

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

BASTROP COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2023

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

BASTROP COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2023

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-8
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET	9-10
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	11
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	12-13
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	14
NOTES TO THE FINANCIAL STATEMENTS	15-24
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL-GENERAL FUND	26
SUPPLEMENTARY INFORMATION REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE	
NOTES REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE (Included in the notes to the financial statements)	
SERVICES AND RATES	28-30
GENERAL FUND EXPENDITURES	31
INVESTMENTS	32
TAXES LEVIED AND RECEIVABLE	33-34
LONG-TERM DEBT SERVICE REQUIREMENTS	35-37
CHANGES IN LONG-TERM BOND DEBT	38-39
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES GENERAL FUND AND DEBT SERVICE FUND - FIVE YEARS	40-43
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS	44-45

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Board of Directors
Bastrop County Municipal Utility District No. 1

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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 an 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
Certified Public Accountants
Houston, Texas

January 5, 2024

**BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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, 2023. 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 deferred 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, 2023**

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 \$697,967 as of September 30, 2023. A portion of the District's net position reflects its net investment in capital assets which include 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, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following is a comparative analysis of the Statement of Net Position as of September 30, 2023, and September 30, 2022:

	Summary of Changes in the Statement of Net Position		
	2023	2022	Change Positive (Negative)
Current and Other Assets	\$ 430,655	\$ 874,288	\$ (443,633)
Capital Assets (Net of Accumulated Depreciation)	<u>1,052,423</u>	<u>861,458</u>	<u>190,965</u>
Total Assets	<u>\$ 1,483,078</u>	<u>\$ 1,735,746</u>	<u>\$ (252,668)</u>
Deferred Outflows of Resources	<u>\$ 12,728</u>	<u>\$ 15,972</u>	<u>\$ (3,244)</u>
Bonds Payable	\$ 611,000	\$ 750,000	\$ 139,000
Other Liabilities	<u>186,839</u>	<u>234,984</u>	<u>48,145</u>
Total Liabilities	<u>\$ 797,839</u>	<u>\$ 984,984</u>	<u>\$ 187,145</u>
Net Position:			
Net Investment in Capital Assets	\$ 454,151	\$ 127,430	\$ 326,721
Restricted	48,433	46,451	1,982
Unrestricted	<u>195,383</u>	<u>592,853</u>	<u>(397,470)</u>
Total Net Position	<u>\$ 697,967</u>	<u>\$ 766,734</u>	<u>\$ (68,767)</u>

The following table provides a comparative analysis of the District's operations for the years ended September 30, 2023, and September 30, 2022.

	Summary of Changes in the Statement of Activities		
	2023	2022	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 432,571	\$ 375,896	\$ 56,675
Charges for Services	409,340	524,198	(114,858)
Other Revenues	<u>30,365</u>	<u>10,088</u>	<u>20,277</u>
Total Revenues	<u>\$ 872,276</u>	<u>\$ 910,182</u>	<u>\$ (37,906)</u>
Expenses for Services	<u>941,043</u>	<u>1,192,929</u>	<u>251,886</u>
Change in Net Position	\$ (68,767)	\$ (282,747)	\$ 213,980
Net Position, Beginning of Year	<u>766,734</u>	<u>1,049,481</u>	<u>(282,747)</u>
Net Position, End of Year	<u>\$ 697,967</u>	<u>\$ 766,734</u>	<u>\$ (68,767)</u>

**BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of September 30, 2023, were \$177,908, a decrease of \$402,155 from the prior year.

The General Fund fund balance decreased by \$401,518, primarily due to operating and administrative costs exceeding service revenues and tax revenues.

The Debt Service Fund fund balance decreased by \$637, primarily due to the structure of the District's outstanding debt.

BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the current fiscal year. Actual revenues were \$25,013 more than budgeted revenues and actual expenditures were \$491,247 more than budgeted expenditures which resulted in a negative budget to actual variance of \$466,234. For more information, see the budget to actual comparison in this report.

CAPITAL ASSETS

Capital assets total \$1,052,423 as of September 30, 2023, and include the water and wastewater systems. Current year additions to capital assets included water system improvements and the purchase of water capacity.

Capital Assets At Year-End			
	2023	2022	Change Positive (Negative)
Capital Assets Subject to Depreciation:			
Water System	\$ 983,300	\$ 729,300	\$ 254,000
Wastewater System	1,218,055	1,218,055	
Less Accumulated Depreciation	(1,148,932)	(1,085,897)	(63,035)
Total Net Capital Assets	\$ 1,052,423	\$ 861,458	\$ 190,965

**BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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, 2023, the District had total bond debt payable of \$611,000. The changes in the debt position of the District during the fiscal year ended September 30, 2023, are summarized as follows:

Bond Debt Payable, October 1, 2022	\$ 750,000
Less: Bond Principal Paid	<u>139,000</u>
Bond Debt Payable, September 30, 2023	<u>\$ 611,000</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, 919 Congress Avenue, Suite 1500, Austin, Texas 78701.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2023

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 110,385	\$ 20,496
Investments	159,617	33,640
Property Taxes Receivable	37,497	29,703
Service Accounts Receivable	32,057	
Due from Other Funds	33,296	
Prepaid Costs	7,260	
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	\$ 380,112	\$ 83,839
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	\$ -0-	\$ -0-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 380,112	\$ 83,839
LIABILITIES		
Accounts Payable	\$ 148,379	\$ 818
Accrued Interest Payable		
Due to Other Funds		33,296
Security Deposits	36,350	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	\$ 184,729	\$ 34,114
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 37,497	\$ 29,703
FUND BALANCES		
Nonspendable: Prepaid Costs	\$ 7,260	\$
Restricted for Debt Service		20,022
Unassigned	150,626	
TOTAL FUND BALANCES	\$ 157,886	\$ 20,022
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 380,112	\$ 83,839
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>
\$ 130,881	\$	\$ 130,881
193,257		193,257
67,200		67,200
32,057		32,057
33,296	(33,296)	
7,260		7,260
	1,052,423	1,052,423
<u>\$ 463,951</u>	<u>\$ 1,019,127</u>	<u>\$ 1,483,078</u>
<u>\$ -0-</u>	<u>\$ 12,728</u>	<u>\$ 12,728</u>
<u>\$ 463,951</u>	<u>\$ 1,031,855</u>	<u>\$ 1,495,806</u>
\$ 149,197	\$	\$ 149,197
	1,292	1,292
33,296	(33,296)	
36,350		36,350
	146,000	146,000
	465,000	465,000
<u>\$ 218,843</u>	<u>\$ 578,996</u>	<u>\$ 797,839</u>
<u>\$ 67,200</u>	<u>\$ (67,200)</u>	<u>\$ -0-</u>
\$ 7,260	\$ (7,260)	\$
20,022	(20,022)	
150,626	(150,626)	
<u>\$ 177,908</u>	<u>\$ (177,908)</u>	<u>\$ -0-</u>
<u>\$ 463,951</u>		
	\$ 454,151	\$ 454,151
	48,433	48,433
	195,383	195,383
	<u>\$ 697,967</u>	<u>\$ 697,967</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, 2023

Total Fund Balances - Governmental Funds	\$	177,908
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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.		12,728
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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.		1,052,423
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Deferred inflows of resources related to property tax revenues for the 2022 and prior tax levies became part of recognized revenue in the governmental activities of the District.		67,200
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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	\$	(1,292)	
Bonds Payable		<u>(611,000)</u>	<u>(612,292)</u>

Total Net Position - Governmental Activities	\$	<u>697,967</u>
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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, 2023

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 265,673	\$ 160,524
Water Service	241,159	
Wastewater Service	50,103	
Grinder Pump Maintenance Charge	75,270	
Connection and Inspection Fees	42,808	
Investment and Miscellaneous Revenues	19,455	10,910
TOTAL REVENUES	\$ 694,468	\$ 171,434
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 210,694	\$ 1,034
Contracted Services	75,029	8,496
Purchased Water Service	147,850	
Utilities	13,797	
Repairs, Maintenance, and Pumps	314,105	
Depreciation		
Other	80,511	4,518
Capital Outlay	254,000	
Debt Service:		
Bond Principal		139,000
Bond Interest		19,023
TOTAL EXPENDITURES/EXPENSES	\$ 1,095,986	\$ 172,071
NET CHANGE IN FUND BALANCES	\$ (401,518)	\$ (637)
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - OCTOBER 1, 2022	559,404	20,659
FUND BALANCES/NET POSITION - SEPTEMBER 30, 2023	\$ 157,886	\$ 20,022

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>
\$ 426,197	\$ 6,374	\$ 432,571
241,159		241,159
50,103		50,103
75,270		75,270
42,808		42,808
30,365		30,365
<u>\$ 865,902</u>	<u>\$ 6,374</u>	<u>\$ 872,276</u>
\$ 211,728	\$	\$ 211,728
83,525		83,525
147,850		147,850
13,797		13,797
314,105		314,105
	63,035	63,035
85,029		85,029
254,000	(254,000)	
139,000	(139,000)	
19,023	2,951	21,974
<u>\$ 1,268,057</u>	<u>\$ (327,014)</u>	<u>\$ 941,043</u>
\$ (402,155)	\$ 402,155	\$
	(68,767)	(68,767)
580,063	186,671	766,734
<u>\$ 177,908</u>	<u>\$ 520,059</u>	<u>\$ 697,967</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, 2023**

Net Change in Fund Balances - Governmental Funds	\$ (402,155)
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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.	6,374
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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.	(63,035)
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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.	254,000
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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.	139,000
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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.	<u>(2,951)</u>
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Change in Net Position - Governmental Activities	<u>\$ (68,767)</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, 2023

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, 2023

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, 2023

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, 2023, the Debt Service Fund (Tax Fund) owed the General Fund \$33,296 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. 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, 2023

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 budgeted 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, 2023

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 and does not have any assigned fund balances.

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, 2023	\$353,000	\$258,000
Interest Rates	2.7022%	2.31%
Maturity Dates - Serially Beginning/Ending	September 1, 2024/2027	September 1, 2024/2027
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, 2023

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, 2023:

	October 1, 2022	Additions	Retirements	September 30, 2023
Bonds Payable	\$ 750,000	\$ -0-	\$ 139,000	\$ 611,000
			Amount Due Within One Year	\$ 146,000
			Amount Due After One Year	465,000
			Bonds Payable	<u>\$ 611,000</u>

As of September 30, 2023, 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.

The debt service requirements as of year end are summarized in the following table:

Fiscal Year	Principal	Interest	Total
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>\$ 611,000</u>	<u>\$ 39,399</u>	<u>\$ 650,399</u>

During the year ended September 30, 2023, the District levied an ad valorem debt service tax rate of \$0.256 per \$100 of assessed valuation, which resulted in a tax levy of \$162,850 on the adjusted taxable valuation of \$63,613,365 for the 2022 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, 2023

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 each five-year anniversary of the bonds. 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 \$130,881 and the bank balance was \$151,095. The District was not exposed to custodial credit risk at year-end. The carrying values of the deposits as of September 30, 2023, is summarized in the following table:

	Cash
GENERAL FUND	\$ 110,385
DEBT SERVICE FUND	20,496
TOTAL DEPOSITS	\$ 130,881

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, 2023

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. The policy is reviewed annually and 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. 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, 2023, the District had the following investments and maturities:

Funds and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
TexPool	\$ 159,617	\$ 159,617
<u>DEBT SERVICE FUND</u>		
TexPool	33,640	33,640
TOTAL INVESTMENTS	\$ 193,257	\$ 193,257

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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 current fiscal year is summarized in the following table:

	October 1, 2022	Increases	Decreases	September 30, 2023
Capital Assets Subject to Depreciation				
Water System	\$ 729,300	\$ 254,000	\$	\$ 983,300
Wastewater System	1,218,055			1,218,055
Total Capital Assets Subject to Depreciation	<u>\$ 1,947,355</u>	<u>\$ 254,000</u>	<u>\$ - 0 -</u>	<u>\$ 2,201,355</u>
Accumulated Depreciation				
Water System	\$ 405,585	\$ 27,105	\$	\$ 432,690
Wastewater System	680,312	35,930		716,242
Total Accumulated Depreciation	<u>\$ 1,085,897</u>	<u>\$ 63,035</u>	<u>\$ - 0 -</u>	<u>\$ 1,148,932</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 861,458</u>	<u>\$ 190,965</u>	<u>\$ - 0 -</u>	<u>\$ 1,052,423</u>

NOTE 7. MAINTENANCE TAX

On August 14, 1999, District voters 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, 2023, the District levied an ad valorem maintenance tax rate of \$0.424 per \$100 of assessed valuation, which resulted in a tax levy of \$269,721 on the adjusted taxable valuation of \$63,613,365 for the 2022 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, 2023

NOTE 9. WATER SUPPLY CONTRACT

On July 12, 2002, the District entered into a water supply contract with Aqua Water Supply Corporation. 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 pays Aqua Water for all water reserved without regard to whether the District actually uses the water. The contract was amended on May 8, 2009. On July 8, 2011, the District notified Aqua Water that the District wished to reserve 108,000 gallons of water per day. Effective November 8, 2022, the 2022 Amendment increased the amount of water supply received by 51,840 gallons of water per day for a total capacity of 159,840 gallons of water per day. The District paid Aqua Water \$234,000 for the additional water capacity. The contract is in effect until 2052.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property Taxes	\$ 268,392	\$ 265,673	\$ (2,719)
Water Service	237,092	241,159	4,067
Wastewater Service	50,226	50,103	(123)
Grinder Pump Maintenance Charge	72,500	75,270	2,770
Connection and Inspection Fees	25,545	42,808	17,263
Investment and Miscellaneous Revenues	<u>15,700</u>	<u>19,455</u>	<u>3,755</u>
TOTAL REVENUES	<u>\$ 669,455</u>	<u>\$ 694,468</u>	<u>\$ 25,013</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 101,500	\$ 210,694	\$ (109,194)
Contracted Services	68,500	75,029	(6,529)
Purchased Water Service	101,700	147,850	(46,150)
Utilities	25,000	13,797	11,203
Repairs, Maintenance, and Pumps	216,385	314,105	(97,720)
Other	91,654	80,511	11,143
Capital Outlay	<u> </u>	<u>254,000</u>	<u>(254,000)</u>
TOTAL EXPENDITURES	<u>\$ 604,739</u>	<u>\$ 1,095,986</u>	<u>\$ (491,247)</u>
NET CHANGE IN FUND BALANCE	\$ 64,716	\$ (401,518)	\$ (466,234)
FUND BALANCE - OCTOBER 1, 2022	<u>559,404</u>	<u>559,404</u>	<u> </u>
FUND BALANCE - SEPTEMBER 30, 2023	<u>\$ 624,120</u>	<u>\$ 157,886</u>	<u>\$ (466,234)</u>

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, 2023

**BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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>165</u>	<u>160</u>	x 1.0	<u>160</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>169</u></u>	<u><u>164</u></u>		<u><u>186</u></u>
Total Wastewater Connections	<u><u>169</u></u>	<u><u>164</u></u>	x 1.0	<u><u>164</u></u>

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

Gallons purchased:	25,750,000	Water Accountability Ratio: 96 % (Gallons billed/Gallons purchased)
Gallons billed to customers:	24,747,000	

See accompanying independent auditor's report.

**BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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, 2023

PROFESSIONAL FEES:	
Auditing	\$ 14,000
Engineering	40,628
Legal	<u>156,066</u>
TOTAL PROFESSIONAL FEES	<u>\$ 210,694</u>
PURCHASED WATER SERVICE	<u>\$ 147,850</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 17,100
Operations and Billing	<u>57,929</u>
TOTAL CONTRACTED SERVICES	<u>\$ 75,029</u>
UTILITIES	<u>\$ 13,797</u>
REPAIRS AND MAINTENANCE	<u>\$ 314,105</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 9,000
Insurance	8,763
Office Supplies and Postage	12,469
Other	<u>916</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 31,148</u>
CAPITAL OUTLAY	<u>\$ 254,000</u>
OTHER EXPENDITURES:	
Chemicals	\$ 11,149
Laboratory Fees	14,478
Permit Fees	1,450
Inspection and Reconnection Fees	248
Regulatory Assessment	1,267
Sludge Hauling	<u>20,771</u>
TOTAL OTHER EXPENDITURES	<u>\$ 49,363</u>
TOTAL EXPENDITURES	<u><u>\$ 1,095,986</u></u>

See accompanying independent auditor's report.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
INVESTMENTS
SEPTEMBER 30, 2023

<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	\$ 998	\$
TexPool	XXXX0003	Varies	Daily	1,541	
TexPool	XXXX0005	Varies	Daily	<u>157,078</u>	
TOTAL GENERAL FUND				<u>\$ 159,617</u>	<u>\$ - 0 -</u>
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0001	Varies	Daily	\$ 31,399	\$
TexPool	XXXX0004	Varies	Daily	<u>2,241</u>	
TOTAL DEBT SERVICE FUND				<u>\$ 33,640</u>	<u>\$ - 0 -</u>
TOTAL - ALL FUNDS				<u>\$ 193,257</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, 2023

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
OCTOBER 1, 2022	\$	33,449	\$	27,377
Adjustments to Beginning				
Balance		\$ 33,449		\$ 27,377
Original 2022 Tax Levy	\$	254,272	\$	153,523
Adjustment to 2022 Tax Levy		<u>15,449</u>		<u>9,327</u>
		<u>269,721</u>		<u>162,850</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 303,170		\$ 190,227
TAX COLLECTIONS:				
Prior Years	\$	873	\$	645
Current Year		<u>264,800</u>		<u>159,879</u>
		<u>265,673</u>		<u>160,524</u>
TAXES RECEIVABLE -				
SEPTEMBER 30, 2023		<u>\$ 37,497</u>		<u>\$ 29,703</u>
TAXES RECEIVABLE BY				
YEAR:				
2022	\$	4,921	\$	2,971
2021		4,296		3,172
2020		3,839		2,832
2019		4,078		2,888
2018		3,657		2,947
2017		3,380		2,932
2016		3,442		3,158
2015		3,448		3,163
2014		3,271		3,064
2013		<u>3,165</u>		<u>2,576</u>
TOTAL	\$	<u>37,497</u>	\$	<u>29,703</u>

See accompanying independent auditor's report.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2022	2021	2020	2019
PROPERTY VALUATIONS:				
Land	\$ 18,066,958	\$ 11,948,867	\$ 10,972,703	\$ 10,862,014
Improvements	58,657,309	38,756,779	35,417,557	36,431,405
Personal Property	236,503	260,132	269,302	552,416
Exemptions	<u>(13,347,405)</u>	<u>(2,642,109)</u>	<u>(1,681,218)</u>	<u>(2,286,856)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 63,613,365</u>	<u>\$ 48,323,669</u>	<u>\$ 44,978,344</u>	<u>\$ 45,558,979</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.256	\$ 0.330	\$ 0.3666	\$ 0.3640
Maintenance	<u>0.424</u>	<u>0.447</u>	<u>0.4970</u>	<u>0.5139</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.680</u>	<u>\$ 0.777</u>	<u>\$ 0.8636</u>	<u>\$ 0.8779</u>
ADJUSTED TAX LEVY*	<u>\$ 432,571</u>	<u>\$ 375,475</u>	<u>\$ 388,434</u>	<u>\$ 400,353</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>98.18 %</u>	<u>98.01 %</u>	<u>98.28 %</u>	<u>98.26 %</u>

* 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, 2023

SERIES - 2012 REFUNDING

Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1/ September 1	Total
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>\$ 353,000</u>	<u>\$ 24,292</u>	<u>\$ 377,292</u>

See accompanying independent auditor's report.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2023

SERIES - 2016 REFUNDING

Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1/ September 1	Total
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>\$ 258,000</u>	<u>\$ 15,107</u>	<u>\$ 273,107</u>

See accompanying independent auditor's report.

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2023

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending September 30	Total Principal Due	Total Interest Due	Total Principal and Interest Due
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>\$ 611,000</u>	<u>\$ 39,399</u>	<u>\$ 650,399</u>

See accompanying independent auditor's report.

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**BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Description	Original Bonds Issued	Bonds Outstanding October 1, 2022
Bastrop County Municipal Utility District No. 1 Unlimited Tax Refunding Bonds - Series 2012	\$ 1,067,000	\$ 433,000
Bastrop County Municipal Utility District No. 1 Unlimited Tax Refunding Bonds - Series 2016	<u>605,000</u>	<u>317,000</u>
TOTAL	<u><u>\$ 1,672,000</u></u>	<u><u>\$ 750,000</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, 2023:		<u><u>\$ 54,136</u></u>
 Average annual debt service payment (principal and interest) for remaining term of all debt:		<u><u>\$ 162,600</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>Retirements</u>		Bonds Outstanding	
<u>Bonds Sold</u>	<u>Principal</u>	<u>Interest</u>	<u>September 30, 2023</u>	<u>Paying Agent</u>
\$	\$ 80,000	\$ 11,700	\$ 353,000	Regions Bank, N.A. Houston, TX
	<u>59,000</u>	<u>7,323</u>	<u>258,000</u>	Branch Banking & Trust Company Wilson, NC
<u>\$ - 0 -</u>	<u>\$ 139,000</u>	<u>\$ 19,023</u>	<u>\$ 611,000</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		
	2023	2022	2021
REVENUES			
Property Taxes	\$ 265,673	\$ 210,617	\$ 220,708
Service Revenues	366,532	288,251	245,823
FEMA Reimbursements, Insurance Recoveries			
Development, Connection and Inspection Fees	42,808	235,947	392,100
Investment and Miscellaneous Revenues	19,455	9,149	625
TOTAL REVENUES	\$ 694,468	\$ 743,964	\$ 859,256
EXPENDITURES			
Professional Fees	\$ 210,694	\$ 166,093	\$ 169,876
Contracted Services	75,029	48,092	36,235
Purchased Water Service	147,850	128,670	107,021
Utilities	13,797	31,698	20,448
Repairs, Maintenance, and Pumps	314,105	648,737	132,462
Other	80,511	56,910	43,677
Capital Outlay	254,000	30,122	
TOTAL EXPENDITURES	\$ 1,095,986	\$ 1,110,322	\$ 509,719
NET CHANGE IN FUND BALANCE	\$ (401,518)	\$ (366,358)	\$ 349,537
BEGINNING FUND BALANCE	559,404	925,762	576,225
ENDING FUND BALANCE	\$ 157,886	\$ 559,404	\$ 925,762

See accompanying independent auditor's report.

		Percentage of Total Revenues				
<u>2020</u>	<u>2019</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
\$ 230,045	\$ 205,503	38.2 %	28.4 %	25.7 %	40.4 %	44.4 %
237,513	226,770	52.8	38.7	28.6	41.7	49.0
90,524					15.9	
11,295	30,725	6.2	31.7	45.6		
		2.8	1.2	0.1	2.0	6.6
<u>\$ 569,377</u>	<u>\$ 462,998</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 216,407	\$ 87,650	30.3 %	22.3 %	19.8 %	38.0 %	18.9 %
46,863	37,088	10.8	6.5	4.2	8.2	8.0
97,249	88,722	21.3	17.3	12.5	17.1	19.2
16,713	15,777	2.0	4.3	2.4	2.9	3.4
340,182	280,578	45.2	87.2	15.4	59.7	60.6
37,744	40,848	11.6	7.6	5.1	6.6	8.8
		36.6	4.0			
<u>\$ 755,158</u>	<u>\$ 550,663</u>	<u>157.8 %</u>	<u>149.2 %</u>	<u>59.4 %</u>	<u>132.5 %</u>	<u>118.9 %</u>
\$ (185,781)	\$ (87,665)	<u>(57.8) %</u>	<u>(49.2) %</u>	<u>40.6 %</u>	<u>(32.5) %</u>	<u>(18.9) %</u>
<u>762,006</u>	<u>849,671</u>					
<u>\$ 576,225</u>	<u>\$ 762,006</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		
	2023	2022	2021
REVENUES			
Property Taxes	\$ 160,524	\$ 157,795	\$ 162,789
Investment and Miscellaneous Revenues	<u>10,910</u>	<u>939</u>	<u>1,755</u>
TOTAL REVENUES	<u>\$ 171,434</u>	<u>\$ 158,734</u>	<u>\$ 164,544</u>
EXPENDITURES			
Tax Collection Expenditures	\$ 14,048	\$ 19,788	\$ 16,867
Debt Service Principal	139,000	133,000	135,000
Debt Service Interest	<u>19,023</u>	<u>22,398</u>	<u>25,822</u>
TOTAL EXPENDITURES	<u>\$ 172,071</u>	<u>\$ 175,186</u>	<u>\$ 177,689</u>
NET CHANGE IN FUND BALANCE	\$ (637)	\$ (16,452)	\$ (13,145)
BEGINNING FUND BALANCE	<u>20,659</u>	<u>37,111</u>	<u>50,256</u>
ENDING FUND BALANCE	<u><u>\$ 20,022</u></u>	<u><u>\$ 20,659</u></u>	<u><u>\$ 37,111</u></u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>164</u>	<u>165</u>	<u>115</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>164</u>	<u>150</u>	<u>111</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
<u>2020</u>	<u>2019</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
\$ 163,143	\$ 165,639	93.6 %	99.4 %	98.9 %	99.6 %	98.4 %
<u>692</u>	<u>2,652</u>	<u>6.4</u>	<u>0.6</u>	<u>1.1</u>	<u>0.4</u>	<u>1.6</u>
\$ <u>163,835</u>	\$ <u>168,291</u>	<u>100.0</u> %	<u>100.0</u> %	<u>100.0</u> %	<u>100.0</u> %	<u>100.0</u> %
\$ 10,710	\$ 9,339	8.2 %	12.5 %	10.3 %	6.5 %	5.5 %
127,000	124,000	81.1	83.8	82.0	77.5	73.7
<u>29,046</u>	<u>32,185</u>	<u>11.1</u>	<u>14.1</u>	<u>15.7</u>	<u>17.7</u>	<u>19.1</u>
\$ <u>166,756</u>	\$ <u>165,524</u>	<u>100.4</u> %	<u>110.4</u> %	<u>108.0</u> %	<u>101.7</u> %	<u>98.3</u> %
\$ (2,921)	\$ 2,767	<u>(0.4)</u> %	<u>(10.4)</u> %	<u>(8.0)</u> %	<u>(1.7)</u> %	<u>1.7</u> %
<u>53,177</u>	<u>50,410</u>					
\$ <u>50,256</u>	\$ <u>53,177</u>					
<u>112</u>	<u>112</u>					
<u>102</u>	<u>101</u>					

See accompanying independent auditor's report.

**BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2023**

District Mailing Address - Bastrop County Municipal Utility District No. 1
c/o Allen Boone Humphries Robinson LLP
919 Congress Avenue, Suite 1500
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, 2023</u>	Expense Reimbursements for the year ended <u>September 30, 2023</u>	<u>Title</u>
William Tullis	11/20 05/24 (Elected)	\$ 1,950	\$ -0-	President
Jerry B. Patterson	05/22 05/26 (Elected)	\$ 1,950	\$ -0-	Vice President
Jane Sevier	05/22 05/26 (Elected)	\$ 1,800	\$ -0-	Secretary
Krystal Mealy	05/22 05/26 (Elected)	\$ 1,500	\$ -0-	Assistant Secretary
Steve Adamcik	11/20 05/24 (Elected)	\$ 1,800	\$ -0-	Director

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: September 13, 2023

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, 2023

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended September 30, 2023</u>	<u>Title</u>
Allen Boone Humphries Robinson LLP	07/28/03	\$ 155,009	General Counsel
McCall Gibson Swedlund Barfoot PLLC	09/05/14	\$ 14,000	Auditor
Myrtle Cruz, Inc.	07/01/99	\$ 21,882	Bookkeeper
BEFCO Engineering, Inc.	04/09/04	\$ 40,628	Engineer
PFM Financial Advisors LLC	05/14/04	\$ -0-	Financial Advisor
AWR Services, Inc.	05/06/03	\$ 357,992	Operator

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