOVERNMENTAL FUNDS (Continued)

The District’s combined fund balances as of September 30, 2021, were \$30,075,674, a decrease of 3.0% from the prior year.

The General Fund fund balance increased by \$1,034,271, primarily due to general and program revenues exceeding operating, debt service and capital expenditures. Utilities revenue remained consistent with prior year. Parks and recreation revenue increased by 34% which was driven by increased memberships, participation, and rentals attributed to activities trending toward pre-COVID-19 participation. Future impacts on employment and consumer spending due to trending up to pre-pandemic levels has the District evaluating future changes. Investment earnings continued to decline about 81% for the year. The Federal Reserve expects rates to remain low through 2023. New development growth has slowed due to the District reaching build-out status for individual residential properties. There are no further planned developments that will be contributed to the District.

Unassigned Fund Balance	
Operating Reserve	\$ 7,550,911
Revenue Protection Reserve	3,477,602
Remaining Unassigned Fund Balance	1,195,123
Total Unassigned Fund Balance	\$ 12,223,636

The Board committed \$8,114,900 of General Fund fund balance for specific future projects, of which most are expected to occur after fiscal year 2022. This is a \$1.47 million increase from the amount of projects committed at the end of fiscal year 2020. In addition to these committed funds, the Board of Directors has approved a resolution to set aside \$7,550,911 for a 6-month Operating Reserve and \$3,477,602 for a Revenue Protection Reserve. In accordance with GASB Statement No. 54, these amounts are included in unassigned fund balance at year-end.

The Debt Service Fund fund balance decreased by \$998,813, primarily due to the structure of the District’s bonds including an early redemption of \$830,000 of the Series 2013 Defined Area bonds offset by the issuance of the Series 2021 Defined Area Refunding bonds.

The Capital Projects Fund fund balance decreased by \$917,453, primarily due to costs expended for the zebra mussel abatement project.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

GENERAL FUND BUDGETARY HIGHLIGHTS-

In compliance with governmental accounting principles, the Board of Directors adopted an unappropriated budget for the General Fund during the current fiscal year, which was amended during the year. Actual revenues were \$841,070 more than budgeted revenues primarily from recreation revenues, water and wastewater services, and property taxes. Actual expenditures were \$1,350,567 less than budgeted expenditures primarily from lower than expected contracted services, capital outlay and other expenditures.

CAPITAL ASSETS

Capital assets as of September 30, 2021, totaled \$50,803,168 (net of accumulated depreciation). These capital assets include land, construction in progress, buildings, furniture, fixtures, and equipment, park and recreational facilities as well as the water, wastewater and drainage systems.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2021	2020	Change Positive (Negative)
Capital Assets:			
Depreciation:			
Land	2,676,333	2,676,333	
Construction in Process	1,361,174	506,083	855,091
Waster, Wastewater and Drainage Systems	84,955,254	84,627,607	327,647
Easements and Rights-of-Way	883,890	883,890	
Buildings and Improvements	14,383,787	14,380,137	3,650
Furniture and Equipment	2,313,805	2,201,731	112,074
Parks and Recreational Facilities	9,803,198	9,012,434	790,764
Automobiles and Trucks	691,896	646,310	45,586
Accumulated Depreciation	(66,266,169)	(63,450,412)	(2,815,757)
Total Net Capital Assets	\$ 50,803,168	\$ 51,484,113	\$ (680,945)

The last infrastructure acquired from a developer occurred in fiscal year 2015. A developer did purchase Lot 8 in the defined area from Highland Horizon, with the intentions to build 20 plus unit townhomes in the future. The District issued bonds in 2020 to fund zebra mussel abatement and air compressors for the water treatment facility.

Improvements included \$227,000 to the turnaround in the Community Park , building expansion at Sendero Spring Pool for \$413,000, Creekside pool deck replacement for \$294,000, repairs to the Pasada pond for \$321,000, and \$735,000 for the Woods Lift Station.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

CAPITAL ASSETS (Continued)

Center garden is planned to be completed in phases which is expected to start in fiscal year 2022, costing less than \$500,000.

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

LONG-TERM DEBT ACTIVITY

At year-end, the District had total bond debt payable of \$34,665,000. The long-term debt of the District consisted of the following during the fiscal year ended September 30, 2021 and 2020, respectively:

	<u>2021</u>	<u>2020</u>
District-wide:		
Series 2012 Refunding Bonds	\$ -	\$ 660,000
Series 2016 Revenue Note	4,515,000	4,955,000
Series 2019 Refunding Bonds	5,070,000	6,605,000
Series 2020 Refunding Bonds	7,990,000	8,140,000
Series 2020 Bonds	1,905,000	2,100,000
Series 2020A Refunding Bonds	5,600,000	5,600,000
Total District-wide	<u>25,080,000</u>	<u>28,060,000</u>
Defined Area:		
Series 2011 Bonds	-	85,000
Series 2013 Bonds	110,000	2,875,000
Series 2015 Refunding Bonds	2,905,000	3,115,000
Series 2015 Bonds	2,940,000	3,050,000
Series 2020 Refunding Bonds	1,780,000	1,795,000
Series 2021 Refunding Bonds	1,850,000	-
Total Defined Area	<u>9,585,000</u>	<u>10,920,000</u>
Total	<u>\$ 34,665,000</u>	<u>\$ 38,980,000</u>

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

LONG-TERM DEBT ACTIVITY (Continued)

The District's district-wide and defined area bonds have the following future payment requirements:

District-wide:			
Fiscal Year	Principal	Interest	Total Requirement
2022	\$ 3,065,000	\$ 733,457	\$ 3,798,457
2023	3,160,000	647,072	3,807,072
2024	3,200,000	562,793	3,762,793
2025	3,290,000	463,800	3,753,800
2026	3,485,000	384,776	3,869,776
2027-2030	8,880,000	463,873	9,343,873
	\$ 25,080,000	\$ 3,255,771	\$ 28,335,771
Defined Area:			
Fiscal Year	Principal	Interest	Total Requirement
2022	\$ 560,000	\$ 295,157	\$ 855,157
2023	580,000	270,526	850,526
2024	600,000	253,124	853,124
2025	625,000	235,124	860,124
2026	645,000	216,374	861,374
2027-2031	3,095,000	795,408	3,890,408
2032-2036	2,430,000	346,705	2,776,705
2037-2039	1,050,000	61,073	1,111,073
	\$ 9,585,000	\$ 2,473,491	\$ 12,058,491

The District's Series 2019 Refunding, Series 2020 Refunding, Series 2020, and Series 2020A Refunding bonds carry an underlying rating of "AA-". The Series 2020 and Series 2020A Refunding bonds carry an insured rating of "AA" by virtue of bond insurance issued by Build America Mutual and Assured Guaranty Municipal Corp., respectively. The Defined Area Series 2013 bonds have an underlying rating of "A" and an insured rating of "AA" by virtue of bond insurance issued by Build America Mutual. The Defined Area Series 2015, Series 2015 Refunding, Series 2020 Refunding and Series 2021 Refunding bonds carry an underlying rating of "A2". The Defined Area Series 2015 and Series 2020 Refunding bonds have an insured rating of "AA" by virtue of bond insurance from Assured Guaranty Municipal Corp. The Defined Area Series 2015 Refunding and Series 2021 Refunding have an insured rating of "AA" by virtue of bond insurance from Build America Mutual. The ratings above are based on ratings as of September 30, 2021.

More detailed information about the District's long-term debt is presented in the Notes to the Financial Statements.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The amount of assessed value of property within the District-wide area for the 2021 tax year (September 30, 2022 fiscal year) is approximately \$2.5 billion and the tax rate levied was \$0.432059 per \$100 of assessed valuation consisting of \$0.312059 per \$100 of assessed valuation for maintenance and operations and \$0.12 per \$100 of assessed valuation for debt service. The amount of assessed value of property within the Defined Area for the 2021 tax year is approximately \$590 million and the tax rate levied was \$0.14 per \$100 of assessed valuation for debt service.

The adopted budget for fiscal year 2022 projects the General Fund balance to decrease by \$150,000. Revenues are expected to increase by approximately \$930,000 compared to fiscal year 2021 budget and expenditures are expected to decrease by approximately \$78,000 compared to fiscal year 2021 budget.

Construction of homes in the last residential development in the District was completed in 2017. As the District reached residential build out, the last remaining commercial properties are also being developed in the RR 620 corridor. All commercial property in the FM 1431 corridor has been developed. The slowdown and eventual stop to new development will have an impact on revenue growth in the District.

Brushy Creek Regional Wastewater System

Brushy Creek Municipal Utility District is a wholesale customer of Round Rock, which is an owner of the Brushy Creek Regional Wastewater System. The District is contractually obligated to pay to Round Rock a pro rata share of costs of “Required Improvements”, which are generally defined as expansions, repairs, improvements, replacements or modifications as necessary for regulatory requirements or for proper and efficient operation of the System. Approximately \$243,000 has been paid from prior surplus.

A \$122.5 million project is underway by the City of Round Rock (the “City”) and other owners of the System. The Project includes both Required Improvements and an expansion component. The District is not responsible for the expansion costs but has been allocated \$1.355 million in costs of the Project representing its pro rata share of the Required Improvement costs. The entire \$1.355 million allocated to the District would be paid out over a number of years through September 30, 2031, as part of the District’s obligation to pay a share of Debt Service.

The project consists of increased TCEQ Treatment permit requirements and associated Make-up Capacity for treatment capacity taken out of service because of the conversion of a 1.5 MGD treatment train to a sludge holding basin. The existing plant can treat 21.5 MGD, with no daily phosphorous discharge limits. New TCEQ requirements permit a daily phosphorous discharge limit of 0.5 mg/l. The plant is also being expanded to treat 30 MGD of wastewater. The new TCEQ treatment permit levels are independent of the expansion and would be imposed regardless of the plant’s expansion to 30 MGD.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS (Continued)

Brazos River Authority

Another upcoming project associated with the WCRRWL is installation of the final phase of pumps (Phase 3) that will bring the system up to its ultimate capacity. This is expected to be a four-year project with engineering design being completed in BRA fiscal year 2022 and construction being completed in fiscal year 2025. The total project cost is currently estimated at approximately \$12.2 million with the District being responsible for 6.54 percent of the ultimate costs. This project will be funded by debt to be issued at a later date.

Zebra Mussel Abatement

Of the \$1.225M bond funds for zebra mussel abatement, \$634,000 was expended in fiscal year 2021. The remainder of the project will be completed in fiscal year 2022. The purpose of the project is to mitigate the effects of the zebra mussels at the intake facility and to treat the water with copper ions to control any mussels which may have penetrated the screens.

Senate Bill 2

Senate Bill 2 and its effect on property taxes impacted the District as it became subject to a Voter Approval Tax rate limitation of 3.5% (for maintenance & operations tax), similar to cities and other taxing units. The prior voter approval rate, previously known as the rollback rate, was set at 8%. If the 3.5% is exceeded, the District must hold a mandatory election whereas under the old law, a petition was required.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Brushy Creek Municipal Utility District, 16318 Great Oaks Drive, Round Rock, Texas 78681.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2021**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
ASSETS						
Cash and Investments:						
Cash	\$ 1,064,054	\$	\$	\$ 1,064,054	\$	\$ 1,064,054
Investments	22,117,486	3,537,451	3,853,375	29,508,312		29,508,312
Receivables:						
Service Accounts (Net of Allowance for Uncollectible Accounts of \$121,263)	703,644			703,644		703,644
Taxes	40,131	33,912		74,043		74,043
Accrued Interest	74,830			74,830		74,830
Other	11,829			11,829		11,829
Due from Other Funds	1,101,486		128,127	1,229,613	(1,229,613)	
Prepaid Items	55,889		253	56,142	19,210	75,352
Investments Held for Customer Deposits	679,348			679,348		679,348
Net Pension Asset					18,899	18,899
Capital Assets (Net of Accumulated Depreciation):						
Land					2,676,333	2,676,333
Construction in Progress					1,361,174	1,361,174
Water, Wastewater and Drainage Systems					29,664,882	29,664,882
Building and Improvements					11,257,446	11,257,446
Furniture and Equipment					794,517	794,517
Park and Recreational Facilities					4,871,748	4,871,748
Automobiles and Trucks					177,068	177,068
TOTAL ASSETS	<u>\$ 25,848,697</u>	<u>\$ 3,571,363</u>	<u>\$ 3,981,755</u>	<u>\$ 33,401,815</u>	<u>\$ 49,611,664</u>	<u>\$ 83,013,479</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Charges on Refunding Bonds	\$	\$	\$	\$	\$ 425,841	\$ 425,841
Pension					521,993	521,993
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 947,834</u>	<u>\$ 947,834</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 25,848,697</u>	<u>\$ 3,571,363</u>	<u>\$ 3,981,755</u>	<u>\$ 33,401,815</u>	<u>\$ 50,559,498</u>	<u>\$ 83,961,313</u>

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET - Continued
SEPTEMBER 30, 2021**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 921,338	\$	\$	\$ 921,338	\$	\$ 921,338
Customer Deposits	667,548			667,548		667,548
Other Liabilities	348,744			348,744		348,744
Due to Other Funds		595,868	633,745	1,229,613	(1,229,613)	
Unearned Revenue	82,210			82,210		82,210
Bonds Interest Payable		2,645		2,645	347,187	349,832
Noncurrent Liabilities:						
Accrued Vacation Payable - Due Within One Year					7,025	7,025
Accrued Vacation Payable - Due After One Year					82,225	82,225
Due Within One Year					3,625,000	3,625,000
Due After One Year					32,459,514	32,459,514
TOTAL LIABILITIES	<u>\$ 2,019,840</u>	<u>\$ 598,513</u>	<u>\$ 633,745</u>	<u>\$ 3,252,098</u>	<u>\$ 35,291,338</u>	<u>\$ 38,543,436</u>
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	\$ 40,131	\$ 33,912	\$	\$ 74,043	\$ (74,043)	\$
Pension					312,207	312,207
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 40,131</u>	<u>\$ 33,912</u>	<u>\$ -0-</u>	<u>\$ 74,043</u>	<u>\$ 238,164</u>	<u>\$ 312,207</u>
FUND BALANCES						
Nonspendable-						
Prepaid Items	\$ 55,889	\$	\$	\$ 55,889	\$ (55,889)	\$
Restricted for:						
Debt Service	575,000	2,938,938		3,513,938	(3,513,938)	
Capital Projects			3,348,010	3,348,010	(3,348,010)	
Park Capital Fees	886,850			886,850	(886,850)	
Committed for -						
Repair and Replacement of Capital Assets	8,114,900			8,114,900	(8,114,900)	
Assigned for -						
Repair and Replacement of Capital Assets	1,932,451			1,932,451	(1,932,451)	
Unassigned	12,223,636			12,223,636	(12,223,636)	
TOTAL FUND BALANCES	<u>\$ 23,788,726</u>	<u>\$ 2,938,938</u>	<u>\$ 3,348,010</u>	<u>\$ 30,075,674</u>	<u>\$ (30,075,674)</u>	<u>\$ - 0 -</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 25,848,697</u>	<u>\$ 3,571,363</u>	<u>\$ 3,981,755</u>	<u>\$ 33,401,815</u>		
NET POSITION						
Net Investment in Capital Assets					\$ 18,492,505	\$ 18,492,505
Restricted for Debt Service					3,200,663	3,200,663
Restricted for Park Capital Fees					886,850	886,850
Unrestricted					22,525,652	22,525,652
TOTAL NET POSITION					<u>\$ 45,105,670</u>	<u>\$ 45,105,670</u>

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Total Fund Balances - Governmental Funds	\$ 30,075,674
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Prepaid bond insurance is amortized over the term of the refunding bonds.	19,210
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Land, construction in progress and capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.	50,803,168
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Deferred charges on refunding bonds are not an expenditure of the current period.	425,841
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Pension related amounts are not recorded in the governmental funds. These consist of:

Net Pension Asset		18,899
Deferred Outflows of Resources		521,993
Deferred Inflows of Resources		(312,207)

Deferred tax revenues for the 2020 and prior tax levies became part of recognized revenue in the governmental activities of the District.	74,043
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Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Accrued Interest Payable	\$ (347,187)		
Accrued Vacation Payable	(89,250)		
Long-Term Liabilities Due Within One Year	(3,625,000)		
Long-Term Liabilities Due After One Year	<u>(32,459,514)</u>		<u>(36,520,951)</u>

Total Net Position - Governmental Activities	<u>\$ 45,105,670</u>
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**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
REVENUES						
Program Revenue:						
Water and Wastewater Services	\$ 5,408,639	\$	\$	\$ 5,408,639	\$	\$ 5,408,639
Park and Recreation Center Fees	1,560,908			1,560,908		1,560,908
Garbage Collection	1,395,584			1,395,584		1,395,584
Capital Recovery Fees			3,899	3,899		3,899
Inspection Fees	21,675			21,675		21,675
Tap and Other Connection Fees	1,296			1,296		1,296
Contributions	2,550			2,550		2,550
General Revenue:						
Property Taxes	7,210,360	4,012,812		11,223,172	(19,917)	11,203,255
Investment Earnings	80,144	6,937	3,719	90,800		90,800
Rental Income	106,396			106,396		106,396
Other	155,339			155,339		155,339
TOTAL REVENUES	\$ 15,942,891	\$ 4,019,749	\$ 7,618	\$ 19,970,258	\$ (19,917)	\$ 19,950,341
EXPENDITURES/EXPENSES						
Service Operations:						
Salary and Benefits	\$ 5,200,496	\$	\$	\$ 5,200,496	\$ 53,013	\$ 5,253,509
Water and Wastewater Purchases	1,725,371			1,725,371		1,725,371
Garbage Fees	1,146,332			1,146,332		1,146,332
Repairs and Maintenance	1,385,387			1,385,387		1,385,387
Administrative	336,695			336,695		336,695
Utilities	585,697			585,697		585,697
Contracted Services	502,558	13,325		515,883		515,883
Legal Fees	169,912			169,912		169,912
Insurance	102,693			102,693		102,693
Engineering Fees	147,775			147,775		147,775
Tax Appraisal/Collection Fees		64,653		64,653		64,653
Audit Fees	41,000			41,000		41,000
Financial Advisor	20,000			20,000		20,000
Director's Fees	34,050			34,050		34,050
Security Fees	140,282			140,282		140,282
Other	614,216		270	614,486		614,486
Capital Outlay	2,185,839		924,801	3,110,640	(3,110,640)	
Debt Service:						
Principal Payments	440,000	3,895,000		4,335,000	(4,335,000)	
Interest and Fiscal Charges	130,317	980,684		1,111,001	(260,902)	850,099
Bond Issuance Costs		102,981		102,981	(21,233)	81,748
Depreciation					3,791,585	3,791,585
TOTAL EXPENDITURES/EXPENSES	\$ 14,908,620	\$ 5,056,643	\$ 925,071	\$ 20,890,334	\$ (3,883,177)	\$ 17,007,157
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/ EXPENSES	\$ 1,034,271	\$ (1,036,894)	\$ (917,453)	\$ (920,076)	\$ 3,863,260	\$ 2,943,184
OTHER FINANCING SOURCES (USES)						
Proceeds of Refunding Bonds		\$ 1,850,000		\$ 1,850,000	\$ (1,850,000)	\$
Payment to Refunding Escrow Agent		(1,874,403)		(1,874,403)	1,874,403	
Bond Premium		62,484		62,484	(62,484)	
TOTAL OTHER FINANCING SOURCES, NET	\$ -0-	\$ 38,081	\$ -0-	\$ 38,081	\$ (38,081)	\$ -0-
NET CHANGE IN FUND BALANCES	\$ 1,034,271	\$ (998,813)	\$ (917,453)	\$ (881,995)	\$ 881,995	\$
CHANGE IN NET POSITION					2,943,184	2,943,184
FUND BALANCES/NET POSITION - OCTOBER 1, 2020	22,754,455	3,937,751	4,265,463	30,957,669	11,204,817	42,162,486
FUND BALANCES/NET POSITION - SEPTEMBER 30, 2021	\$ 23,788,726	\$ 2,938,938	\$ 3,348,010	\$ 30,075,674	\$ 15,029,996	\$ 45,105,670

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Net Change in Fund Balances - Governmental Funds \$ (881,995)

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

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied. (19,917)

Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities. (3,791,585)

Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected. 3,110,640

Governmental funds report bond discounts, bond premiums, and deferred charges on refunding bonds as other financing sources/uses in the year paid. However, in the Statement of Net Position, the bond discounts, bond premiums and deferred charges on refunding bonds are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities. 246,323

Governmental funds report bond insurance as expenditures in the year paid. However, in the Statement of Net Position, the bond insurance is amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities. 19,210

Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities. 4,335,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in accrued vacation	(2,117)
Change in pension related accounts	(50,896)
Change in bond interest payable	16,602

Governmental funds report bond proceeds, premiums and the payment to the refunded bond escrow agent as other financing sources and uses. However, these change long-term liabilities in the Statement of Net Position. (38,081)

Change in Net Position - Governmental Activities \$ 2,943,184

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1. CREATION OF DISTRICT

Brushy Creek Municipal Utility District (the “District”), formerly known as Williamson County Municipal Utility District No. 2, was created, organized and established on October 27, 1977, pursuant to the provisions of Chapter 54 of the Texas Water Code.

The District, as a reporting entity, encompasses those activities and functions over which the District’s elected officials exercise significant oversight or control. The District is a political subdivision of the State of Texas governed by a five-member Board of Directors 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 it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. In addition, there are no component units included in the District’s reporting entity.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by GASB. In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Texas Commission on Environmental Quality (the “Commission”).

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated to obtain net total revenues and expenses in the government-wide Statement of Activities.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide financial statements. The fund statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

Governmental Funds

The District has three governmental funds and considers all of these funds to be major funds:

General Fund - To account for resources not required to be accounted for in another fund, customer service revenues and costs and general operating expenditures.

Debt Service Fund - To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Capital Projects Fund - To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

The District provides for uncollectible service 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 had an allowance for uncollectible accounts at September 30, 2021 of \$121,263.

Capital Assets

Capital assets, which include land, construction in progress, infrastructure assets, easements and rights-of-way, buildings and improvements, furniture and equipment, park and recreational facilities, and automobiles and trucks are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets to the District are valued at their acquisition value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs, if any, are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost of \$5,000 or more and a useful life of at least five years. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	<u>Years</u>
Easements and Rights-of-Way	40
Buildings and Improvements	10-40
Water, Wastewater and Drainage Systems	7-50
Park and Recreational Facilities	5-22
Furniture and Equipment	5-10
Automobiles and Trucks	5-7

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Debt

Long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts 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.

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 and discounts on debt issuances are reported as other financing sources and uses.

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

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and revised budget amounts compared to the actual amounts of revenues and expenditures for the current year.

Compensated Absences

Accrued paid time off is earned by each full-time employee at a rate of between 13.30 and 17.97 hours per month depending on length of employment. District policy allows for a maximum carry-over from the previous fiscal year. The full amount of accrued paid time off, subject to the maximum accrual limits, is paid upon discontinuance of employment with the District. The District's liability for accrued paid time off at September 30, 2021 was \$89,250. This liability is generally liquidated through the General Fund.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

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

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. As of September 30, 2021, the General Fund included \$575,000 of restricted fund balance for debt service related to the bond reserve required for the Series 2016 Term Note.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. See further discussion of committed fund balance at Note 10.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District authorized the General Manager to have the authority to assign an amount of funds. See further discussion of assigned fund balance at Note 10.

Unassigned: all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and 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.

Fair Value Measurements

The District follows 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 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.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

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

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.

NOTE 3. LONG-TERM DEBT

The following is a summary of transactions regarding bonds payable for the year ended September 30, 2021:

	Balance September 30, 2020	Additions	Retirements	Balance September 30, 2021
Bonds Payable and Revenue Note	\$ 38,980,000	\$ 1,850,000	\$ (6,165,000)	\$ 34,665,000
Premium on Bond Issuances	1,691,905	62,484	(298,391)	1,455,998
Discount on Bond Issuances	(38,753)		2,269	(36,484)
Total	<u>\$ 40,633,152</u>	<u>\$ 1,912,484</u>	<u>\$ (6,461,122)</u>	<u>\$ 36,084,514</u>

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3. LONG-TERM DEBT (Continued)

Long-term debt as of September 30, 2021, is comprised of the following:

	Balance September 30, 2021	Due Within One Year
\$3,500,000 Series 2013 Sendero Springs/Cornerstone Defined Area serial bonds with final principal installment of \$110,000 on June 1, 2022. Interest of 3.25% is payable June 1 and December 1 each year.	110,000	110,000
\$3,625,000 Series 2015 Sendero Springs/Cornerstone Defined Area refunding bonds due in annual installments of \$165,000 to \$300,000 through June 1, 2033. Interest varies from 3.00% to 3.75% and is payable June 1 and December 1 each year.	2,905,000	220,000
\$3,530,000 Series 2015 Sendero Springs/Cornerstone Defined Area serial bonds due in annual installments of \$115,000 to \$225,000 through June 1, 2039. Interest varies from 3.00% to 3.75% and is payable June 1 and December 1 each year.	2,940,000	115,000
\$6,605,000 Series 2016 Term Note (Community Center) is due in annual installments of \$450,000 to \$555,000 through June 1, 2030. Interest is 2.63% and is payable June 1 and December 1 each year.	4,515,000	450,000
\$6,605,000 Series 2019 refunding bonds due in annual installments of \$200,000 to \$1,900,000 through June 1, 2026. Interest varies from 3.00% to 4.00% and is payable June 1 and December 1 each year.	5,070,000	1,585,000
\$8,140,000 Series 2020 refunding bonds due in annual installments of \$835,000 to \$1,770,000 through June 1, 2028. Interest varies from 3.00% to 4.00% and is payable June 1 and December 1 each year.	7,990,000	835,000
\$2,100,000 Series 2020 bonds due in annual installments of \$10,000 to \$645,000 through June 1, 2029. Interest varies from 1.00% to 1.50% and is payable June 1 and December 1 each year.	1,905,000	195,000
\$5,600,000 Series 2020A refunding bonds due in annual installments of \$615,000 to \$1,750,000 through June 1, 2028. Interest varies from 2.00% to 4.00% and is payable June 1 and December 1 each year.	5,600,000	
\$1,795,000 Series 2020 Sendero Springs/Cornerstone Defined Area refunding bonds due in annual installments of \$105,000 to \$290,000 through June 1, 2033. Interest varies from 2.00% to 3.00% and is payable June 1 and December 1 each year.	1,780,000	105,000
\$1,850,000 Series 2021 Sendero Springs/Cornerstone Defined Area refunding bonds due in annual installments of \$5,000 to \$205,000 through June 1, 2038. Interest varies from 2.00% to 3.00% and is payable June 1 and December 1 each year.	1,850,000	10,000
Total Long-Term Debt	\$ 34,665,000	\$ 3,625,000

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3. LONG-TERM DEBT (Continued)

On October 1, 2020, the District redeemed \$830,000 of the Series 2013 Defined Area Unlimited Tax Bonds prior to their scheduled maturity dates of June 1, 2029, June 1, 2030, June 1, 2031, June 1, 2032 and June 1, 2033. The early redemption resulted in an economic gain of \$392,625 and an overall debt service savings to the District of \$402,625.

On April 22, 2021, the District issued Sendero Springs & Cornerstone Defined Area Unlimited Tax Refunding Bonds, Series 2021, of \$1,850,000 with interest rates ranging from 2.00% to 3.00% to currently refund \$1,830,000 of its previously issued Series 2013 Defined Area Bonds in order to lower its overall debt service requirements. The net proceeds of \$1,877,048 (after a \$55,000 contribution to the refunding agent by the District and payment of the underwriting fees and other issuance costs) were used for the following: \$1,874,403 was deposited with an escrow agent to provide the debt service payment on the portion of bonds refunded and \$2,645 was deposited in the Debt Service Fund for future interest costs. As a result, \$1,830,000 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 \$44,403; this amount is considered a deferred outflow of resources and amortized over the life of the refunded debt which is shorter than or equal to the life of the new debt issued. The current refunding resulted in an economic gain of \$395,905 and an overall debt service savings to the District of \$491,760.

As of September 30, 2021, the debt service requirements on the bonds outstanding were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 3,625,000	\$ 1,028,614	\$ 4,653,614
2023	3,740,000	917,598	4,657,598
2024	3,800,000	815,917	4,615,917
2025	3,915,000	698,924	4,613,924
2026	4,130,000	601,150	4,731,150
2027-2031	11,975,000	1,259,281	13,234,281
2032-2036	2,430,000	346,705	2,776,705
2037-2039	1,050,000	61,073	1,111,073
	<u>\$ 34,665,000</u>	<u>\$ 5,729,262</u>	<u>\$ 40,394,262</u>

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount.

As of September 30, 2021, the District had \$10,715,000 of bonds authorized but unissued of which all \$10,715,000 is for improvements to the Defined Area water, wastewater, and drainage systems.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3. LONG-TERM DEBT (Continued)

During the year ended September 30, 2021, the District levied an ad valorem District-wide debt service tax rate of \$0.14 per \$100 of assessed valuation, which resulted in a tax levy of \$3,144,911 on the adjusted taxable valuation of \$2,246,365,598 for the 2020 tax year. The District also levied an ad valorem Defined Area debt service tax rate of \$0.160 per \$100 of assessed valuation, which resulted in a tax levy of \$855,976 on the adjusted taxable valuation of \$534,966,231 for the 2020 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

The bond resolutions 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, 2021.

The bond resolutions state that the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data with respect to the District to the Municipal Securities Rulemaking Board. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

For the Bonds sold, the District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the Bonds be rebated to the federal government, within the meaning of Section 148(f) of the Internal Revenue Code. The minimum requirement for determination of the rebatable amount is on the five-year anniversary of each issue.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District’s deposits was \$1,064,054 and the bank balance was \$1,093,445. Of the bank balance \$255,279 was covered by federal depository insurance and the remaining balance was covered by collateral pledged in the name of the District and held in a third-party depository.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at September 30, 2021, as listed below:

	Cash	Money Markets	Certificates of Deposit	Total
GENERAL FUND	\$ 1,064,054	\$ -	\$ -	\$ 1,064,054
TOTAL DEPOSITS	\$ 1,064,054	\$ -	\$ -	\$ 1,064,054

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth and yield, sixth. The District’s investments must be made “with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.” No person may invest District funds without express written authority from the Board of Directors.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. 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.

The District has recurring fair value measurements as presented in the table below. The District's investment balances and weighted average maturity of such investments are as follows:

	Net Asset Value, Cost or Amortized Cost	Fair Value			Total	Weighted Average Maturity (Days)
		Level 1	Level 2	Level 3		
TexPool (amortized cost)	\$ 3,734,239	\$	\$	\$	\$ 3,734,239	1
LOGIC (amortized cost)	<u>12,945,800</u>				<u>12,945,800</u>	1
Total Investment Pools	16,680,039				16,680,039	
Municipal Bonds		3,515,999			3,515,999	29
Commercial Paper			2,997,820		2,997,820	11
U.S. Government Agency Securities		<u>6,993,802</u>			<u>6,993,802</u>	<u>212</u>
Total Investments	<u>\$ 16,680,039</u>	<u>\$ 10,509,801</u>	<u>\$ 2,997,820</u>	<u>\$ - 0 -</u>	<u>\$ 30,187,660</u>	<u>254</u>

U.S. Government Agency Securities and Municipal Bonds are classified in Level 1 of the fair value hierarchy which are valued using prices quoted in active markets for those securities. Commercial paper is classified in Level 2 which are valued using assumptions market participants would use in pricing the asset based on independent market data.

At September 30, 2021, the investment portfolio weighted average maturity was 254 days.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District invests in TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Investors, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

The District also invests in Local Government Investment Cooperative (“LOGIC”), a public funds investment pool created pursuant to the Interlocal Cooperation Act of the State of Texas. The District has delegated the authority to hold legal title to LOGIC as custodian and to make investment purchases with the District’s funds. LOGIC is a member-owned, member-governed public funds investment pool. The Board of Trustees, who have governance responsibilities, is comprised of participants in LOGIC and members of the Texas Association of School Business Officials (“TASBO”). LOGIC measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in LOGIC at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from LOGIC.

The investments held for customer deposits in the General Fund consist of deposits received from customers to initiate water services with the District. These deposits are to be refunded to customers upon termination of water service with the District and, therefore, are also included as liabilities by the District.

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At September 30, 2021, the District’s investments in TexPool and LOGIC were rated “AAAm” by Standard and Poor’s. The District’s investments in municipal bonds, U.S. agencies coupon securities and commercial paper had ratings from Standard and Poor’s and Moody’s in compliance with the District’s investment policy.

Concentration of credit risk is the risk of loss attributable to the magnitude of a government’s investments in a single issuer. At September 30, 2021, the District’s investment portfolio was comprised primarily of the following issuers:

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>	<u>Standard & Poor's Rating</u>
US Agencies:			
Federal Farm Credit Bank	\$ 4,498,064	14.9	AA+
Federal Home Loan Bank	2,495,738	8.3	AA+
2a7-like Local Government Investment Pools:			
TexPool	3,734,239	12.4	AAAm
LOGIC	12,945,800	42.9	AAAm
Municipal Bonds:			
Jersey City	2,006,340	6.6	MIG 1
Tidehaven ISD	1,509,659	5.0	AAA
Commercial Paper	<u>2,997,820</u>	<u>9.9</u>	A-1
Total Investments	<u>\$ 30,187,660</u>	<u>100.0</u> %	

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in TexPool and LOGIC to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value. U.S. agencies coupon securities and municipal bonds held by the District have set interest rates.

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
General	Debt Service	\$ 467,741
General	Capital Projects	633,745
Capital Projects	Debt Service	128,127
Total		\$ 1,229,613

NOTE 7. MAINTENANCE TAX

The Williamson Central Appraisal District established appraisal values in accordance with requirements of the Texas Legislature. The District levies taxes based upon the appraised values. The Williamson County Tax Assessor Collector bills and collects the District's property taxes. The Board of Directors set current tax rates on September 10, 2020.

During the year ended September 30, 2021, the District levied an ad valorem District-wide maintenance tax rate of \$0.32 per \$100 of assessed valuation, which resulted in a tax levy of \$7,188,369 on the adjusted taxable valuation of \$2,246,365,598 for the 2020 tax year.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

The District is prohibited from writing off real property taxes without specific authority from the Texas Legislature.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

	Balance September 30, 2020	Additions	Retirements and Transfers	Balance September 30, 2021
Capital Assets, Not Being Depreciated:				
Land	\$ 2,676,333	\$	\$	\$ 2,676,333
Construction in Progress	506,083	961,064	(105,973)	1,361,174
Total Capital Assets, Not Being Depreciated	3,182,416	961,064	(105,973)	4,037,507
Capital Assets, Being Depreciated:				
Water, Wastewater, and Drainage Systems	84,627,607	1,150,647	(823,000)	84,955,254
Easements and Rights-of-Way	883,890			883,890
Buildings and Improvements	14,380,137	3,650		14,383,787
Furniture and Equipment	2,201,731	171,868	(59,794)	2,313,805
Park and Recreational Facilities	9,012,434	860,764	(70,000)	9,803,198
Automobiles and Trucks	646,310	68,620	(23,034)	691,896
Total Capital Assets Being Depreciated	111,752,109	2,255,549	(975,828)	113,031,830
Less Accumulated Depreciation For:				
Water, Wastewater, and Drainage Systems	(53,477,752)	(2,635,620)	823,000	(55,290,372)
Easements and Rights-of-Way	(883,890)			(883,890)
Buildings and Improvements	(2,787,065)	(339,276)		(3,126,341)
Furniture and Equipment	(1,343,860)	(235,222)	59,794	(1,519,288)
Park and Recreational Facilities	(4,482,978)	(518,472)	70,000	(4,931,450)
Automobiles and Trucks	(474,867)	(62,995)	23,034	(514,828)
Total Accumulated Depreciation	(63,450,412)	(3,791,585)	975,828	(66,266,169)
Total Capital Assets Being Depreciated, Net	48,301,697	(1,536,036)	-	46,765,661
Capital Assets, Net	\$ 51,484,113	\$ (574,972)	\$ (105,973)	\$ 50,803,168

NOTE 9. AMOUNTS COLLECTED FOR CAPITAL IMPROVEMENTS

By an agreement dated March 29, 1996, the District and developers of property within the District agreed to the payment of a fee by the developers to the District. The fee has been established by contract between the District and the developers. The agreement also establishes the restrictions for the use of the fees. The fees collected under this agreement totaled \$3,899 for the year ended September 30, 2021 and are within the Capital Projects Fund.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10. FUND BALANCES

The Board committed \$8,114,900 of General Fund fund balance to pay for future repairs, replacements, and purchases of capital. The amounts committed for funding capital projects as of September 30, 2021 are as follows:

Community Center Improvements	\$ 975,000
Dry Ponds Rehabilitation	95,000
Ground Wells Emergency Power Generator	250,000
Information Technology Improvements	205,000
Lift Station Improvements	1,400,000
Park Improvements	3,636,000
Pools/Aquatics Improvements	449,200
Raw Water Intake Cover	30,000
Trail Improvements	857,200
Water System Modeling	55,500
Water Treatment - Truck Replacement Program	35,000
Water Treatment - Winterization	85,000
Wet Pond Improvements	42,000
	<u>\$ 8,114,900</u>

The District assigned \$1,932,451 of General Fund fund balance to pay for future repairs, replacements, and purchases of capital. The amounts assigned for funding capital projects as of September 30, 2021 are as follows:

BRA - Water Lines Reserve	\$ 347,075
Membrane Replacement Reserve	1,075,000
Regional Wastewater Improvement Fund	139,989
General Trail Washouts	325,000
Gym Equipment Reserve	45,387
	<u>\$ 1,932,451</u>

The Board of Directors approved a resolution to set aside \$7,550,911 for a 6-month Operating Reserve and \$3,477,602 for a Revenue Protection Reserve. In accordance with GASB Statement No. 54, these amounts are included in unassigned fund balance at year-end as noted in the following table:

<u>Unassigned Fund Balance</u>	
Operating Reserve	\$ 7,550,911
Revenue Protection Reserve	3,477,602
Remaining Unassigned Fund Balance	1,195,123
Total Unassigned Fund Balance	<u>\$ 12,223,636</u>

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 11. COMMITMENTS

The District has entered into several utility development agreements with developers of property within the District. Under the terms of the agreements, a developer funds the cost of construction for water, wastewater and drainage facilities for a specified project which has been approved by the District. The District agrees to purchase the facilities at a price to be determined by the Texas Commission on Environmental Quality, but not to exceed the amount actually expended by the developer plus interest from the dates of expenditure to the date of payment by the District.

In August 1998, the Board authorized the District to enter into a contract with the Brazos River Authority (“BRA”) for participation in the Williamson County Raw Water Line Project. The project is for the construction and maintenance of facilities capable of transporting water from Lake Stillhouse Hollow to Lake Georgetown.

In October 2000, the Board authorized the District to enter into a contract with the BRA and the Lower Colorado River Authority (“LCRA”) for participation in the Sub Regional Wastewater Collection, Treatment and Disposal System.

The LCRA utilized its reserved capacity in the system to receive wastewater from the District's wastewater collection system. The cities of Round Rock, Cedar Park, and Austin purchased the wastewater system from the LCRA in December 2009. The District is a customer of the City of Round Rock (the “City”). The BRA will operate and maintain the system in order to receive wastewater from the customers' wastewater collection systems and to treat and dispose of such wastewater. The District will pay charges on the system, their annual estimates for sub-regional operation and maintenance expenses and the resulting estimates of sub-regional capital charges and sub-regional flow charges. The District's capital charge means the portion of the City’s debt necessary to serve the District. Capital charges are included in wastewater purchase expenditures which totaled \$1,054,065 for fiscal year 2021. The following details the District’s portion of the City’s debt that will be included in future wastewater purchases.

	Principal	Interest	Total
2022	\$ 180,000	\$ 194,900	\$ 374,900
2023	185,000	185,900	370,900
2024	195,000	176,650	371,650
2025	230,000	166,900	396,900
2026	245,000	155,400	400,400
2027-2031	1,340,000	648,613	1,988,613
2032-2036	1,560,000	425,775	1,985,775
2037-2039	1,095,000	94,350	1,189,350
	<u>\$ 5,030,000</u>	<u>\$ 2,048,488</u>	<u>\$ 7,078,488</u>

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 11. COMMITMENTS (Continued)

A \$122.5 million project (the “Project”) is underway by the City and other owners of the wastewater collection system. The Project includes both required improvements and an expansion component. The District is not responsible for the expansion costs but has been allocated \$1.355 million in costs of the Project representing its pro rata share of the required improvement costs. The District made a lump sum payment towards this project of \$224,400 in fiscal year 2021. The remaining \$1,130,600 allocated to the District will be paid out annually through 2032 as part of the District’s obligation to pay a share of Debt Service.

On June 24, 2021, the District entered into an Interlocal Agreement for Emergency Water Service with the City where each party agrees to provide potable water service for a temporary period, as defined in the agreement, and only in the event of and for the duration of an emergency, as defined in the agreement. The rate charged will be the residential customer volume rate for Rate Block Four as set forth in Sec. 44-32(a)(5) Code of Ordinances of the City, as amended from time to time. The agreement is effective until September 30, 2040.

NOTE 12. DEFINED BENEFIT PENSION PLAN

Plan Description

The District provides retirement, disability, and death benefits for all of its non-temporary full-time employees through an agent multiple-employer nontraditional defined benefit pension plan administered by the Texas County and District Retirement System (“TCDRS”). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of over 600 active participating counties and districts throughout Texas. TCDRS in the aggregate issues a comprehensive annual financial report (“CAFR”) on a calendar year basis. The CAFR is available at the following link – TCDRS.org/Employer.

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 12. DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided

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

Employee membership data related to the Plan, as of the valuation date of December 31, 2020 was as follows:

Retirees and beneficiaries currently receiving benefits	10
Terminated employees entitled to but not yet receiving benefits	337
Active plan members	115
Total	462

Contributions

The District has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The District contributed using the actuarially determined rate of 6.64% for 2020 as adopted by the governing body of the District. The employee contribution rate was 6.00%. The employee contribution rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act. The required contribution and actual contributions for the year ended December 31, 2020 were both \$219,201.

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 12. DEFINED BENEFIT PENSION PLAN (Continued)

Valuation Timing	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20.0 years (based on contribution rate calculated in 12/31/20 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.6% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014

All actuarial assumptions that determined the total pension liability as of December 31, 2020 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 68.

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2021 information for a 10-year time horizon.

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 12. DEFINED BENEFIT PENSION PLAN (Continued)

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (2)
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.25%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment - Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index (3)	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-0.70%

(1) Target asset allocation adopted at the March 2021 TCDRS Board meeting.

(2) Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.0%, per Cliffwater's 2021 capital market assumptions.

(3) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

(4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

(5) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 12. DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate

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

Changes in net pension asset for the valuation year ended December 31, 2020 are as follows:

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2019	\$ 6,094,356	\$ 6,323,010	\$ (228,654)
Changes For the Year:			
Service Cost	448,604		448,604
Interest on Total Pension Liability (1)	526,117		526,117
Effect of Plan Changes (2)			
Effect of Economic/Demographic Gains or Losses	(164,748)		(164,748)
Effect of Assumptions Changes or Inputs	483,993		483,993
Refund of Contributions	(51,051)	(51,051)	-
Benefit Payments	(46,217)	(46,217)	-
Administrative Expenses		(5,349)	5,349
Member Contributions		206,145	(206,145)
Net Investment Income		653,880	(653,880)
Employer Contributions		219,201	(219,201)
Other (3)		10,334	(10,334)
Balances as of December 31, 2020	<u>\$ 7,291,054</u>	<u>\$ 7,309,953</u>	<u>\$ (18,899)</u>

(1) Reflects the change in the liability due to the time value of money. TCDRS does not change fees or interest.

(2) No plan changes valued.

(3) Relates to allocation of system-wide items.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 12. DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity Analysis

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

	1% Decrease	Current Discount Rate	1% Increase
Total Pension Liability	\$ 8,432,167	\$ 7,291,054	\$ 6,362,203
Fiduciary Net Position	7,309,953	7,309,953	7,309,953
Net Pension Liability / (Asset)	\$ 1,122,214	\$ (18,899)	\$ (947,750)

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

For the year ended September 30, 2021, the District recognized pension expense of \$50,896. As of September 30, 2021, the deferred outflows and inflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences Between Expected and Actual Experience	\$ 109,832	\$ 19,270
Changes of Assumptions		322,662
Net Difference Between Projected and Actual Earnings	202,375	
Contributions Made Subsequent to Measurement Date		180,061
	\$ 312,207	\$ 521,993

The \$180,061 reported as deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2022. The remaining amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2021	\$ 56,209
2022	107,616
2023	(108,403)
2024	(25,697)
Total	\$ 29,725

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 13. RISK MANAGEMENT

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

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

NOTE 14. LEASE AGREEMENTS

The District entered into agreements with three outside parties to lease District property for cell tower use in fiscal years 2004, 2005 and 2009. During the year ended September 30, 2021, the District recognized rental income of \$88,782 related to these agreements. Future rental income per these agreements is as follows:

2022	\$	89,823
2023		90,896
2024		92,964
2025		100,474
2026		102,421
Thereafter		1,380,013
	<u>\$</u>	<u>1,856,591</u>

The District owns a house that it rents to third parties through a management company. During the year ended September 30, 2021, the District recognized rental income of \$17,820 related to this rental property. Future rental income per the lease agreement is on a month to month basis.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 15. ECONOMIC UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. Since that time, the District has not experienced any decrease in property values, unusual tax delinquencies, or interruptions to service as a result of COVID-19. Throughout the year, the District has had to revise, delay or suspend certain programs and services for periods of time as a result of the pandemic and COVID-19 outbreaks. The District will continue to carefully monitor the situation and evaluate the financial statement impact, if any, that results from the pandemic.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Program Revenue:				
Water and Wastewater Services	\$ 5,062,000	\$ 5,062,000	\$ 5,408,639	\$ 346,639
Park and Recreation Center Fees	1,094,495	1,094,495	1,560,908	466,413
Garbage Collection	1,390,408	1,390,408	1,395,584	5,176
Inspection Fees	5,000	5,000	21,675	16,675
Tap and Other Connection Fees			1,296	1,296
Contributions			2,550	2,550
General Revenue:				
Property Taxes	6,953,000	6,953,000	7,210,360	257,360
Investment Earnings	175,000	175,000	80,144	(94,856)
Rental Income	216,118	189,118	106,396	(82,722)
Other	257,800	232,800	155,339	(77,461)
TOTAL REVENUES	\$ 15,153,821	\$ 15,101,821	\$ 15,942,891	\$ 841,070
EXPENDITURES				
Service Operations:				
Salary and Benefits	\$ 5,359,033	\$ 5,243,961	\$ 5,200,496	\$ 43,465
Water and Wastewater Purchases	1,566,000	1,790,400	1,725,371	65,029
Garbage Fees	1,151,000	1,151,000	1,146,332	4,668
Repairs and Maintenance	1,047,290	1,338,786	1,385,387	(46,601)
Administrative	359,434	360,609	336,695	23,914
Utilities	594,400	594,400	585,697	8,703
Contracted Services	566,400	631,111	502,558	128,553
Legal Fees	130,000	170,000	169,912	88
Insurance	100,250	100,250	102,693	(2,443)
Engineering Fees	160,000	205,000	147,775	57,225
Audit Fees	41,750	41,750	41,000	750
Financial Advisor	20,000	20,000	20,000	
Director's Fees	34,050	34,050	34,050	
Security Fees	118,500	144,000	140,282	3,718
Other *	1,129,566	743,121	614,216	128,905
Capital Outlay	1,566,686	3,159,936	2,185,839	974,097
Debt Service:				
Principal Payments	430,000	440,000	440,000	
Interest and Fiscal Charges	70,813	90,813	130,317	(39,504)
TOTAL EXPENDITURES	\$ 14,445,172	\$ 16,259,187	\$ 14,908,620	\$ 1,350,567
NET CHANGE IN FUND BALANCE	\$ 708,649	\$ (1,157,366)	\$ 1,034,271	\$ 2,191,637
FUND BALANCE - OCTOBER 1, 2020	22,754,455	22,754,455	22,754,455	
FUND BALANCE - SEPTEMBER 30, 2021	\$ 23,463,104	\$ 21,597,089	\$ 23,788,726	\$ 2,191,637

* This includes expenses related to community activities, recruiting, cell/phone/cable, postage, and printing as well as other miscellaneous expenses.

See accompanying independent auditor's report.

BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
Schedule of Changes in Net Pension Liability and Related Ratios
September 30, 2021

	Year Ended December 31, 2020*	Year Ended December 31, 2019*	Year Ended December 31, 2018*	Year Ended December 31, 2017*	Year Ended December 31, 2016*	Year Ended December 31, 2015*	Year Ended December 31, 2014*
Total Pension Liability							
Service Cost	\$ 448,604	\$ 416,956	\$ 364,608	\$ 294,923	\$ 295,387	\$ 267,011	\$ 250,979
Interest on Total Pension Liability	526,117	456,424	398,452	342,882	291,308	263,305	230,729
Effect of Plan Changes	-	-	-	4,376	-	(55,460)	-
Effect of Assumption Changes or Inputs	483,993	-	-	512	-	30,086	-
Effect on Economic/Demographic (Gains) or Losses	(164,748)	38,542	(26,962)	44,864	(28,730)	(120,517)	(26,206)
Benefit Payments/Refunds of Contributions	(97,267)	(69,593)	(75,772)	(66,783)	(75,753)	(54,772)	(42,950)
Net Change in Total Pension Asset	1,196,699	842,329	660,326	620,774	482,212	329,653	412,552
Total Pension Liability, Beginning	6,094,356	5,252,027	4,591,701	3,970,927	3,488,715	3,159,062	2,746,511
Total Pension Liability, Ending (a)	\$ 7,291,055	\$ 6,094,356	\$ 5,252,027	\$ 4,591,701	\$ 3,970,927	\$ 3,488,715	\$ 3,159,063
Fiduciary Net Position							
Employer Contributions	\$ 219,201	\$ 206,110	\$ 183,429	\$ 173,616	\$ 142,204	\$ 140,561	\$ 141,860
Member Contributions	206,145	198,835	180,126	170,719	147,347	138,711	129,948
Investment Income Net of Investment Expenses	653,880	843,237	(88,684)	596,801	264,683	(66,405)	199,976
Benefit Payments/Refunds of Contributions	(97,267)	(69,593)	(75,772)	(66,783)	(75,753)	(54,773)	(42,950)
Administrative Expenses	(5,349)	(4,818)	(4,126)	(3,280)	(2,878)	(2,516)	(2,463)
Other	10,334	12,363	9,070	3,689	24,012	2,488	446
Net Change in Fiduciary Net Position	986,944	1,186,134	204,043	874,762	499,615	158,066	426,817
Fiduciary Net Position, Beginning	6,323,010	5,136,876	4,932,833	4,058,071	3,558,456	3,400,390	2,973,574
Fiduciary Net Position, Ending (b)	\$ 7,309,954	\$ 6,323,010	\$ 5,136,876	\$ 4,932,833	\$ 4,058,071	\$ 3,558,456	\$ 3,400,391
Net Pension Liability / (Asset), Ending = (a) - (b)	\$ (18,899)	\$ (228,654)	\$ 115,151	\$ (341,132)	\$ (87,144)	\$ (69,741)	\$ (241,328)
Fiduciary Net Position as a % of Total Pension Liability	100.26 %	103.75 %	97.81 %	107.43 %	102.19 %	102.00 %	107.64 %
Pensionable Covered Payroll	\$ 3,435,745	\$ 3,313,925	\$ 3,002,106	\$ 2,845,317	\$ 2,450,776	\$ 2,311,858	\$ 2,165,801
Net Pension Liability as a % of Covered Payroll	(0.55) %	(6.90) %	3.84 %	(11.99) %	(3.56) %	(3.02) %	(11.14) %

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT**
Schedule of District Contributions
September 30, 2021

Year Ending December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll*	Actual Contribution as a % of Covered Payroll
2011	\$ 126,935	\$ 126,935	\$ -	\$ 1,908,800	6.6%
2012	133,973	133,973	-	2,023,768	6.6%
2013	134,120	134,120	-	2,089,097	6.4%
2014	141,860	141,860	-	2,165,801	6.6%
2015	140,561	140,561	-	2,311,858	6.1%
2016	141,900	142,204	(304)	2,450,776	5.8%
2017	168,727	173,616	(4,889)	2,845,317	6.1%
2018	183,429	183,429	-	3,002,106	6.1%
2019	205,795	206,110	(315)	3,313,925	6.2%
2020	219,201	219,201	-	3,435,745	6.4%

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

1. SERVICES PROVIDED BY THE DISTRICT DURING THE FISCAL YEAR:

<u> X </u>	Retail Water	<u> X </u>	Wholesale Water	<u> X </u>	Drainage
<u> X </u>	Retail Wastewater	<u> </u>	Wholesale Wastewater	<u> </u>	Irrigation
<u> X </u>	Parks/Recreation	<u> </u>	Fire Protection	<u> X </u>	Security
<u> X </u>	Solid Waste/Garbage	<u> </u>	Flood Control	<u> </u>	Roads
<u> </u>	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
<u> </u>	Other (specify): _____				

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 5/8" METER (OR EQUIVALENT):

Based on the rate order effective March 1, 2020.

	<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:					
In-District	\$ 15.00		Y	\$ 2.25 winter \$ 2.95 summer	Oct to May Jun to Sep
Out-of-District	\$ 39.14		Y	\$ 2.25 winter \$ 2.95 summer	Oct to May Jun to Sep
WASTEWATER:					
In-District	\$ 6.00		N	\$ 2.70	Per 1,000
Out-of-District	\$ 12.00		N	\$ 10.80	Per 1,000
SURCHARGE:	N/A	N/A	N/A	N/A	N/A
District employs winter averaging for wastewater usage?					<u> X </u> Yes <u> </u> No

Total charges per 10,000 gallons usage: In-District: Water: \$37.50-Winter, \$44.50-Summer; Wastewater: \$33.00
Out-of-District: Water: \$61.64-Winter, \$68.64-Summer; Wastewater: \$120.00

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤ 3/4"	<u>5,538</u>	<u>5,538</u>	x 1.0	<u>5,538</u>
1"	<u>37</u>	<u>37</u>	x 2.5	<u>92.5</u>
1½"	<u>40</u>	<u>40</u>	x 5.0	<u>200</u>
2"	<u>38</u>	<u>38</u>	x 8.0	<u>304</u>
3"	<u>11</u>	<u>11</u>	x 15.0	<u>165</u>
4"	<u>2</u>	<u>2</u>	x 25.0	<u>50</u>
6"	<u>2</u>	<u>2</u>	x 50.0	<u>100</u>
8"	<u>5</u>	<u>5</u>	x 80.0	<u>400</u>
10"			x 115.0	
Total Water Connections	<u><u>5,673</u></u>	<u><u>5,673</u></u>		<u><u>6,849.5</u></u>
Total Wastewater Connections	<u><u>5,594</u></u>	<u><u>5,594</u></u>	x 1.0	<u><u>5,594</u></u>

3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)

Gallons pumped into the System: 951,510,000 Water Accountability Ratio: 90.5%
(Gallons billed /Gallons pumped)

Gallons billed to customers: 861,552,000

The water accountability ratio does not include fire hydrant flushing, water used in fire-fighting, loss due to water leaks identified, or other un-metered loss to the system.

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

4. STANDBY FEES (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes No

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No

County in which District is located:

Williamson County

Is the District located within a city?

Entirely Partly Not at all

Cities in which District is located:

N/A

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

Entirely Partly Not at all

ETJ's in which District is located:

City of Round Rock

Are Board Members appointed by an office outside the District?

Yes No

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
INVESTMENTS
SEPTEMBER 30, 2021**

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<u>GENERAL FUND</u>					
LOGIC	XXXX1002	Varies	Daily	\$ 679,348	\$
LOGIC	XXXX1003	Varies	Daily	848,068	
LOGIC	XXXX1015	Varies	Daily	5,140,128	
TexPool	XXXX0008	Varies	Daily	2,582,887	
TexPool	XXXX0001	Varies	Daily	38,782	
Municipal Bonds	XXXX6QP1	2.000%	12/02/21	2,006,340	48,437
Municipal Bonds	XXXX9BH0	5.000%	02/15/23	1,509,659	13,100
US Agencies	XXXXLI70	0.400%	03/12/24	1,999,918	627
US Agencies	XXXXLVY7	0.400%	04/15/24	2,498,146	6,759
US Agencies	XXXXMVD1	0.330%	04/05/24	2,495,738	5,907
Commerical Paper	XXXXXDV6	n/a	01/18/22	2,997,820	
TOTAL GENERAL FUND				<u>\$ 22,796,834</u>	<u>\$ 74,830</u>
<u>DEBT SERVICE FUND</u>					
LOGIC	XXXX1001	Varies	Daily	\$ 2,417,992	\$
LOGIC	XXXX1013	Varies	Daily	829,245	
LOGIC	XXXX1016	Varies	Daily	52,724	
TexPool	XXXX0004	Varies	Daily	237,490	
TOTAL DEBT SERVICE FUND				<u>\$ 3,537,451</u>	<u>\$ - 0 -</u>
<u>CAPITAL PROJECTS FUND</u>					
LOGIC	XXXX1009	Varies	Daily	\$ 1,533,011	\$
LOGIC	XXXX1017	Varies	Daily	1,445,284	
TexPool	XXXX0007	Varies	Daily	875,080	
TOTAL CAPITAL PROJECTS FUND				<u>\$ 3,853,375</u>	<u>\$ - 0 -</u>
TOTAL - ALL FUNDS				<u>\$ 30,187,660</u>	<u>\$ 74,830</u>

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
OCTOBER 1, 2020	\$ 55,431		\$ 38,529	
Adjustments to Beginning				
Balance	<u>(8,861)</u>	\$ 46,570	<u>130</u>	\$ 38,659
Original 2020 Tax Levy	\$ 7,192,629		\$ 4,002,867	
Adjustment to 2020 Tax Levy	<u>(4,260)</u>	<u>7,188,369</u>	<u>(1,980)</u>	<u>4,000,887</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 7,234,939		\$ 4,039,546
TAX COLLECTIONS:				
Prior Years	\$ 17,680		\$ 10,383	
Current Year	<u>7,177,128</u>	<u>7,194,808</u>	<u>3,995,251</u>	<u>4,005,634</u>
TAXES RECEIVABLE -				
SEPTEMBER 30, 2021		<u>\$ 40,131</u>		<u>\$ 33,912</u>
TAXES RECEIVABLE BY				
YEAR:				
2020		\$ 11,241		\$ 5,636
2019		6,063		3,405
2018		5,608		3,183
2017		4,285		3,084
2016		1,940		4,256
2015		2,017		2,972
2014		2,224		2,418
2013 & Prior		<u>6,753</u>		<u>8,958</u>
TOTAL		<u>\$ 40,131</u>		<u>\$ 33,912</u>

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
PROPERTY VALUATIONS:				
District-wide	\$ 2,246,365,598	\$ 2,171,065,972	\$ 2,086,616,021	\$ 1,968,553,734
Defined Area	\$ 534,966,231	\$ 515,650,174	\$ 493,992,503	\$ 452,999,890
TAX RATES PER \$100 VALUATION:				
Debt Service Tax Rate	\$ 0.1400	\$ 0.1400	\$ 0.1400	\$ 0.1600
Maintenance Tax Rate	<u>0.3200</u>	<u>0.3200</u>	<u>0.3200</u>	<u>0.3000</u>
District-wide	\$ 0.4600	\$ 0.4600	\$ 0.4600	\$ 0.4600
Defined Area	\$ 0.1600	\$ 0.1650	\$ 0.1750	\$ 0.1900
ADJUSTED TAX LEVY	<u>\$ 11,189,256</u>	<u>\$ 10,840,101</u>	<u>\$ 10,464,134</u>	<u>\$ 9,916,640</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>99.85 %</u>	<u>99.91 %</u>	<u>99.92 %</u>	<u>99.93 %</u>

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2021**

Due During Fiscal Years Ending September 30	DEFINED AREA SERIES-2013			DEFINED AREA REFUNDING SERIES-2015			DEFINED AREA SERIES-2015		
	Principal Due June 1	Interest Due December 1/ June 1	Total	Principal Due June 1	Interest Due December 1/ June 1	Total	Principal Due June 1	Interest Due December 1/ June 1	Total
2022	\$ 110,000	\$ 3,575	\$ 113,575	\$ 220,000	\$ 97,500	\$ 317,500	\$ 115,000	\$ 99,156	\$ 214,156
2023				225,000	90,900	315,900	120,000	95,706	215,706
2024				230,000	84,150	314,150	125,000	92,106	217,106
2025				240,000	77,250	317,250	130,000	88,356	218,356
2026				245,000	70,050	315,050	135,000	84,456	219,456
2027				260,000	62,394	322,394	140,000	80,406	220,406
2028				270,000	53,944	323,944	145,000	76,206	221,206
2029				280,000	44,494	324,494	150,000	71,494	221,494
2030				295,000	34,694	329,694	155,000	66,619	221,619
2031				300,000	24,000	324,000	160,000	61,581	221,581
2032				165,000	12,750	177,750	170,000	56,381	226,381
2033				175,000	6,562	181,562	175,000	50,431	225,431
2034							185,000	44,306	229,306
2035							190,000	37,831	227,831
2036							200,000	31,181	231,181
2037							205,000	23,931	228,931
2038							215,000	16,500	231,500
2039							225,000	8,442	233,442
	<u>\$ 110,000</u>	<u>\$ 3,575</u>	<u>\$ 113,575</u>	<u>\$ 2,905,000</u>	<u>\$ 658,688</u>	<u>\$ 3,563,688</u>	<u>\$ 2,940,000</u>	<u>\$ 1,085,089</u>	<u>\$ 4,025,089</u>

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2021**

Due During Fiscal Years Ending September 30	UTILITY SYSTEM REVENUE NOTE SERIES-2016			REFUNDING SERIES-2019			REFUNDING SERIES-2020		
	Principal Due June 1	Interest Due December 1/ June 1	Total	Principal Due June 1	Interest Due December 1/ June 1	Total	Principal Due June 1	Interest Due December 1/ June 1	Total
2022	\$ 450,000	\$ 118,745	\$ 568,745	\$ 1,585,000	\$ 171,100	\$ 1,756,100	\$ 835,000	\$ 257,400	\$ 1,092,400
2023	465,000	106,910	571,910	1,385,000	123,550	1,508,550	870,000	232,350	1,102,350
2024	475,000	94,680	569,680	-	82,000	82,000	1,770,000	206,250	1,976,250
2025	490,000	82,188	572,188	200,000	82,000	282,000	915,000	135,450	1,050,450
2026	500,000	69,301	569,301	1,900,000	76,000	1,976,000	945,000	108,000	1,053,000
2027	515,000	56,151	571,151				1,305,000	79,650	1,384,650
2028	525,000	42,606	567,606				1,350,000	40,500	1,390,500
2029	540,000	28,799	568,799						
2030	555,000	14,592	569,592						
2031									
2032									
2033									
2034									
2035									
2036									
2037									
2038									
2039									
	<u>\$ 4,515,000</u>	<u>\$ 613,972</u>	<u>\$ 5,128,972</u>	<u>\$ 5,070,000</u>	<u>\$ 534,650</u>	<u>\$ 5,604,650</u>	<u>\$ 7,990,000</u>	<u>\$ 1,059,600</u>	<u>\$ 9,049,600</u>

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2021**

Due During Fiscal Years Ending September 30	SERIES - 2020			REFUNDING SERIES - 2020A			DEFINED AREA REFUNDING SERIES - 2020		
	Principal Due June 1	Interest Due December 1/ June 1	Total	Principal Due June 1	Interest Due December 1/ June 1	Total	Principal Due June 1	Interest Due December 1/ June 1	Total
2022	\$ 195,000	\$ 23,012	\$ 218,012		\$ 163,200	\$ 163,200	\$ 105,000	\$ 42,018	\$ 147,018
2023	440,000	21,062	461,062		163,200	163,200	110,000	38,870	148,870
2024	340,000	16,663	356,663	615,000	163,200	778,200	115,000	35,568	150,568
2025	135,000	13,262	148,262	1,550,000	150,900	1,700,900	120,000	32,118	152,118
2026	140,000	11,575	151,575		119,900	119,900	125,000	28,518	153,518
2027	10,000	9,825	19,825	1,685,000	119,900	1,804,900	120,000	26,020	146,020
2028		9,675	9,675	1,750,000	52,500	1,802,500	125,000	23,618	148,618
2029	645,000	9,675	654,675				125,000	21,120	146,120
2030							125,000	18,462	143,462
2031							135,000	15,806	150,806
2032							285,000	12,938	297,938
2033							290,000	6,525	296,525
2034									
2035									
2036									
2037									
2038									
2039									
	<u>\$ 1,905,000</u>	<u>\$ 114,749</u>	<u>\$ 2,019,749</u>	<u>\$ 5,600,000</u>	<u>\$ 932,800</u>	<u>\$ 6,532,800</u>	<u>\$ 1,780,000</u>	<u>\$ 301,581</u>	<u>\$ 2,081,581</u>

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2021**

Due During Fiscal Years Ending September 30	DEFINED AREA REFUNDING SERIES-2021			ANNUAL REQUIREMENTS FOR ALL SERIES		
	Principal Due June 1	Interest Due December 1/ June 1	Total	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2022	\$ 10,000	\$ 52,908	\$ 62,908	\$ 3,625,000	\$ 1,028,614	\$ 4,653,614
2023	125,000	45,050	170,050	3,740,000	917,598	4,657,598
2024	130,000	41,300	171,300	3,800,000	815,917	4,615,917
2025	135,000	37,400	172,400	3,915,000	698,924	4,613,924
2026	140,000	33,350	173,350	4,130,000	601,150	4,731,150
2027	145,000	29,150	174,150	4,180,000	463,496	4,643,496
2028	150,000	24,800	174,800	4,315,000	323,849	4,638,849
2029	5,000	20,300	25,300	1,745,000	195,882	1,940,882
2030	5,000	20,200	25,200	1,135,000	154,567	1,289,567
2031	5,000	20,100	25,100	600,000	121,487	721,487
2032	5,000	20,000	25,000	625,000	102,069	727,069
2033	5,000	19,900	24,900	645,000	83,418	728,418
2034	190,000	19,800	209,800	375,000	64,106	439,106
2035	195,000	16,000	211,000	385,000	53,831	438,831
2036	200,000	12,100	212,100	400,000	43,281	443,281
2037	200,000	8,100	208,100	405,000	32,031	437,031
2038	205,000	4,100	209,100	420,000	20,600	440,600
2039				225,000	8,442	233,442
	<u>\$ 1,850,000</u>	<u>\$ 424,558</u>	<u>\$ 2,274,558</u>	<u>\$ 34,665,000</u>	<u>\$ 5,729,262</u>	<u>\$ 40,394,262</u>

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
CHANGES IN LONG-TERM BONDED DEBT
SEPTEMBER 30, 2021**

	<u>Defined Area Unlimited Tax Series 2011</u>	<u>Refunding Series 2012</u>	<u>Defined Area Unlimited Tax Series 2013</u>	<u>Defined Area Refunding Series 2015</u>	<u>Defined Area Unlimited Tax Series 2015</u>	<u>Utility System Revenue Note Series 2016</u>
Interest Rate	4.00%	3.00%	3.25%	3.00% - 3.75%	3.00% - 3.75%	2.63%
Dates Interest Payable	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1
Maturity Date	6/1/2021	6/1/2021	6/1/2022	6/1/2033	6/1/2039	6/1/2030
Bonds Outstanding at Beginning of Current Fiscal Year	\$ 85,000	\$ 660,000	\$ 2,875,000	\$ 3,115,000	\$ 3,050,000	\$ 4,955,000
Bonds Sold During the Current Fiscal Year	-	-	-	-	-	-
Retirements During the Current Fiscal Year:						
Refunded	-	-	(1,830,000)	-	-	-
Principal	(85,000)	(660,000)	(935,000)	(210,000)	(110,000)	(440,000)
Bonds Outstanding at End of Current Fiscal Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,000</u>	<u>\$ 2,905,000</u>	<u>\$ 2,940,000</u>	<u>\$ 4,515,000</u>
Interest Paid During the Current Fiscal Year	<u>\$ 3,400</u>	<u>\$ 19,800</u>	<u>\$ 88,343</u>	<u>\$ 103,800</u>	<u>\$ 102,456</u>	<u>\$ 130,317</u>

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
CHANGES IN LONG-TERM BONDED DEBT
SEPTEMBER 30, 2021**

	<u>Refunding Series 2019</u>	<u>Refunding Series 2020</u>	<u>Series 2020</u>	<u>Refunding Series 2020A</u>	<u>Defined Area Refunding Series 2020</u>	<u>Defined Area Refunding Series 2021</u>
Interest Rate	3.00% - 4.00%	3.00% - 4.00%	1.00% - 1.50%	2.00% - 4.00%	2.00% - 3.00%	2.00% - 3.00%
Dates Interest Payable	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1
Maturity Date	6/1/2026	6/1/2028	6/1/2029	6/1/2028	6/1/2033	6/1/2038
Bonds Outstanding at Beginning of Current Fiscal Year	\$ 6,605,000	\$ 8,140,000	\$ 2,100,000	\$ 5,600,000	\$ 1,795,000	\$ -
Bonds Sold During the Current Fiscal Year	-	-	-	-	-	1,850,000
Retirements During the Current Fiscal Year:						
Refunded	-	-	-	-	-	-
Principal	<u>(1,535,000)</u>	<u>(150,000)</u>	<u>(195,000)</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>
Bonds Outstanding at End of Current Fiscal Year	<u>\$ 5,070,000</u>	<u>\$ 7,990,000</u>	<u>\$ 1,905,000</u>	<u>\$ 5,600,000</u>	<u>\$ 1,780,000</u>	<u>\$ 1,850,000</u>
Interest Paid During the Current Fiscal Year	<u>\$ 217,150</u>	<u>\$ 269,903</u>	<u>\$ 22,813</u>	<u>\$ 109,253</u>	<u>\$ 43,766</u>	<u>\$ -</u>

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
CHANGES IN LONG-TERM BONDED DEBT
SEPTEMBER 30, 2021**

	<u>Grand Total</u>		
Bonds and Note Outstanding at Beginning of Current Fiscal Year	\$ 38,980,000		
Bond/Note Sold During the Current Fiscal Year	1,850,000		
Retirements During the Current Fiscal Year:			
Refunded	(1,830,000)		
Principal	(4,335,000)		
	<u>34,665,000</u>		
Bonds and Note Outstanding at End of Current Fiscal Year	<u>\$ 34,665,000</u>		
Interest Paid During the Current Fiscal Year	<u>\$ 1,111,001</u>		
Paying Agent:	Series 2005, 2009, 2010, 2011, 2012, 2013, 2015, 2019, 2020, 2020A and 2021	Wells Fargo Bank Minneapolis, Minnesota 55415	
	Series 2016	BB&T Governmental Finance Charlotte, North Carolina 28217	
Bond Authority:	<u>District Tax Bonds*</u>	<u>Defined Area Tax Bonds</u>	<u>Refunding Bonds</u>
Amount Authorized by Voters	\$ 74,100,000	\$ 24,500,000	\$ 84,074,998
Amount Issued	<u>74,100,000</u>	<u>13,785,000</u>	<u>84,074,998</u>
Remaining to be Issued	<u>\$ - 0 -</u>	<u>\$ 10,715,000</u>	<u>\$ - 0 -</u>
Debt Service Fund cash and investment balances as of September 30, 2021:			<u>\$ 3,537,451</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:			<u>\$ 2,244,126</u>

See accompanying independent auditor's report.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND AND DEBT SERVICE FUND - FIVE YEARS**

	Amounts					Percentage of Total Revenue				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
GENERAL FUND										
REVENUES										
Water and Wastewater Service	\$ 5,408,639	\$ 5,405,598	\$ 5,192,564	\$ 5,385,725	\$ 5,215,431	33.9 %	34.9 %	32.3 %	36.1 %	37.7 %
Garbage Collection	1,395,584	1,391,326	1,388,800	1,385,486	1,369,168	8.8	9.0	8.6	9.3	9.9
Inspection Fees	21,675	31,700	29,000	27,685	60,520	0.1	0.2	0.2	0.2	0.4
Tap and Other Connection Fees	1,296	6,214	26,003	3,074	47,079			0.2		0.3
Park and Recreation Center Fees	1,560,908	1,165,846	1,969,615	1,673,060	1,546,489	9.8	7.5	12.2	11.2	11.2
Property Taxes, Including Penalties and Interest	7,210,360	6,922,703	6,675,772	5,903,594	5,281,267	45.2	44.6	41.5	39.6	38.2
Investment Earnings	80,144	342,725	564,348	284,545	97,894	0.5	2.2	3.5	1.9	0.7
Other	264,285	253,967	248,092	256,933	219,957	1.7	1.6	1.5	1.7	1.6
Contributed Capital Assets					1,710					
TOTAL REVENUES	\$ 15,942,891	\$ 15,520,079	\$ 16,094,194	\$ 14,920,102	\$ 13,839,515	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
EXPENDITURES										
Current:										
Personnel (Including Benefits)	\$ 5,200,496	\$ 4,652,172	\$ 4,534,771	\$ 4,261,308	\$ 3,908,287	32.5 %	30.0 %	28.3 %	28.6 %	28.1 %
Purchased Services for Resale	2,871,703	2,773,047	2,762,311	2,586,690	2,450,527	18.0	17.9	17.2	17.3	17.7
Administrative	370,745	378,185	1,149,496	1,047,338	971,001	2.3	2.4	7.1	7.0	7.0
Repairs and Maintenance	1,385,387	1,276,114	1,117,540	876,860	1,122,722	8.7	8.2	6.9	5.9	8.1
Utilities	585,697	611,657	580,259	624,474	536,614	3.7	3.9	3.6	4.2	3.9
Professional Services	1,235,878	1,326,943	706,177	564,091	561,744	7.8	8.5	4.4	3.8	4.1
Contracted Services	502,558	731,530	393,621	190,618	378,744	3.2	4.7	2.4	1.3	2.7
Capital Outlay	2,185,839	2,987,146	724,604	2,300,762	1,865,489	13.7	19.3	4.5	15.4	13.5
Principal Payments	440,000	430,000	420,000	405,000	395,000	2.8	2.8	2.6	2.7	2.9
Interest and Fiscal Charges	130,317	141,626	152,672	163,323	173,711	0.8	0.9	0.9	1.1	1.3
TOTAL EXPENDITURES	\$ 14,908,620	\$ 15,308,420	\$ 12,541,451	\$ 13,020,464	\$ 12,363,839	93.5 %	98.6 %	77.9 %	87.3 %	89.3 %
EXCESS OF REVENUES OVER EXPENDITURES	\$ 1,034,271	\$ 211,659	\$ 3,552,743	\$ 1,899,638	\$ 1,475,676	6.5 %	1.4 %	22.1 %	12.7 %	10.7 %
OTHER FINANCING SOURCES										
Sale of Capital Assets	\$	\$	\$ 685,683	\$ 32,303	\$	%	%	4.2 %	0.2 %	%
NET CHANGE IN FUND BALANCE	\$ 1,034,271	\$ 211,659	\$ 4,238,426	\$ 1,931,941	\$ 1,475,676	6.5 %	1.4 %	26.3 %	12.9 %	10.7 %

See accompanying independent auditor's report.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND AND DEBT SERVICE FUND - FIVE YEARS**

	Amounts					Percentage of Total Revenue				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
DEBT SERVICE FUND										
REVENUES										
Property Taxes, Including Penalties and Interest	\$ 4,012,812	\$ 3,880,627	\$ 3,785,126	\$ 4,008,201	\$ 3,921,140	99.8 %	97.7 %	95.1 %	98.2 %	98.7 %
Investment Earnings and Other	6,937	93,065	193,091	72,603	50,324	0.2	2.3	4.9	1.8	1.3
TOTAL REVENUES	\$ 4,019,749	\$ 3,973,692	\$ 3,978,217	\$ 4,080,804	\$ 3,971,464	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
EXPENDITURES										
Principal Payments	\$ 3,895,000	\$ 2,810,000	\$ 3,205,000	\$ 2,605,000	\$ 2,510,000	96.9 %	70.7 %	80.6 %	63.8 %	63.1 %
Interest and Fiscal Charges	980,684	1,014,149	1,378,965	1,481,295	1,563,843	24.4	25.5	34.7	36.3	39.4
Tax Appraisal and Collection	64,653	66,799	64,078	64,019	63,732	1.6	1.7	1.6	1.6	1.6
Bond Issuance Costs	102,981	541,840	220,225	6,575	6,575	2.6	13.6	5.5	0.2	0.2
Other	13,325	15,608	7,129	6,630	31	0.3	0.4	0.2	0.2	0.2
TOTAL EXPENDITURES	\$ 5,056,643	\$ 4,448,396	\$ 4,875,397	\$ 4,156,944	\$ 4,144,181	125.8 %	111.9 %	122.6 %	101.9 %	104.3 %
DEFICIENCY OF REVENUES UNDER EXPENDITURES	\$ (1,036,894)	\$ (474,704)	\$ (897,180)	\$ (76,140)	\$ (172,717)	(25.8) %	(11.9) %	(22.6) %	(1.9) %	(4.3) %
OTHER FINANCING SOURCES (USES)										
Transfers In	\$	\$	\$	\$ 517,760	\$	%	%	%	12.7 %	%
Proceeds from the Sale of Capital Assets			18,412					0.5		
Proceeds of Refunding Bonds	1,850,000	15,535,000	6,605,000			46.0	390.9	166.0		
Payment to Refunded Bond Escrow Agent	(1,874,403)	(16,373,412)	(6,855,598)			(46.6)	(412.0)	(172.3)		
Premium (Discount) on Bonds	62,484	1,252,827	408,548			1.6	31.5	10.3		
TOTAL OTHER FINANCING SOURCES	\$ 38,081	\$ 414,415	\$ 176,362	\$ 517,760	\$ - 0 -	1.0 %	10.4 %	4.5 %	12.7 %	%
NET CHANGE IN FUND BALANCE	\$ (998,813)	\$ (60,289)	\$ (720,818)	\$ 441,620	\$ (172,717)	(24.8) %	(1.5) %	(18.1) %	10.8 %	(4.3) %
TOTAL ACTIVE RETAIL WATER CONNECTIONS	5,673	5,680	5,685	5,683	5,673					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	5,594	5,563	5,583	5,592	5,615					

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2021**

District Mailing Address - 16318 Great Oaks Drive
Round Rock, Texas 78681

District Telephone Number - (512) 255-7871

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended September 30, 2021	Expense Reimbursements for the year ended September 30, 2021	Title
Donna B. Parker	11/20 11/24 (Elected)	\$ 7,200	\$ -	President
Michael Tucker	11/20 11/24 (Elected)	\$ 6,900	\$ -	Vice- President/ Assistant Treasurer
Rebecca B. Tullos	11/18 11/22 (Elected)	\$ 7,200	\$ -	Treasurer
Kim Filiatrault	11/18 11/22 (Elected)	\$ 7,200	\$ -	Secretary
Ken Reifschlager	11/20 11/22 (Appointed)	\$ 5,550	\$ -	Assistant Secretary

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

Submission date of most recent District Registration Form: December 28, 2020.

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution (TWC Section 49.060). Fees of Office are the amounts actually paid on the cash basis to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2021**

	Date Hired	Fees for the year ended September 30, 2021	Title
Consultants:			
McLean & Howard, LLP	2017	\$ 153,782	Attorney
McCall Gibson Swedlund Barfoot PLLC	2018	\$ 34,250 \$ 1,500	Auditor Bond Related
Robert W. Baird & Co.	2015	\$ 20,175	Financial Advisor
McCall, Parkhurst & Horton LLP	1994	\$ 25,950	Bond Counsel
MRB Group	2013	\$ 311,338	Engineer
Meeder Public Funds, Inc. (fka Patterson & Associates)	2008	\$ 20,000	Investment Advisor
Williamson County Tax Assessor-Collector	1981	\$ 1,919	Tax Assessor/ Collector

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
PRINCIPAL TAXPAYERS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<u>District-Wide Area</u>	<u>Tax Roll Year</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Taxpayer</u>			
Landing at Round Rock Acquisition LLC	\$ 88,725,000	\$ 87,182,347	\$ 90,284,368
CWS Brushy Creek LP	52,934,180	51,957,360	50,250,000
Beck Commons Investments LLC	12,151,316	11,492,327	-
IVQ Round Rock LP	12,099,882	11,699,881	12,272,768
H. E. Butt Inc.	10,657,967	10,024,054	8,566,956
Atmos Energy/Mid-Tex Distribution	9,764,727	8,456,367	8,199,457
Great American Storage Partners LLC	7,730,511	7,541,310	7,531,026
Highland 620 Land Investment Ltd.	7,502,624	7,522,601	8,457,479
Barclay/Texas Holdings XI LP	7,325,000	8,350,448	12,500,258
Oncor Electric Delivery Company	6,662,136	-	-
Reshetar Inc.	-	5,810,289	-
Barclay/Texas Holdings 6 LP	-	-	10,211,336
MGP, XXII LLC	-	-	5,150,000
Total	<u>\$ 215,553,343</u>	<u>\$ 210,036,984</u>	<u>\$ 213,423,648</u>
Percent of Assessed Valuation	<u>8.65%</u>	<u>9.35%</u>	<u>9.83%</u>

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
PRINCIPAL TAXPAYERS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<u>Defined Area</u>	<u>Tax Roll Year</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Taxpayer</u>			
IVQ Round Rock LP	\$ 12,099,882	\$ 11,699,881	\$ 12,272,768
Highland 620 Land Investment Ltd.	7,502,624	7,522,601	8,457,479
Alpine Village Community LLC & et al	4,934,348	-	-
Cuchara Investment Group Ltd.	4,293,221	4,301,214	4,102,975
Great Oaks Physicians Holding Company LP	4,254,867	3,760,662	3,435,319
First Star Bank SSB	3,789,811	3,440,747	3,351,025
TDE Investments LLC	3,315,417	2,930,331	2,676,815
Saiba Holdings LLC	2,974,967	2,851,555	2,880,901
LIDL US Operations LLC	2,812,778	2,812,778	3,286,147
Hatch House Management Company LLC	2,412,136	2,403,453	2,383,132
MHM Brushy Creek FH LLC	-	4,360,483	953,445
Total	<u>\$ 48,390,051</u>	<u>\$ 46,083,705</u>	<u>\$ 43,800,006</u>
Percent of Assessed Valuation	<u>8.20%</u>	<u>8.61%</u>	<u>8.49%</u>

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
ASSESSED VALUE BY CLASSIFICATION
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<u>District-Wide Area</u>	Tax Roll Year					
	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Type of Property						
Single Family	\$ 2,293,183,357	92.1%	\$ 1,840,474,598	82.0%	\$ 1,871,238,253	86.1%
Multi-Family	154,101,224	6.2	148,523,051	6.6	151,307,534	7.0
Vacant Platted Lots/Tracts	11,097,385	0.4	11,473,690	0.5	14,293,843	0.7
Farm and Ranch Improvement	11,533	0.0	11,451	0.0	10,723	0.0
Commerical	147,873,152	5.9	131,028,342	5.8	136,522,768	6.3
Real & Intangible Personal, Utilities	18,456,530	0.7	13,783,956	0.6	11,562,108	0.5
Tangible Personal Business	24,115,734	1.0	19,172,997	0.9	22,822,127	1.1
Exempt	(155,896,035)	(6.3)	81,897,513	3.6	(36,691,384)	(1.7)
Total	<u>\$ 2,492,942,880</u>	<u>100.0%</u>	<u>\$ 2,246,365,598</u>	<u>100.0%</u>	<u>\$ 2,171,065,972</u>	<u>100.0%</u>

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
ASSESSED VALUE BY CLASSIFICATION
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<u>Defined Area</u>	Tax Roll Year					
	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Type of Property						
Single Family	\$ 576,576,729	97.8%	\$ 460,754,048	86.2%	\$ 473,348,549	91.7%
Vacant Platted Lots/Tracts	10,316,347	1.7	10,335,780	1.9	12,699,112	2.5
Farm and Ranch Improvement	9,910	0.0	9,910	0.0	9,100	0.0
Commerical	38,074,649	6.5	29,043,659	5.4	31,102,935	6.0
Real & Intangible Personal, Utilities	207,966	0.0	264,971	0.0	273,265	0.1
Tangible Personal Business	4,799,291	0.8	4,734,603	0.9	4,386,902	0.9
Exempt	(39,924,784)	(6.8)	29,823,260	5.6	(6,169,689)	(1.2)
Total	<u>\$ 590,060,108</u>	<u>100.0%</u>	<u>\$ 534,966,231</u>	<u>100.0%</u>	<u>\$ 515,650,174</u>	<u>100.0%</u>