

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

BASTROP COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2021

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

BASTROP COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bastrop County Municipal
Utility District No. 1
Bastrop County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Bastrop County Municipal Utility District No. 1 (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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis 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* 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

January 7, 2022

**BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Management’s discussion and analysis of the financial performance of Bastrop County Municipal Utility District No. 1 (the “District”) provides an overview of the District’s financial activities for the fiscal year ended September 30, 2021. Please read it in conjunction with the District’s financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. This report also includes required and other supplementary information in addition to the basic financial statements.

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 the District’s assets, liabilities, and, if applicable, 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.

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 two governmental fund types. The General Fund accounts for resources not accounted for in another fund, property tax revenues, 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.

**BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

FUND FINANCIAL STATEMENTS (Continued)

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 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") and other supplementary information. A budgetary comparison schedule is included as RSI for the General Fund.

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 by \$1,049,481 as of September 30, 2021. A portion of the District's net position reflects its net investment in capital assets (water and wastewater facilities less any debt used to acquire those assets that is still outstanding).

**BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following is a comparative analysis of the Statement of Net Position as of September 30, 2021, and September 30, 2020:

	Summary of Changes in the Statement of Net Position		
	2021	2020	Change Positive (Negative)
Current and Other Assets	\$ 1,123,355	\$ 748,774	\$ 374,581
Capital Assets (Net of Accumulated Depreciation)	898,916	963,494	(64,578)
Total Assets	<u>\$ 2,022,271</u>	<u>\$ 1,712,268</u>	<u>\$ 310,003</u>
Deferred Outflows of Resources	\$ 19,216	\$ 22,460	\$ (3,244)
Bonds Payable	\$ 883,000	\$ 1,018,000	\$ 135,000
Other Liabilities	109,006	76,040	(32,966)
Total Liabilities	<u>\$ 992,006</u>	<u>\$ 1,094,040</u>	<u>\$ 102,034</u>
Net Position:			
Net Investment in Capital Assets	\$ 35,132	\$ (32,046)	\$ 67,178
Restricted	59,446	70,203	(10,757)
Unrestricted	954,903	602,531	352,372
Total Net Position	<u>\$ 1,049,481</u>	<u>\$ 640,688</u>	<u>\$ 408,793</u>

The following table provides a comparative analysis of the District's operations for the years ended September 30, 2021, and September 30, 2020.

	Summary of Changes in the Statement of Activities		
	2021	2020	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 388,434	\$ 400,353	\$ (11,919)
Charges for Services	637,923	237,513	400,410
Damage Recovery		90,524	(90,524)
Other Revenues	2,380	11,987	(9,607)
Total Revenues	<u>\$ 1,028,737</u>	<u>\$ 740,377</u>	<u>\$ 288,360</u>
Expenses for Services	619,944	863,932	243,988
Change in Net Position	\$ 408,793	\$ (123,555)	\$ 532,348
Net Position, Beginning of Year	640,688	764,243	(123,555)
Net Position, End of Year	<u>\$ 1,049,481</u>	<u>\$ 640,688</u>	<u>\$ 408,793</u>

**BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of September 30, 2021, were \$962,873, an increase of \$336,392 from the prior year.

The General Fund fund balance increased by \$349,537, primarily due to service revenues and tax revenues exceeding operating and administrative costs.

The Debt Service Fund fund balance decreased by \$13,145, primarily due to the structure of the District's outstanding debt.

BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated budget for the current fiscal year. Actual revenues were \$390,256 more than budgeted revenues and actual expenditures were \$214,906 less than budgeted expenditures which resulted in a positive budget to actual variance of \$605,162. For more information, see the budget to actual comparison in this report.

CAPITAL ASSETS

Capital assets total \$898,916 as of September 30, 2021 and include the water and wastewater systems.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2021	2020	Change Positive (Negative)
Capital Assets, Net of Accumulated Depreciation:			
Water System	\$ 325,243	\$ 353,891	\$ (28,648)
Wastewater System	573,673	609,603	(35,930)
Total Net Capital Assets	\$ 898,916	\$ 963,494	\$ (64,578)

**BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

LONG-TERM DEBT ACTIVITY

The Series 2012 Refunding Bonds and Series 2016 Refunding Bonds are both private placement bonds and did not have underlying ratings nor insured ratings for the current or prior fiscal years.

As of September 30, 2021, the District had total bond debt payable of \$883,000. The changes in the debt position of the District during the fiscal year ended September 30, 2021, are summarized as follows:

Bond Debt Payable, October 1, 2020	\$ 1,018,000
Less: Bond Principal Paid	<u>135,000</u>
Bond Debt Payable, September 30, 2021	<u><u>\$ 883,000</u></u>

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 Bastrop County Municipal Utility District No. 1, c/o Allen Boone Humphries Robinson LLP, 1108 Lavaca Street, Suite 510, Austin, Texas 78701.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2021

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 339,506	\$ 24,268
Investments	651,379	25,300
Receivables:		
Property Taxes	29,141	24,201
Service Accounts	23,165	
Due from Other Funds	11,904	
Prepaid Costs	6,395	
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	\$ 1,061,490	\$ 73,769
DEFERRED OUTFLOW OF RESOURCES		
Deferred Charges on Refunding Bonds	\$ -0-	\$ -0-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,061,490	\$ 73,769
LIABILITIES		
Accounts Payable	\$ 71,937	\$ 553
Accrued Interest Payable		
Due to Other Funds		11,904
Security Deposits	34,650	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	\$ 106,587	\$ 12,457
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 29,141	\$ 24,201
FUND BALANCES		
Nonspendable: Prepaid Costs	\$ 6,395	\$
Restricted for Debt Service		37,111
Assigned for 2022 Budgeted Deficit	393,055	
Unassigned	526,312	
TOTAL FUND BALANCES	\$ 925,762	\$ 37,111
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,061,490	\$ 73,769
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 363,774	\$	\$ 363,774
676,679		676,679
53,342		53,342
23,165		23,165
11,904	(11,904)	
6,395		6,395
	898,916	898,916
<u>\$ 1,135,259</u>	<u>\$ 887,012</u>	<u>\$ 2,022,271</u>
<u>\$ -0-</u>	<u>\$ 19,216</u>	<u>\$ 19,216</u>
<u>\$ 1,135,259</u>	<u>\$ 906,228</u>	<u>\$ 2,041,487</u>
\$ 72,490	\$	\$ 72,490
	1,866	1,866
11,904	(11,904)	
34,650		34,650
	133,000	133,000
	750,000	750,000
<u>\$ 119,044</u>	<u>\$ 872,962</u>	<u>\$ 992,006</u>
<u>\$ 53,342</u>	<u>\$ (53,342)</u>	<u>\$ -0-</u>
\$ 6,395	\$ (6,395)	\$
37,111	(37,111)	
393,055	(393,055)	
526,312	(526,312)	
<u>\$ 962,873</u>	<u>\$ (962,873)</u>	<u>\$ -0-</u>
<u>\$ 1,135,259</u>		
	\$ 35,132	\$ 35,132
	59,446	59,446
	954,903	954,903
	<u>\$ 1,049,481</u>	<u>\$ 1,049,481</u>

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

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

Total Fund Balances - Governmental Funds	\$	962,873
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Interest paid in advance as part of a refunding bond sale is recorded as a deferred outflow in the governmental activities and systematically charged to interest expense over the remaining life of the new debt or the old debt, whichever is shorter.		19,216
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		898,916
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Deferred inflows of resources related to property tax revenues for the 2020 and prior tax levies became part of recognized revenue in the governmental activities of the District.		53,342
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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	\$	(1,866)	
Bonds Payable		<u>(883,000)</u>	<u>(884,866)</u>
Total Net Position - Governmental Activities	\$		<u>1,049,481</u>

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

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BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 220,708	\$ 162,789
Water Service	163,726	
Wastewater Service	33,435	
Grinder Pump Maintenance Charge	48,662	
Tap Connection and Inspection Fees	392,100	
Investment and Miscellaneous Revenues	625	1,755
TOTAL REVENUES	\$ 859,256	\$ 164,544
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 169,876	\$ 2,707
Contracted Services	36,235	8,077
Purchased Water Service	107,021	
Utilities	20,448	
Repairs and Maintenance	132,462	
Depreciation		
Other	43,677	6,083
Debt Service:		
Bond Principal		135,000
Bond Interest		25,822
TOTAL EXPENDITURES/EXPENSES	\$ 509,719	\$ 177,689
NET CHANGE IN FUND BALANCES	\$ 349,537	\$ (13,145)
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - OCTOBER 1, 2020	576,225	50,256
FUND BALANCES/NET POSITION - SEPTEMBER 30, 2021	\$ 925,762	\$ 37,111

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

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
\$ 383,497	\$ 4,937	\$ 388,434
163,726		163,726
33,435		33,435
48,662		48,662
392,100		392,100
<u>2,380</u>		<u>2,380</u>
\$ <u>1,023,800</u>	\$ <u>4,937</u>	\$ <u>1,028,737</u>
\$ 172,583	\$	\$ 172,583
44,312		44,312
107,021		107,021
20,448		20,448
132,462		132,462
	64,578	64,578
49,760		49,760
135,000	(135,000)	
<u>25,822</u>	<u>2,958</u>	<u>28,780</u>
\$ <u>687,408</u>	\$ <u>(67,464)</u>	\$ <u>619,944</u>
\$ 336,392	\$ (336,392)	\$
	408,793	408,793
<u>626,481</u>	<u>14,207</u>	<u>640,688</u>
\$ <u>962,873</u>	\$ <u>86,608</u>	\$ <u>1,049,481</u>

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

**BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Net Change in Fund Balances - Governmental Funds	\$	336,392
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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.		4,937
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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.		(64,578)
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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.		135,000
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Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		(2,958)
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Change in Net Position - Governmental Activities	\$	<u>408,793</u>
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The accompanying notes to the financial statements are an integral part of this report.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1. CREATION OF DISTRICT

The District was created by an Order of the Texas Natural Resource Conservation Commission (now known as the Texas Commission on Environmental Quality) on June 25, 1999. Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, parks and recreational facilities for the residents of the District. The District is also empowered to contract for or employ its own peace officers with powers to make arrests and to establish, operate and maintain a fire department to perform all firefighting activities within the District. The Board of Directors held its first meeting on June 28, 1999.

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 the Governmental Accounting Standards Board (“GASB”). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units.

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”).

The 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:

- 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.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- 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's 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 of the government-wide Statement of Activities.

Fund Financial Statements

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

Governmental Funds

The District has two governmental funds and considers each to be a major fund.

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

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds (Continued)

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.

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 relate to property 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. As of September 30, 2021, the Debt Service Fund owed the General Fund \$11,904 for maintenance tax collections.

Capital Assets

Capital assets which include property, plant, equipment, and infrastructure assets 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 are valued at their fair market 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 are capitalized as part of the asset. Assets are capitalized if they have an original cost greater than \$10,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation over periods ranging from 10 to 45 years.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original budget amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

A pension plan has not been established. The District does not have employees except that the Internal Revenue Service has determined that the directors are considered to be employees for federal payroll tax purposes only.

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.

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. The District does not have any committed fund balances.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
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 has not adopted a formal policy regarding the assignment of fund balances. The District assigned \$393,055 of the General Fund fund balance to cover the 2022 budgeted deficit. Budgeted expenditures for the fiscal year ending 2022 total \$1,018,630 with the a significant portion of those expenditures allocated to maintenance, repair, and tap connection costs.

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.

NOTE 3. LONG-TERM DEBT

	Refunding Series 2012	Refunding Series 2016
Amount Outstanding - September 30, 2021	\$510,000	\$373,000
Interest Rates	2.7022%	2.31%
Maturity Dates - Serially Beginning/Ending	September 1, 2022/2027	September 1, 2022/2027
Interest Payment Dates	March 1 / September 1	March 1 / September 1
Callable Dates	September 1, 2022 *	September 1, 2022*

* Or on any date thereafter, at a price of par, plus accrued interest to the date of redemption.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3. LONG-TERM DEBT (Continued)

The Series 2012 Refunding Bonds and Series 2016 Refunding Bonds are both private placement bonds. The following is a summary of transactions regarding bonds payable for the year ended September 30, 2021:

	October 1, 2020	Additions	Retirements	September 30, 2021
Bonds Payable	\$ 1,018,000	\$ -0-	\$ 135,000	\$ 883,000
		Amount Due Within One Year		\$ 133,000
		Amount Due After One Year		750,000
		Bonds Payable		\$ 883,000

As of September 30, 2021, the District has authorized but unissued tax bonds in the amount of \$9,890,000 and authorized but unissued refunding bonds of \$7,063,000. 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 debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 133,000	\$ 22,397	\$ 155,397
2023	139,000	19,023	158,023
2024	146,000	15,499	161,499
2025	149,000	11,800	160,800
2026	155,000	8,017	163,017
2027	161,000	4,083	165,083
	\$ 883,000	\$ 80,819	\$ 963,819

During the year ended September 30, 2021, the District levied an ad valorem debt service tax rate of \$0.3666 per \$100 of assessed valuation, which resulted in a tax levy of \$164,891 on the adjusted taxable valuation of \$44,978,344 for the 2020 tax year. The bond resolutions 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.

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.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

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, within the meaning of section 148(f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on the five-year anniversary of the bond issues.

The District is required by the Securities and Exchange Commission to provide continuing disclosure of annual financial information and operating data to certain information repositories. This information is of the general type included in the annual audit report. It 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.

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. 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 \$363,774 and the bank balance was \$378,284. The District was not exposed to custodial credit risk at year-end.

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
GENERAL FUND	\$ 339,506
DEBT SERVICE FUND	24,268
TOTAL DEPOSITS	\$ 363,774

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

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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 prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest District funds without express written authority from the Board of Directors.

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 has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District’s investment policy may be more restrictive than the Public Funds Investment Act.

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.

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2021, the District’s investment in TexPool was rated AAAM by Standard and Poor’s. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in TexPool 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.

As of September 30, 2021, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
TexPool	\$ 651,379	\$ 651,379
<u>DEBT SERVICE FUND</u>		
TexPool	25,300	25,300
TOTAL INVESTMENTS	\$ 676,679	\$ 676,679

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

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.

NOTE 6. CAPITAL ASSETS

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

	October 1, 2020	Increases	Decreases	September 30, 2021
Capital Assets Subject to Depreciation				
Water System	\$ 699,178	\$	\$	\$ 699,178
Wastewater System	1,218,055			1,218,055
Total Capital Assets Subject to Depreciation	<u>\$ 1,917,233</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 1,917,233</u>
Accumulated Depreciation				
Water System	\$ 345,287	\$ 28,648	\$	\$ 373,935
Wastewater System	608,452	35,930		644,382
Total Accumulated Depreciation	<u>\$ 953,739</u>	<u>\$ 64,578</u>	<u>\$ - 0 -</u>	<u>\$ 1,018,317</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 963,494</u>	<u>\$ (64,578)</u>	<u>\$ - 0 -</u>	<u>\$ 898,916</u>

NOTE 7. MAINTENANCE TAX

On August 14, 1999, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$0.60 per \$100 of assessed valuation of taxable property within the District. During the fiscal year ended September 30, 2021, the District levied an ad valorem maintenance tax rate of \$0.4970 per \$100 of assessed valuation, which resulted in a tax levy of \$223,543 on the adjusted taxable valuation of \$44,978,344 for the 2020 tax year. The taxes are to be used by the General Fund to pay expenditures of operating the District’s waterworks and wastewater systems.

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District carries commercial insurance for its fidelity bonds and participates in the Texas Municipal League Intergovernmental Risk Pool (“TML”) to provide property, general liability, boiler and machinery, automobile, directors and officers liability and pollution liability. The District, along with other participating entities, contributes annual amounts determined by TML’s management. As claims arise they are submitted and paid by TML. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 9. WATER SUPPLY CONTRACT

On July 12, 2002, the District entered into a water supply contract with Aqua Water Supply Corporation for a total supply of water not to exceed 200 gallons per minute. The contract was amended on May 8, 2009. The contract shall extend for a period of 30 years, unless terminated earlier. The District is required to notify Aqua Water of the amount of water the District wishes to reserve the right to purchase for the remainder of the term of the contract. The District will pay Aqua Water for all water reserved without regard to whether the District actually uses the water. On July 8, 2011, the District notified Aqua Water that the District wished to reserve 108,000 gallons of water per day (75 gallons of water per minute).

NOTE 10. 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 significant decreases in property values, unusual tax delinquencies, or interruptions to service as a result of COVID-19. The District will continue to carefully monitor the situation and evaluate the financial statement impact, if any, that results from the pandemic.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 218,000	\$ 220,708	\$ 2,708
Water Service	155,000	163,726	8,726
Wastewater Service	35,000	33,435	(1,565)
Grinder Pump Maintenance Charge	50,000	48,662	(1,338)
Tap Connection and Inspection Fees		392,100	392,100
Investment and Miscellaneous Revenues	11,000	625	(10,375)
TOTAL REVENUES	\$ 469,000	\$ 859,256	\$ 390,256
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 156,000	\$ 169,876	\$ (13,876)
Contracted Services	44,500	36,235	8,265
Purchased Water Service	110,000	107,021	2,979
Utilities	20,000	20,448	(448)
Repairs and Maintenance (see Note)	321,625	132,462	189,163
Other	72,500	43,677	28,823
TOTAL EXPENDITURES	\$ 724,625	\$ 509,719	\$ 214,906
NET CHANGE IN FUND BALANCE	\$ (255,625)	\$ 349,537	\$ 605,162
FUND BALANCE - OCTOBER 1, 2020	576,225	576,225	
FUND BALANCE - SEPTEMBER 30, 2021	\$ 320,600	\$ 925,762	\$ 605,162

Note: \$150,000 of the \$189,163 variance in repairs and maintenance costs is related to budgeted FEMA expenditures that did not occur in the current fiscal year but are anticipated to occur in future years.

See accompanying independent auditor's report.

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BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

SEPTEMBER 30, 2021

**BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
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> </u>	Wholesale Water	<u> </u>	Drainage
<u> X </u>	Retail Wastewater	<u> </u>	Wholesale Wastewater	<u> </u>	Irrigation
<u> </u>	Parks/Recreation	<u> </u>	Fire Protection	<u> </u>	Security
<u> </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 May 7, 2021.

	<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:	\$ 55.00	-0-	N	\$4.00	1 to 7,000
				\$4.50	7,001 to 15,000
				\$5.00	15,001 to 25,000
				\$5.50	25,001 and up

WASTEWATER: \$ 25.50 -0- Y

SURCHARGE:

Grinder Pump Maintenance	\$35.00 per residential unit
Regulatory Assessment	0.5% of water and wastewater charges

District employs winter averaging for wastewater usage? X
Yes No

Total monthly charges per 10,000 gallons usage: Water: \$96.50 Wastewater: \$25.50 Surcharge: \$35.61

See accompanying independent auditor's report.

**BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
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>114</u>	<u>111</u>	x 1.0	<u>111</u>
1"			x 2.5	
1½"	<u>2</u>	<u>2</u>	x 5.0	<u>10</u>
2"	<u>2</u>	<u>2</u>	x 8.0	<u>16</u>
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u><u>118</u></u>	<u><u>115</u></u>		<u><u>137</u></u>
Total Wastewater Connections	<u><u>111</u></u>	<u><u>111</u></u>	x 1.0	<u><u>111</u></u>

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

Gallons purchased:	18,584,000	Water Accountability Ratio: 91.5% (Gallons billed/Gallons purchased)
Gallons billed to customers:	17,005,000	

See accompanying independent auditor's report.

**BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
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:

Bastrop County, Texas

Is the District located within a city?

Entirely Partly Not at all

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

Entirely Partly Not at all

Are Board Members appointed by an office outside the District?

Yes No

See accompanying independent auditor's report.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

PROFESSIONAL FEES:	
Auditing	\$ 12,000
Engineering	30,198
Legal	<u>127,678</u>
TOTAL PROFESSIONAL FEES	<u>\$ 169,876</u>
PURCHASED WATER SERVICE	<u>\$ 107,021</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 13,538
Operations and Billing	<u>22,697</u>
TOTAL CONTRACTED SERVICES	<u>\$ 36,235</u>
UTILITIES	<u>\$ 20,448</u>
REPAIRS AND MAINTENANCE	<u>\$ 132,462</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 10,398
Election Costs	7,042
Insurance	4,948
Office Supplies and Postage	5,895
Website and Other	<u>1,757</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 30,040</u>
OTHER EXPENDITURES:	
Chemicals	\$ 1,322
Laboratory Fees	10,750
Permit Fees	1,450
Inspection and Reconnection Fees	<u>115</u>
TOTAL OTHER EXPENDITURES	<u>\$ 13,637</u>
TOTAL EXPENDITURES	<u><u>\$ 509,719</u></u>

See accompanying independent auditor's report.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
INVESTMENTS
SEPTEMBER 30, 2021

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
TexPool	XXXX0002	Varies	Daily	\$ 250,803	\$
TexPool	XXXX0003	Varies	Daily	<u>400,576</u>	<u> </u>
TOTAL GENERAL FUND				<u>\$ 651,379</u>	<u>\$ - 0 -</u>
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0001	Varies	Daily	\$ 24,300	\$
TexPool	XXXX0004	Varies	Daily	<u>1,000</u>	<u> </u>
TOTAL DEBT SERVICE FUND				<u>\$ 25,300</u>	<u>\$ - 0 -</u>
TOTAL - ALL FUNDS				<u>\$ 676,679</u>	<u>\$ - 0 -</u>

See accompanying independent auditor's report.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
OCTOBER 1, 2020	\$	26,306	\$	22,099
Adjustments to Beginning				
Balance	_____	\$ 26,306	_____	\$ 22,099
Original 2020 Tax Levy	\$	221,992	\$	163,747
Adjustment to 2020 Tax Levy	_____	1,551	_____	223,543
		_____	_____	1,144
			_____	164,891
TOTAL TO BE				
ACCOUNTED FOR		\$ 249,849		\$ 186,990
TAX COLLECTIONS:				
Prior Years	\$	1,538	\$	1,124
Current Year	_____	219,170	_____	220,708
		_____	_____	161,665
			_____	162,789
TAXES RECEIVABLE -				
SEPTEMBER 30, 2021		\$ 29,141		\$ 24,201
TAXES RECEIVABLE BY				
YEAR:				
2020		\$ 4,373		\$ 3,226
2019		4,255		3,014
2018		3,807		3,068
2017		3,380		2,932
2016		3,442		3,157
2015		3,448		3,163
2014		3,271		3,064
2013		_____		2,577
		_____		_____
TOTAL		\$ 29,141		\$ 24,201

See accompanying independent auditor's report.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	2020	2019	2018	2017
PROPERTY VALUATIONS:				
Land	\$ 10,972,703	\$ 10,862,014	\$ 10,963,129	\$ 11,518,553
Improvements	35,417,557	36,431,405	32,187,634	30,957,817
Personal Property	269,302	552,416	323,900	529,407
Exemptions	(1,681,218)	(2,286,856)	(1,940,373)	(2,550,247)
TOTAL PROPERTY VALUATIONS	\$ 44,978,344	\$ 45,558,979	\$ 41,534,290	\$ 40,455,530
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.3666	\$ 0.3640	\$ 0.4061	\$ 0.4371
Maintenance	0.4970	0.5139	0.5039	0.5039
TOTAL TAX RATES PER \$100 VALUATION	\$ 0.8636	\$ 0.8779	\$ 0.9100	\$ 0.9410
ADJUSTED TAX LEVY*	\$ 388,434	\$ 400,353	\$ 377,964	\$ 380,685
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	98.04 %	98.18 %	98.18 %	98.34 %

* Based upon adjusted tax at time of audit for the period in which the tax was levied.

Maintenance Tax – A maintenance tax rate not to exceed \$0.60 per \$100 of assessed valuation was approved by voters on August 14, 1999.

See accompanying independent auditor's report.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2021

SERIES - 2012 REFUNDING

Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1/ September 1	Total
2022	\$ 77,000	\$ 13,781	\$ 90,781
2023	80,000	11,700	91,700
2024	83,000	9,539	92,539
2025	87,000	7,296	94,296
2026	90,000	4,945	94,945
2027	93,000	2,512	95,512
	<u>\$ 510,000</u>	<u>\$ 49,773</u>	<u>\$ 559,773</u>

See accompanying independent auditor's report.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2021

SERIES - 2016 REFUNDING

Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1/ September 1	Total
2022	\$ 56,000	\$ 8,616	\$ 64,616
2023	59,000	7,323	66,323
2024	63,000	5,960	68,960
2025	62,000	4,504	66,504
2026	65,000	3,072	68,072
2027	68,000	1,571	69,571
	<u>\$ 373,000</u>	<u>\$ 31,046</u>	<u>\$ 404,046</u>

See accompanying independent auditor's report.

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BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2021

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending September 30	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2022	\$ 133,000	\$ 22,397	\$ 155,397
2023	139,000	19,023	158,023
2024	146,000	15,499	161,499
2025	149,000	11,800	160,800
2026	155,000	8,017	163,017
2027	161,000	4,083	165,083
	<u>\$ 883,000</u>	<u>\$ 80,819</u>	<u>\$ 963,819</u>

See accompanying independent auditor's report.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Description	Original Bonds Issued	Bonds Outstanding October 1, 2020
Bastrop County Municipal Utility District No. 1 Unlimited Tax Refunding Bonds - Series 2012	\$ 1,067,000	\$ 588,000
Bastrop County Municipal Utility District No. 1 Unlimited Tax Refunding Bonds - Series 2016	<u>605,000</u>	<u>430,000</u>
TOTAL	<u><u>\$ 1,672,000</u></u>	<u><u>\$ 1,018,000</u></u>
 Bond Authority:	<u>Tax Bonds</u>	<u>Refunding Bonds</u>
Amount Authorized by Voters	\$ 12,000,000	\$ 7,200,000
Amount Issued	<u>2,110,000</u>	<u>137,000</u>
Remaining to be Issued	<u><u>\$ 9,890,000</u></u>	<u><u>\$ 7,063,000</u></u>
 Debt Service Fund cash and investment balances as of September 30, 2021:		<u><u>\$ 49,568</u></u>
 Average annual debt service payment (principal and interest) for remaining term of all debt:		<u><u>\$ 160,637</u></u>

See Note 3 for interest rates, interest payment dates and maturity dates.

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				<u>Bonds Outstanding September 30, 2021</u>	<u>Paying Agent</u>
<u>Bonds Sold</u>	<u>Retirements</u>				
	<u>Principal</u>	<u>Interest</u>			
\$	\$ 78,000	\$ 15,889	\$ 510,000	Regions Bank, N.A. Houston, TX	
	<u>57,000</u>	<u>9,933</u>	<u>373,000</u>	Branch Banking & Trust Company Wilson, NC	
<u>\$ - 0 -</u>	<u>\$ 135,000</u>	<u>\$ 25,822</u>	<u>\$ 883,000</u>		

See accompanying independent auditor's report.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2021	2020	2019
REVENUES			
Property Taxes	\$ 220,708	\$ 230,045	\$ 205,503
Service Revenues	245,823	237,513	226,770
FEMA Reimbursements/Insurance Recoveries		90,524	
Tap Connection and Inspection Fees	392,100		
Investment and Miscellaneous Revenues	625	11,295	30,725
TOTAL REVENUES	\$ 859,256	\$ 569,377	\$ 462,998
EXPENDITURES			
Professional Fees	\$ 169,876	\$ 216,407	\$ 87,650
Contracted Services	36,235	46,863	37,088
Purchased Water Service	107,021	97,249	88,722
Utilities	20,448	16,713	15,777
Repairs and Maintenance	132,462	340,182	280,578
Other	43,677	37,744	40,848
TOTAL EXPENDITURES	\$ 509,719	\$ 755,158	\$ 550,663
NET CHANGE IN FUND BALANCE	\$ 349,537	\$ (185,781)	\$ (87,665)
BEGINNING FUND BALANCE	576,225	762,006	849,671
ENDING FUND BALANCE	\$ 925,762	\$ 576,225	\$ 762,006

See accompanying independent auditor's report.

		Percentage of Total Revenues						
2018	2017	2021	2020	2019	2018	2017		
\$ 214,667	\$ 182,157	25.7 %	40.4 %	44.4 %	37.2 %	35.7 %		
239,464	242,716	28.6	41.7	49.0	41.4	47.5		
97,951	71,103		15.9		16.9	13.9		
		45.6						
<u>26,170</u>	<u>14,721</u>	<u>0.1</u>	<u>2.0</u>	<u>6.6</u>	<u>4.5</u>	<u>2.9</u>		
<u>\$ 578,252</u>	<u>\$ 510,697</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>		
\$ 108,840	\$ 81,220	19.8 %	38.0 %	18.9 %	18.8 %	15.9 %		
37,496	39,313	4.2	8.2	8.0	6.5	7.7		
100,370	97,878	12.5	17.1	19.2	17.3	19.2		
14,226	15,828	2.4	2.9	3.4	2.4	3.1		
127,609	174,897	15.4	59.7	60.6	22.1	34.2		
<u>31,537</u>	<u>59,837</u>	<u>5.1</u>	<u>6.6</u>	<u>8.8</u>	<u>5.5</u>	<u>11.7</u>		
<u>\$ 420,078</u>	<u>\$ 468,973</u>	<u>59.4 %</u>	<u>132.5 %</u>	<u>118.9 %</u>	<u>72.6 %</u>	<u>91.8 %</u>		
\$ 158,174	\$ 41,724	<u>40.6 %</u>	<u>(32.5) %</u>	<u>(18.9) %</u>	<u>27.4 %</u>	<u>8.2 %</u>		
<u>691,497</u>	<u>649,773</u>							
<u>\$ 849,671</u>	<u>\$ 691,497</u>							

See accompanying independent auditor's report.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2021	2020	2019
REVENUES			
Property Taxes	\$ 162,789	\$ 163,143	\$ 165,639
Investment and Miscellaneous Revenues	<u>1,755</u>	<u>692</u>	<u>2,652</u>
TOTAL REVENUES	<u>\$ 164,544</u>	<u>\$ 163,835</u>	<u>\$ 168,291</u>
EXPENDITURES			
Tax Collection Expenditures	\$ 16,867	\$ 10,710	\$ 9,339
Debt Service Principal	135,000	127,000	124,000
Debt Service Interest and Fees	<u>25,822</u>	<u>29,046</u>	<u>32,185</u>
TOTAL EXPENDITURES	<u>\$ 177,689</u>	<u>\$ 166,756</u>	<u>\$ 165,524</u>
NET CHANGE IN FUND BALANCE	\$ (13,145)	\$ (2,921)	\$ 2,767
BEGINNING FUND BALANCE	<u>50,256</u>	<u>53,177</u>	<u>50,410</u>
ENDING FUND BALANCE	<u>\$ 37,111</u>	<u>\$ 50,256</u>	<u>\$ 53,177</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>115</u>	<u>112</u>	<u>112</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>111</u>	<u>102</u>	<u>101</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
<u>2018</u>	<u>2017</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 186,969	\$ 167,088	98.9 %	99.6 %	98.4 %	99.7 %	98.7 %
<u>539</u>	<u>2,216</u>	<u>1.1</u>	<u>0.4</u>	<u>1.6</u>	<u>0.3</u>	<u>1.3</u>
\$ <u>187,508</u>	\$ <u>169,304</u>	<u>100.0</u> %	<u>100.0</u> %	<u>100.0</u> %	<u>100.0</u> %	<u>100.0</u> %
\$ 13,252	\$ 16,133	10.3 %	6.5 %	5.5 %	7.1 %	9.5 %
120,000	116,000	82.0	77.5	73.7	64.0	68.5
<u>35,536</u>	<u>39,894</u>	<u>15.7</u>	<u>17.7</u>	<u>19.1</u>	<u>18.9</u>	<u>23.6</u>
\$ <u>168,788</u>	\$ <u>172,027</u>	<u>108.0</u> %	<u>101.7</u> %	<u>98.3</u> %	<u>90.0</u> %	<u>101.6</u> %
\$ 18,720	\$ (2,723)	<u>(8.0)</u> %	<u>(1.7)</u> %	<u>1.7</u> %	<u>10.0</u> %	<u>(1.6)</u> %
<u>31,690</u>	<u>34,413</u>					
\$ <u>50,410</u>	\$ <u>31,690</u>					
<u>114</u>	<u>110</u>					
<u>98</u>	<u>97</u>					

See accompanying independent auditor's report.

**BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2021**

District Mailing Address - Bastrop County Municipal Utility District No. 1
c/o Allen Boone Humphries Robinson LLP
1108 Lavaca Street, Suite 510
Austin, TX 78701

District Telephone Number - (512) 518-2424

Board Members	Term of Office (Elected or <u>Appointed</u>)	Fees of Office for the year ended <u>September 30, 2021</u>	Expense Reimbursements for the year ended <u>September 30, 2021</u>	<u>Title</u>
Steve Adamcik	11/20 05/24 (Elected)	\$ 1,800	\$ -0-	President
Linda F. Roberts	05/18 05/22 (Elected)	\$ 1,950	\$ -0-	Vice President
Jerry B. Patterson	05/18 05/22 (Elected)	\$ 2,100	\$ -0-	Assistant Vice President
William Tullis	11/20 05/24 (Elected)	\$ 1,050	\$ -0-	Secretary
Jane Sevier	05/18 05/22 (Elected)	\$ 2,250	\$ -0-	Assistant Secretary

Note: 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 developer or with any of the District's consultants.

Submission date of most recent District Registration Form: November 20, 2020

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

See accompanying independent auditor's report.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2021

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended September 30, 2021</u>	<u>Title</u>
Allen Boone Humphries Robinson LLP	07/28/03	\$ 127,503	General Counsel
McCall Gibson Swedlund Barfoot PLLC	09/05/14	\$ 12,000	Auditor
Myrtle Cruz, Inc.	07/01/99	\$ 18,838	Bookkeeper
BEFCO Engineering, Inc.	04/09/04	\$ 30,198	Engineer
PFM Financial Advisors LLC	05/14/04	\$ -0-	Financial Advisor
AWR Services, Inc.	05/06/03	\$ 176,252	Operator

See accompanying independent auditor's report.

