

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT**

WILLIAMSON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2022

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT**

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ANNUAL FINANCIAL REPORT

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TABLE OF CONTENTS

	<u>PAGE</u>
ANNUAL FILING AFFIDAVIT	1
INDEPENDENT AUDITOR'S REPORT	2-4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5-15
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET	16-17
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	18
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	19
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	20
NOTES TO THE FINANCIAL STATEMENTS	21-48
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND	49
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS	50
SCHEDULE OF DISTRICT CONTRIBUTIONS	51
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	52-54
GENERAL FUND EXPENDITURES	55
INVESTMENTS	56
TAXES LEVIED AND RECEIVABLE	57-58
LONG-TERM DEBT SERVICE REQUIREMENTS	59-62
CHANGE IN LONG-TERM BOND DEBT	63-65
COMPARATIVE SCHEDULES OF REVENUES AND EXPENDITURES - GENERAL FUND AND DEBT SERVICE FUND - FIVE YEARS	66-67
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS	68-69
OTHER SUPPLEMENTARY INFORMATION	
PRINCIPAL TAXPAYERS	70-71
ASSESSED VALUE BY CLASSIFICATION	72-73

ANNUAL FILING AFFIDAVIT

STATE OF TEXAS

COUNTY OF WILLIAMSON

I, Michael C. Tucker of the
(Name of Duly Authorized District Representative)

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
(Name of District)

hereby swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the **26th day of January, 2023**, its annual audit report for the fiscal year ended **September 30, 2022** and that copies of the annual audit report have been filed in the District's office, located at:

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

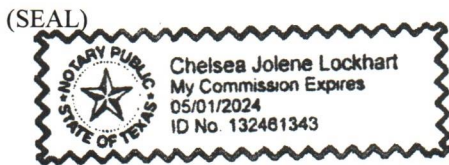
The annual filing affidavit and the attached copy of the audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of the annual filing requirements of Texas Water Code 49.194.

Date: January 26, 2023 By: Michael C. Tucker
(Signature of District Representative)

MICHAEL C. TUCKER, PRESIDENT
(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this 26 day of January, 2023.

Chelsea Lockhart
(Signature of Notary)



Chelsea Lockhart
(Printed Name of Notary)

My Commission Expires On: May 1, 2024.
Notary Public in the State of Texas

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

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Suite 235
Houston, Texas 77065-5610
(713) 462-0341
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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Brushy Creek Municipal Utility District (the "District") as of and for the year ended September 30, 2022, 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, 2022, 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, the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund, the Schedule of Changes in Net Pension Liability and Related Ratios and the Schedule of District Contributions 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
Brushy Creek Municipal
Utility District

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.

Other Information

Management is responsible for the other supplementary information included in the annual report. The Other Supplementary Information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the Other Supplementary Information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

January 26, 2023

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Management’s discussion and analysis of Brushy Creek Municipal Utility District’s (the “District”) financial performance provides an overview of the District’s financial activities for the fiscal year ended September 30, 2022.

USING THIS ANNUAL REPORT

The District’s reporting is comprised of two parts:

- Management’s Discussion and Analysis (this section)
- Basic Financial Statements
 - Statement of Net Position and Governmental Funds Balance Sheet
 - Statement of Activities and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances
 - Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

FUND FINANCIAL STATEMENTS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$48,673,969 as of September 30, 2022. Of this amount, \$25,074,615 (unrestricted net position) may be used to meet the District's ongoing obligations.

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

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

	Summary of Changes in the Statement of Net Position		
	2022	2021	Change Positive (Negative)
Current and Other Assets	\$ 36,084,861	\$ 32,210,311	\$ 3,874,550
Capital Assets (Net of Accumulated Depreciation)	49,162,275	50,803,168	(1,640,893)
Total Assets	\$ 85,247,136	\$ 83,013,479	\$ 2,233,657
Deferred Outflows of Resources	\$ 799,779	\$ 947,834	\$ (148,055)
Current Liabilities	\$ 6,353,333	\$ 6,001,697	\$ (351,636)
Long -Term Liabilities	28,581,556	32,541,739	3,960,183
Total Liabilities	\$ 34,934,889	\$ 38,543,436	\$ 3,608,547
Deferred Inflows of Resources	\$ 2,438,057	\$ 312,207	\$ (2,125,850)
Net Position:			
Net Investment in Capital Assets	\$ 19,769,469	\$ 18,492,505	\$ 1,276,964
Restricted	3,829,885	4,087,513	(257,628)
Unrestricted	25,074,615	22,525,652	2,548,963
Total Net Position	\$ 48,673,969	\$ 45,105,670	\$ 3,568,299

The District's total assets were approximately \$85.2 million as of September 30, 2022. Of this amount, approximately \$49.2 million was accounted for by capital assets. The District had outstanding liabilities of approximately \$34.9 million of which approximately \$32.2 million represents bonds payable.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table provides a summary of the District's operations for the years ended September 30, 2022, and September 30, 2021. The District's net position increased by \$3,568,299.

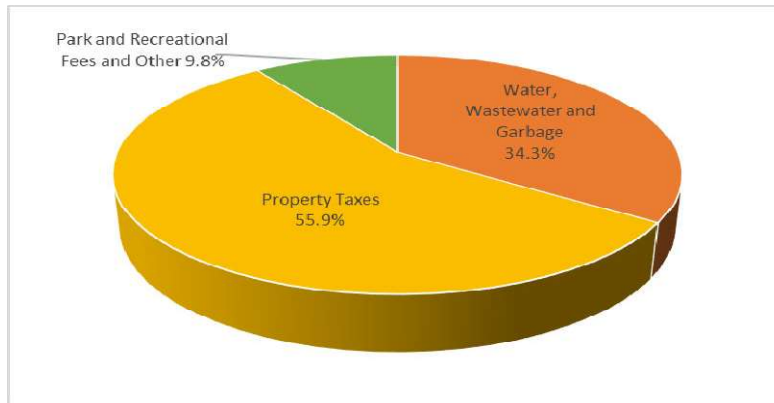
	Summary of Changes in the Statement of Activities		
	2022	2021	Change Positive (Negative)
Revenues:			
Water, Wastewater and Garbage	\$ 7,128,567	\$ 6,804,223	\$ 324,344
Property Taxes	11,600,898	11,203,255	397,643
Park and Recreational Fees	2,133,310	1,560,908	572,402
Investment Earnings	(511,187)	90,800	(601,987)
Contributions	562	2,550	(1,988)
Other	402,321	288,605	113,716
Total Revenues	20,754,471	19,950,341	804,130
Expenses:			
Water, Wastewater and Garbage	2,898,572	2,871,703	(26,869)
Salary and Related Expenditures	5,569,350	5,287,559	(281,791)
Administrative	355,553	336,695	(18,858)
Repairs and Maintenance	1,045,010	1,385,387	340,377
Utilities	644,156	585,697	(58,459)
Professional Fees	559,695	518,969	(40,726)
Contracted Services	788,505	515,883	(272,622)
Other	955,542	781,832	(173,710)
Debt Service	808,093	931,847	123,754
Depreciation	3,514,910	3,791,585	276,675
Total Expenses	17,139,386	17,007,157	(132,229)
Loss on Disposal of Capital Assets	(46,786)		(46,786)
Change in Net Position	\$ 3,568,299	\$ 2,943,184	\$ 625,115
Net Position, Beginning of Year	45,105,670	42,162,486	2,943,184
Net Position, End of Year	\$ 48,673,969	\$ 45,105,670	\$ 3,568,299

The District's net property tax values increased by approximately \$245 million or 11% from \$2,246,365,598 to \$2,491,434,408 for District-wide and approximately \$54 million or 10% from \$534,966,231 to \$589,413,912 for the Defined Area. The tax rate is set after reviewing operations and maintenance requirements, interest and sinking fund requirements, and proposed water and wastewater rates. The District-wide rate decreased from \$0.460 to \$0.432059 per \$100 of assessed value while the Defined Area rate decreased from \$0.16 to \$0.14 per \$100 of assessed value. Total tax revenue increased by approximately \$398,000 year-over-year.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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



FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

	2022	2021
Cash and Cash Equivalents	\$ 1,001,411	\$ 1,064,054
Investments	31,373,073	30,187,660
Receivables	1,033,915	864,346
Interfund Receivables	169,589	1,229,613
Prepays and Other Assets	68,604	56,142
Total Assets	\$ 33,646,592	\$ 33,401,815
Accounts Payable	\$ 1,014,650	\$ 921,338
Refundable Deposits	678,423	667,548
Other Liabilities	349,628	348,744
Intefund Payables	169,589	1,229,613
Unearned Revenue	102,586	82,210
Bond Interest Payable	-	2,645
Retainage Payable	156,741	-
Total Liabilities	2,471,617	3,252,098
Deferred Inflows of Resources -		
Property Taxes	59,362	74,043
Nonspendable	68,604	55,889
Restricted	6,572,039	7,748,798
Committed	6,013,855	8,114,900
Assigned	4,582,411	1,932,451
Unassigned	13,878,704	12,223,636
Total Fund Balance	31,115,613	30,075,674
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 33,646,592	\$ 33,401,815

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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

The District’s combined fund balances as of September 30, 2022, were \$31,115,613, an increase of 3.5% from the prior year.

The General Fund fund balance increased by \$2,224,607, primarily due to general and program revenues exceeding operating, debt service and capital expenditures. Utilities revenue increased approximately 5% year over year. Parks and recreation revenue continued to demonstrate a strong COVID recovery, increasing by 37% year over year and exceeding pre-COVID 2019 revenues by 8%. Parks and recreation revenue increases are attributed to increased memberships, participation, and rentals. A steep climb in interest rates from 2021 through 2022 inversely affected the market value of bonds, creating unrealized losses. New development growth is limited to a few available plats due to the District reaching build-out status for individual residential properties.

Unassigned Fund Balance	
Operating Reserve	\$ 8,882,813
Revenue Protection Reserve	3,638,731
Remaining Unassigned Fund Balance	1,357,160
Total Unassigned Fund Balance	\$ 13,878,704

The Board committed \$6,013,855 and assigned \$1,650,675 of General Fund fund balance for specific future projects, of which most are expected to occur after fiscal year 2023. This is a \$2.38 million decrease from the amount of projects committed and assigned for specific future projects at the end of fiscal year 2021. In addition to these committed and assigned funds, \$2,931,736 is reflected as assigned funds for the fiscal year 2023 budget deficit.

In addition, the Board of Directors has approved a resolution to set aside \$8,882,813 for a 6-month Operating Reserve and \$3,638,731 for a Revenue Protection Reserve. In accordance with GASB Statement No. 54, these amounts are included in unassigned fund balance at year-end.

The Debt Service Fund fund balance decreased by \$298,884, primarily due to the structure of the District’s bonds.

The Capital Projects Fund fund balance decreased by \$885,784, primarily due to costs expended for the zebra mussel abatement project.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

GENERAL FUND BUDGETARY HIGHLIGHTS-

In compliance with governmental accounting principles, the Board of Directors adopted an unappropriated budget for the General Fund during the current fiscal year, which was amended during the year. Actual revenues were \$817,610 more than budgeted revenues primarily from recreation revenues, water and wastewater services, and property taxes. Actual expenditures were \$1,744,442 less than budgeted expenditures primarily from lower than expected contracted services, capital outlay and other expenditures.

CAPITAL ASSETS

Capital assets as of September 30, 2022, totaled \$49,162,275 (net of accumulated depreciation). These capital assets include land, construction in progress, buildings, furniture, fixtures, and equipment, park and recreational facilities as well as the water, wastewater and drainage systems.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2022	2021	Change Positive (Negative)
Capital Assets:			
Depreciation:			
Land	2,676,333	2,676,333	
Construction in Process	1,230,540	1,361,174	(130,634)
Waster, Wastewater and Drainage Systems	86,656,925	84,955,254	1,701,671
Easements and Rights-of-Way	883,890	883,890	
Buildings and Improvements	14,383,787	14,383,787	
Furniture and Equipment	2,440,508	2,313,805	126,703
Parks and Recreational Facilities	9,766,637	9,803,198	(36,561)
Automobiles and Trucks	751,120	691,896	59,224
Accumulated Depreciation	(69,627,465)	(66,266,169)	(3,361,296)
Total Net Capital Assets	<u>\$ 49,162,275</u>	<u>\$ 50,803,168</u>	<u>\$ (1,640,893)</u>

The last infrastructure acquired from a developer occurred in fiscal year 2015. A developer did purchase Lot 8 in the defined area from Highland Horizon, with the intentions to build 20 plus unit townhomes in the future. The District issued bonds in 2020 to fund zebra mussel abatement and air compressors for the water treatment facility, with near completion of these projects in 2022.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

CAPITAL ASSETS (Continued)

Improvements included \$238,519 to the Community Center Garden Phase I, \$53,038 to the turnaround in the Community Park , \$911,007 to Zebra mussel abatement, \$260,563 to the Southern Cross Pond trail, \$51,003 to LED Marquee sign upgrades, \$44,415 to the Water Treatment Clear Well, \$60,125 to Cat Hollow Lift Station, and \$44,661 for Cat Hollow Park and Creekside Park Security Systems.

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

LEASE RECEIVABLE

In accordance with GASB Statement No. 87, the District recorded a lease receivable for property leased by the District. The District, as lessor, has recorded a lease receivable balance of \$1,182,148 and deferred inflows of resources related to future lease revenues of \$1,142,648. See the accompanying notes to the financial statements for further information.

LONG-TERM DEBT ACTIVITY

At year-end, the District had total bond debt payable of \$31,040,000. The long-term debt of the District consisted of the following during the fiscal year ended September 30, 2022 and 2021, respectively:

	<u>2022</u>	<u>2021</u>
District-wide:		
Series 2016 Revenue Note	4,065,000	4,515,000
Series 2019 Refunding Bonds	3,485,000	5,070,000
Series 2020 Refunding Bonds	7,155,000	7,990,000
Series 2020 Bonds	1,710,000	1,905,000
Series 2020A Refunding Bonds	<u>5,600,000</u>	<u>5,600,000</u>
Total District-wide	<u>22,015,000</u>	<u>25,080,000</u>
Defined Area:		
Series 2013 Bonds	-	110,000
Series 2015 Refunding Bonds	2,685,000	2,905,000
Series 2015 Bonds	2,825,000	2,940,000
Series 2020 Refunding Bonds	1,675,000	1,780,000
Series 2021 Refunding Bonds	<u>1,840,000</u>	<u>1,850,000</u>
Total Defined Area	<u>9,025,000</u>	<u>9,585,000</u>
Total	<u>\$ 31,040,000</u>	<u>\$ 34,665,000</u>

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

LONG-TERM DEBT ACTIVITY (Continued)

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

District-wide:			
Fiscal Year	Principal	Interest	Total Requirement
2023	\$ 3,160,000	\$ 647,072	\$ 3,807,072
2024	3,200,000	562,793	3,762,793
2025	3,290,000	463,800	3,753,800
2026	3,485,000	384,776	3,869,776
2027	3,515,000	265,526	3,780,526
2028-2030	5,365,000	198,347	5,563,347
	\$ 22,015,000	\$ 2,522,314	\$ 24,537,314

Defined Area:			
Fiscal Year	Principal	Interest	Total Requirement
2023	\$ 580,000	\$ 270,526	\$ 850,526
2024	600,000	253,124	853,124
2025	625,000	235,124	860,124
2026	645,000	216,374	861,374
2027	665,000	197,970	862,970
2028-2032	3,055,000	699,507	3,754,507
2033-2037	2,210,000	276,667	2,486,667
2038-2039	645,000	29,042	674,042
	\$ 9,025,000	\$ 2,178,334	\$ 11,203,334

The District’s Series 2020 Refunding, Series 2020, and Series 2020A Refunding bonds carry an underlying rating of “AA-”. The Series 2020 and Series 2020A Refunding bonds carry an insured rating of “AA” by virtue of bond insurance issued by Build America Mutual and Assured Guaranty Municipal Corp., respectively. The Defined Area Series 2015, Series 2015 Refunding, Series 2020 Refunding and Series 2021 Refunding bonds carry an underlying rating of “A2”. The Defined Area Series 2015 and Series 2020 Refunding bonds have an insured rating of “AA” by virtue of bond insurance from Assured Guaranty Municipal Corp. The Defined Area Series 2015 Refunding and Series 2021 Refunding have an insured rating of “AA” by virtue of bond insurance from Build America Mutual. The 2019 Refunding bonds are not rated. The ratings above are based on ratings as of September 30, 2022.

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The amount of assessed value of property within the District-wide area for the 2022 tax year (September 30, 2023 fiscal year) is approximately \$2.9 billion and the tax rate levied was \$0.419543 per \$100 of assessed valuation consisting of \$0.316543 per \$100 of assessed valuation for maintenance and operations and \$0.103 per \$100 of assessed valuation for debt service. The amount of assessed value of property within the Defined Area for the 2022 tax year is approximately \$677 million and the tax rate levied was \$0.1275 per \$100 of assessed valuation for debt service.

The adopted budget for fiscal year 2023 projects the General Fund balance to decrease by \$2,931,736. Revenues are expected to increase by approximately \$1,734,000 compared to fiscal year 2022 budget and expenditures are expected to increase by approximately \$3,846,000 compared to fiscal year 2022 budget.

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

Brushy Creek Regional Wastewater System

Brushy Creek Municipal Utility District is a wholesale customer of Round Rock, which owns a portion of the Brushy Creek Regional Wastewater System. The District is contractually obligated to pay to Round Rock a pro rata share of costs of “Required Improvements”, which are generally defined as expansions, repairs, improvements, replacements or modifications as necessary for regulatory requirements or for proper and efficient operation of the System.

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

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS (Continued)

Brazos River Authority

The Williamson County Regional Raw Water Line (WCRRWL) is undergoing a comprehensive inspection and preliminary Phase III pump engineering design to prepare for the installation of the final phase of pumps (Phase 3) that will bring the system up to its ultimate capacity. The inspection and preliminary design work are expected to be completed by June 2023. Following, detailed design work will begin as well as work necessary to address any significant issues identified during the inspection, with construction anticipated to be completed by the end of 2026. The total project cost is estimated at approximately \$12.2 million with the District responsible for 6.54 percent of the ultimate costs. This project will be funded by debt to be issued at a later date.

Zebra Mussel Abatement

Of the \$1.225M bond funds for zebra mussel abatement, \$634,000 was expended in fiscal year 2021, \$911,007 in fiscal year 2022, and the remainder of the project will be completed in fiscal year 2023. The purpose of the project is to mitigate the effects of the zebra mussels at the intake facility and to treat the water with copper ions to control any mussels which may have penetrated the screens.

Senate Bill 2

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

CONTACTING THE DISTRICT'S MANAGEMENT

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

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**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2022**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
ASSETS						
Cash and Investments:						
Cash	\$ 1,001,411	\$	\$	\$ 1,001,411	\$	\$ 1,001,411
Investments	25,229,252	2,646,966	2,831,161	30,707,379		30,707,379
Receivables:						
Service Accounts (Net of Allowance for Uncollectible Accounts of \$14,463)	680,579			680,579		680,579
Taxes	33,423	25,939		59,362		59,362
Lease Receivable, Due Within One Year					46,359	46,359
Lease Receivable, Due After One Year					1,135,789	1,135,789
Accrued Interest	98,211			98,211		98,211
Other	195,763			195,763		195,763
Due from Other Funds	169,589			169,589	(169,589)	
Prepaid Items	68,604			68,604	17,126	85,730
Investments Held for Customer Deposits	665,694			665,694		665,694
Net Pension Asset					1,408,584	1,408,584
Capital Assets (Net of Accumulated Depreciation):						
Land					2,676,333	2,676,333
Construction in Progress					1,230,540	1,230,540
Water, Wastewater and Drainage Systems					29,090,871	29,090,871
Building and Improvements					10,915,617	10,915,617
Furniture and Equipment					735,417	735,417
Park and Recreational Facilities					4,341,975	4,341,975
Automobiles and Trucks					171,522	171,522
TOTAL ASSETS	<u>\$ 28,142,526</u>	<u>\$ 2,672,905</u>	<u>\$ 2,831,161</u>	<u>\$ 33,646,592</u>	<u>\$ 51,600,544</u>	<u>\$ 85,247,136</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Charges on Refunding Bonds	\$	\$	\$	\$	\$ 374,582	\$ 374,582
Pension					425,197	425,197
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 799,779</u>	<u>\$ 799,779</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 28,142,526</u>	<u>\$ 2,672,905</u>	<u>\$ 2,831,161</u>	<u>\$ 33,646,592</u>	<u>\$ 52,400,323</u>	<u>\$ 86,046,915</u>

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET - Continued
SEPTEMBER 30, 2022**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 914,212	\$	\$ 100,438	\$ 1,014,650	\$	\$ 1,014,650
Retainage Payable	50,921		105,820	156,741		156,741
Customer Deposits	678,423			678,423		678,423
Other Liabilities	349,628			349,628		349,628
Due to Other Funds		6,912	162,677	169,589	(169,589)	
Unearned Revenue	102,586			102,586		102,586
Bonds Interest Payable					305,867	305,867
Noncurrent Liabilities:						
Accrued Vacation Payable - Due Within One Year					5,438	5,438
Accrued Vacation Payable - Due After One Year					91,942	91,942
Due Within One Year					3,740,000	3,740,000
Due After One Year					28,489,614	28,489,614
TOTAL LIABILITIES	<u>\$ 2,095,770</u>	<u>\$ 6,912</u>	<u>\$ 368,935</u>	<u>\$ 2,471,617</u>	<u>\$ 32,463,272</u>	<u>\$ 34,934,889</u>
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	\$ 33,423	\$ 25,939	\$	\$ 59,362	\$ (59,362)	\$
Lease Revenues					1,142,648	1,142,648
Pension					1,295,409	1,295,409
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 33,423</u>	<u>\$ 25,939</u>	<u>\$ -0-</u>	<u>\$ 59,362</u>	<u>\$ 2,378,695</u>	<u>\$ 2,438,057</u>
FUND BALANCES						
Nonspendable -						
Prepaid Items	\$ 68,604	\$	\$	\$ 68,604	\$ (68,604)	\$
Restricted for:						
Debt Service	575,000	2,640,054		3,215,054	(3,215,054)	
Capital Projects			2,462,226	2,462,226	(2,462,226)	
Park Capital Fees	894,759			894,759	(894,759)	
Committed for -						
Repair and Replacement of Capital Assets	6,013,855			6,013,855	(6,013,855)	
Assigned for:						
Repair and Replacement of Capital Assets	1,650,675			1,650,675	(1,650,675)	
Fiscal Year 2023 Budget Deficit	2,931,736			2,931,736	(2,931,736)	
Unassigned	13,878,704			13,878,704	(13,878,704)	
TOTAL FUND BALANCES	<u>\$ 26,013,333</u>	<u>\$ 2,640,054</u>	<u>\$ 2,462,226</u>	<u>\$ 31,115,613</u>	<u>\$ (31,115,613)</u>	<u>\$ - 0 -</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 28,142,526</u>	<u>\$ 2,672,905</u>	<u>\$ 2,831,161</u>	<u>\$ 33,646,592</u>		
NET POSITION						
Net Investment in Capital Assets					\$ 19,769,469	\$ 19,769,469
Restricted for Debt Service					2,935,126	2,935,126
Restricted for Park Capital Fees					894,759	894,759
Unrestricted					25,074,615	25,074,615
TOTAL NET POSITION					<u>\$ 48,673,969</u>	<u>\$ 48,673,969</u>

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

Total Fund Balances - Governmental Funds	\$	31,115,613
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Prepaid bond insurance is amortized over the term of the refunding bonds.		17,126
Land, construction in progress and capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		49,162,275
Leases receivable and the corresponding deferred inflows of resources are reported in the government-wide financial statements in accordance with auditing standards.		39,500
Deferred charges on refunding bonds are not an expenditure of the current period.		374,582
Pension related amounts are not recorded in the governmental funds. These consist of:		
Net Pension Asset		1,408,584
Deferred Outflows of Resources		425,197
Deferred Inflows of Resources		(1,295,409)
Deferred tax revenues for the 2021 and prior tax levies became part of recognized revenue in the governmental activities of the District.		59,362
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	\$ (305,867)	
Accrued Vacation Payable	(97,380)	
Long-Term Liabilities Due Within One Year	(3,740,000)	
Long-Term Liabilities Due After One Year	(28,489,614)	(32,632,861)
Total Net Position - Governmental Activities	\$	<u>48,673,969</u>

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

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
REVENUES						
Program Revenue:						
Water and Wastewater Services	\$ 5,731,129	\$	\$	\$ 5,731,129	\$	\$ 5,731,129
Park and Recreation Center Fees*	2,133,310			2,133,310		2,133,310
Garbage Collection	1,397,438			1,397,438		1,397,438
Capital Recovery Fees			3,899	3,899		3,899
Inspection Fees	24,075			24,075		24,075
Tap and Other Connection Fees	1,325			1,325		1,325
Contributions	562			562		562
General Revenue:						
Property Taxes, Including Penalties and Interest	7,789,171	3,826,408		11,615,579	(14,681)	11,600,898
Investment Earnings	(607,745)	28,902	21,324	(557,519)	46,332	(511,187)
Rental Income	110,041			110,041	(6,832)	103,209
Other	269,813			269,813		269,813
TOTAL REVENUES	\$ 16,849,119	\$ 3,855,310	\$ 25,223	\$ 20,729,652	\$ 24,819	\$ 20,754,471
EXPENDITURES/EXPENSES						
Service Operations:						
Salary and Benefits	\$ 5,838,057	\$	\$	\$ 5,838,057	\$ (301,557)	\$ 5,536,500
Water and Wastewater Purchases	1,719,145			1,719,145		1,719,145
Garbage Fees	1,179,427			1,179,427		1,179,427
Repairs and Maintenance	1,045,010			1,045,010		1,045,010
Administrative	355,553			355,553		355,553
Utilities	644,156			644,156		644,156
Contracted Services	780,482	8,023		788,505		788,505
Legal Fees	199,649			199,649		199,649
Insurance	136,730			136,730		136,730
Engineering Fees	185,699			185,699		185,699
Tax Appraisal/Collection Fees		63,945		63,945		63,945
Audit Fees	35,493			35,493		35,493
Financial Advisor	20,000			20,000		20,000
Director's Fees	32,850			32,850		32,850
Security Fees	118,854			118,854		118,854
Other	754,867			754,867		754,867
Capital Outlay	1,009,796		911,007	1,920,803	(1,920,803)	
Debt Service:						
Principal Payments	450,000	3,175,000		3,625,000	(3,625,000)	
Interest and Fiscal Charges	118,744	907,226		1,025,970	(217,877)	808,093
Depreciation					3,514,910	3,514,910
TOTAL EXPENDITURES/EXPENSES	\$ 14,624,512	\$ 4,154,194	\$ 911,007	\$ 19,689,713	\$ (2,550,327)	\$ 17,139,386
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/ EXPENSES	\$ 2,224,607	\$ (298,884)	\$ (885,784)	\$ 1,039,939	\$ 2,575,146	\$ 3,615,085
OTHER FINANCING USES						
Loss on Disposal of Assets	\$	\$	\$	\$	\$ (46,786)	\$ (46,786)
NET CHANGE IN FUND BALANCES	\$ 2,224,607	\$ (298,884)	\$ (885,784)	\$ 1,039,939	\$ (1,039,939)	\$
CHANGE IN NET POSITION					3,568,299	3,568,299
FUND BALANCES/NET POSITION - OCTOBER 1, 2021	23,788,726	2,938,938	3,348,010	30,075,674	15,029,996	45,105,670
FUND BALANCES/NET POSITION - SEPTEMBER 30, 2022	\$ 26,013,333	\$ 2,640,054	\$ 2,462,226	\$ 31,115,613	\$ 17,558,356	\$ 48,673,969

* Park and recreation center fees includes income from rental of pool, recreation and park facilities.

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Net Change in Fund Balances - Governmental Funds	\$	1,039,939
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.		(14,681)
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(3,514,910)
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.		1,920,803
Governmental funds report bond discounts, bond premiums, and deferred charges on refunding bonds as other financing sources/uses in the year paid. However, in the Statement of Net Position, the bond discounts, bond premiums and deferred charges on refunding bonds are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.		178,641
Governmental funds report bond insurance as expenditures in the year paid. However, in the Statement of Net Position, the bond insurance is amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.		(2,084)
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.		3,625,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Change in accrued vacation		(8,130)
Change in pension related accounts		309,687
Change in bond interest payable		41,320
Governmental funds report rental income as they are collected. However, in the Statement of Net Position, a portion of rental income is recognized as interest income based on the discount rate.		39,500
Governmental funds do not report disposals of capital assets. However, in the Statement of Net Position, capital assets are decreased and losses are recognized.		<u>(46,786)</u>
Change in Net Position - Governmental Activities	\$	<u><u>3,568,299</u></u>

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1. CREATION OF DISTRICT

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

The District, as a reporting entity, encompasses those activities and functions over which the District’s elected officials exercise significant oversight or control. The District is a political subdivision of the State of Texas governed by a five-member Board of Directors which has been elected by District residents or appointed by the Board. The District is not included in any other governmental reporting entity as defined by the Governmental Accounting Standards Board (“GASB”) since it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. In addition, there are no component units included in the District’s reporting entity.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

Financial Statement Presentation

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

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

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

Government-Wide Financial Statements

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

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

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Basis of Accounting

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

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

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

The District provides for uncollectible service accounts receivable using the allowance method of accounting for bad debts. Under this method of accounting, a provision for uncollectible accounts is charged to earnings. The allowance account is increased or decreased based on past collection history and management’s evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance account, and recoveries of previously charged off accounts are added to the allowance. The District had an allowance for uncollectible accounts at September 30, 2022 of \$14,463.

Capital Assets

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

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

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Debt

Long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts on debt issuances are reported as other financing sources and uses.

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

Budgeting

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

Compensated Absences

Accrued paid time off is earned by each full-time employee at a rate of between 13.30 and 17.97 hours per month depending on length of employment. District policy allows for a maximum carry-over from the previous fiscal year. The full amount of accrued paid time off, subject to the maximum accrual limits, is paid upon discontinuance of employment with the District. The District's liability for accrued paid time off at September 30, 2022 was \$97,380. This liability is generally liquidated through the General Fund.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

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

Measurement Focus

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

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

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

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. As of September 30, 2022, the General Fund included \$575,000 of restricted fund balance for debt service related to the bond reserve required for the Series 2016 Term Note and \$894,759 of restricted fund balance for park capital fees.

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

The District follows GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- Level 3 are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

There are three general valuation techniques that may be used to measure fair value:

- Market approach – uses prices generated by market transactions involving identical or comparable assets or liabilities
- Cost approach – uses the amount that currently would be required to replace the service capacity of an asset (replacement cost)
- Income approach – uses valuation techniques to convert future amounts to present amounts based on current market expectations

NOTE 3. LONG-TERM DEBT

The following is a summary of transactions regarding bonds payable for the year ended September 30, 2022:

	Balance September 30, 2021	Additions	Retirements	Balance September 30, 2022
Bonds Payable and Revenue Note	\$ 34,665,000	\$	\$ (3,625,000)	\$ 31,040,000
Premium on Bond Issuances	1,455,998		(232,170)	1,223,828
Discount on Bond Issuances	(36,484)		2,270	(34,214)
Total	<u>\$ 36,084,514</u>	<u>\$ - 0 -</u>	<u>\$ (3,854,900)</u>	<u>\$ 32,229,614</u>

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 3. LONG-TERM DEBT (Continued)

Long-term debt as of September 30, 2022, is comprised of the following:

	Balance September 30, 2022	Due Within One Year
\$3,625,000 Series 2015 Sendero Springs/Cornerstone Defined Area refunding bonds due in annual installments of \$165,000 to \$300,000 through June 1, 2033. Interest varies from 3.00% to 3.75% and is payable June 1 and December 1 each year.	2,685,000	225,000
\$3,530,000 Series 2015 Sendero Springs/Cornerstone Defined Area serial bonds due in annual installments of \$115,000 to \$225,000 through June 1, 2039. Interest varies from 3.00% to 3.75% and is payable June 1 and December 1 each year.	2,825,000	120,000
\$6,605,000 Series 2016 Term Note (Community Center) is due in annual installments of \$465,000 to \$555,000 through June 1, 2030. Interest is 2.63% and is payable June 1 and December 1 each year.	4,065,000	465,000
\$6,605,000 Series 2019 refunding bonds due in annual installments of \$200,000 to \$1,900,000 through June 1, 2026. Interest varies from 3.00% to 4.00% and is payable June 1 and December 1 each year.	3,485,000	1,385,000
\$8,140,000 Series 2020 refunding bonds due in annual installments of \$870,000 to \$1,770,000 through June 1, 2028. Interest varies from 3.00% to 4.00% and is payable June 1 and December 1 each year.	7,155,000	870,000
\$2,100,000 Series 2020 bonds due in annual installments of \$10,000 to \$645,000 through June 1, 2029. Interest varies from 1.00% to 1.50% and is payable June 1 and December 1 each year.	1,710,000	440,000
\$5,600,000 Series 2020A refunding bonds due in annual installments of \$615,000 to \$1,750,000 through June 1, 2028. Interest varies from 2.00% to 4.00% and is payable June 1 and December 1 each year.	5,600,000	-
\$1,795,000 Series 2020 Sendero Springs/Cornerstone Defined Area refunding bonds due in annual installments of \$110,000 to \$290,000 through June 1, 2033. Interest varies from 2.00% to 3.00% and is payable June 1 and December 1 each year.	1,675,000	110,000
\$1,850,000 Series 2021 Sendero Springs/Cornerstone Defined Area refunding bonds due in annual installments of \$5,000 to \$205,000 through June 1, 2038. Interest varies from 2.00% to 3.00% and is payable June 1 and December 1 each year.	1,840,000	125,000
Total Long-Term Debt	\$ 31,040,000	\$ 3,740,000

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 3. LONG-TERM DEBT (Continued)

As of September 30, 2022, the debt service requirements on the bonds outstanding were as follows:

	Principal	Interest	Total
2023	\$ 3,740,000	\$ 917,598	\$ 4,657,598
2024	3,800,000	815,917	4,615,917
2025	3,915,000	698,924	4,613,924
2026	4,130,000	601,150	4,731,150
2027	4,180,000	463,496	4,643,496
2028-2032	8,420,000	897,854	9,317,854
2033-2037	2,210,000	276,667	2,486,667
2038-2039	645,000	29,042	674,042
	\$ 31,040,000	\$ 4,700,648	\$ 35,740,648

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, 2022, the District had \$10,715,000 of bonds authorized but unissued of which all \$10,715,000 is for improvements to the Defined Area water, wastewater, and drainage systems.

During the year ended September 30, 2022, the District levied an ad valorem District-wide debt service tax rate of \$0.12 per \$100 of assessed valuation, which resulted in a tax levy of \$2,990,132 on the adjusted taxable valuation of \$2,491,434,408 for the 2021 tax year. The District also levied an ad valorem Defined Area debt service tax rate of \$0.140 per \$100 of assessed valuation, which resulted in a tax levy of \$825,247 on the adjusted taxable valuation of \$589,413,912 for the 2021 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

The bond resolutions require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and cover the cost of assessing and collecting taxes. These provisions have been met, and the cash allocated for these purposes is sufficient to meet debt service requirements through the fiscal year ended September 30, 2022.

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

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

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$1,001,411 and the bank balance was \$1,248,468. Of the bank balance \$258,560 was covered by federal depository insurance and the remaining balance was covered by collateral pledged in the name of the District and held in a third-party depository.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at September 30, 2022, as listed below:

	Cash	Money Markets	Certificates of Deposit	Total
GENERAL FUND	\$ 1,001,411	\$ -	\$ -	\$ 1,001,411
TOTAL DEPOSITS	\$ 1,001,411	\$ -	\$ -	\$ 1,001,411

Investments

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District is entitled to invest in obligations of the United States, the State of Texas and their agencies or any state, county, city and any other political subdivisions of any state rated by a nationally recognized investment rating firm with a rating not less than A or its equivalent, certificates of deposit of state or national banks or savings and loan associations within the State, prime domestic bankers' acceptances, commercial paper with a stated maturity of 270 days or less from the date of its issuance, fully collateralized repurchase agreements, no-load money market mutual funds regulated by the United States Securities and Exchange Commission and eligible public funds investment pools.

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

	Net Asset Value, Cost or Amortized Cost	Fair Value			Total	Weighted Average Maturity (Days)
		Level 1	Level 2	Level 3		
TexPool (amortized cost)	\$ 1,373,311	\$	\$	\$	\$ 1,373,311	1
LOGIC (amortized cost)	13,460,618				13,460,618	1
Total Investment Pools	14,833,929				14,833,929	
Municipal Bonds		1,424,771			1,424,771	6
Commercial Paper			2,948,574		2,948,574	14
U.S. Government Agency Securities		11,202,752			11,202,752	229
Treasury Notes		963,047			963,047	10
Total Investments	\$ 14,833,929	\$ 13,590,570	\$ 2,948,574	\$ - 0 -	\$ 31,373,073	261

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

At September 30, 2022, the investment portfolio weighted average maturity was 261 days.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

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

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

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At September 30, 2022, the District’s investments in TexPool and LOGIC were rated “AAAm” by Standard and Poor’s. The District’s investments in municipal bonds, U.S. agencies coupon securities and commercial paper had ratings from Standard and Poor’s and Moody’s in compliance with the District’s investment policy.

Concentration of credit risk is the risk of loss attributable to the magnitude of a government’s investments in a single issuer. At September 30, 2022, the District’s investment portfolio was comprised primarily of the following issuers:

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>	<u>Standard & Poor's Rating</u>
US Treasury Notes	\$ 963,047	3.0 %	AA+
US Agencies:			
Federal Agricultural Mortgage Corporation	2,308,911	7.4	AA+
Federal Farm Credit Bank	2,316,625	7.4	AA+
Federal Farm Credit Bank	2,347,627	7.5	AA+
Federal Home Loan Bank	2,345,728	7.5	AA+
Federal Home Loan Bank	1,883,861	6.0	AA+
2a7-like Local Government Investment Pools:			
TexPool	1,373,311	4.4	AAAm
LOGIC	13,460,618	42.9	AAAm
Municipal Bonds -			
Tidehaven ISD	1,424,771	4.5	AAA
Commercial Paper	<u>2,948,574</u>	<u>9.4</u>	A-1
Total Investments	<u>\$ 31,373,073</u>	<u>100.0 %</u>	

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

Restrictions

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds”. The composition of interfund balances as of September 30, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
General	Debt Service	\$ 6,912
General	Capital Projects	162,677
Total		\$ 169,589

NOTE 7. MAINTENANCE TAX

The Williamson Central Appraisal District established appraisal values in accordance with requirements of the Texas Legislature. The District levies taxes based upon the appraised values. The Williamson County Tax Assessor Collector bills and collects the District's property taxes. The Board of Directors set current tax rates on August 26, 2021.

During the year ended September 30, 2022, the District levied an ad valorem District-wide maintenance tax rate of \$0.312059 per \$100 of assessed valuation, which resulted in a tax levy of \$7,775,813 on the adjusted taxable valuation of \$2,491,434,408 for the 2021 tax year.

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

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 8. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows:

	Balance September 30, 2021	Additions	Retirements and Transfers	Balance September 30, 2022
Capital Assets, Not Being Depreciated:				
Land	\$ 2,676,333	\$	\$	\$ 2,676,333
Construction in Progress	<u>1,361,174</u>	<u>1,636,647</u>	<u>(1,767,281)</u>	<u>1,230,540</u>
Total Capital Assets, Not Being Depreciated	4,037,507	1,636,647	(1,767,281)	3,906,873
Capital Assets, Being Depreciated:				
Water, Wastewater, and Drainage Systems	84,955,254	1,835,671	(134,000)	86,656,925
Easements and Rights-of-Way	883,890			883,890
Buildings and Improvements	14,383,787	-		14,383,787
Furniture and Equipment	2,313,805	147,103	(20,400)	2,440,508
Park and Recreational Facilities	9,803,198	2,439	(39,000)	9,766,637
Automobiles and Trucks	<u>691,896</u>	<u>66,224</u>	<u>(7,000)</u>	<u>751,120</u>
Total Capital Assets Being Depreciated	113,031,830	2,051,437	(200,400)	114,882,867
Less Accumulated Depreciation For:				
Water, Wastewater, and Drainage Systems	(55,290,372)	(2,362,896)	87,214	(57,566,054)
Easements and Rights-of-Way	(883,890)			(883,890)
Buildings and Improvements	(3,126,341)	(341,829)		(3,468,170)
Furniture and Equipment	(1,519,288)	(206,203)	20,400	(1,705,091)
Park and Recreational Facilities	(4,931,450)	(532,212)	39,000	(5,424,662)
Automobiles and Trucks	<u>(514,828)</u>	<u>(71,770)</u>	<u>7,000</u>	<u>(579,598)</u>
Total Accumulated Depreciation	<u>(66,266,169)</u>	<u>(3,514,910)</u>	<u>153,614</u>	<u>(69,627,465)</u>
Total Capital Assets Being Depreciated, Net	<u>46,765,661</u>	<u>(1,463,473)</u>	<u>(46,786)</u>	<u>45,255,402</u>
Capital Assets, Net	<u>\$ 50,803,168</u>	<u>\$ 173,174</u>	<u>\$ (1,814,067)</u>	<u>\$ 49,162,275</u>

NOTE 9. AMOUNTS COLLECTED FOR CAPITAL IMPROVEMENTS

By an agreement dated March 29, 1996, the District and developers of property within the District agreed to the payment of a fee by the developers to the District. The fee has been established by contract between the District and the developers. The agreement also establishes the restrictions for the use of the fees. The fees collected under this agreement totaled \$3,899 for the year ended September 30, 2022 and are within the Capital Projects Fund.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10. FUND BALANCES

The Board committed \$6,013,855 of General Fund fund balance to pay for future repairs, replacements, and purchases of capital. The amounts committed for funding capital projects as of September 30, 2022 are as follows:

Lift Station Cat Hollow Rehabilitation Phase II	\$ 144,000
Hillside Lift Station Removal	32,000
Ground Wells Emergency Power Generator	24,000
Ground Wells Winterization	266,000
Water Treatment Winterization	16,000
Water Intake Emergency Power	65,000
Water Treatment Generator Automatic Transfer Switch	400,000
Raw Water Wyoming Springs Line Relocation	982,000
Water Pressure and Fire Flow Modeling	55,000
EPA Lead and Copper Regulations	50,000
Creekside/Cat Hollow/Sendero Springs/Highland Horizon Pool Improvements	233,500
Community Center Improvements	392,648
Trail Improvements	25,000
Sanitary Sewer Improvements	56,000
Facilities, Rekey District Doors	30,000
Cat Hollow Playscape Replacement	126,707
Sendero Springs Parking Lot Resurface	75,000
Highland Horizon Parking Lot Resurface	22,000
Pavilion Staining (Cat Hollow and Sendero Springs)	22,000
Pepper Rock Phase II	150,000
Next-Next Level Antivirus, Intrusion Detection	100,000
Water Treatment Truck Replacement	35,000
Replace Red Gym Wall Pads	10,000
Post URI Tree Remediation	185,000
Racine Woods Park Playscape Replacements	100,000
Community Park Amphitheater	10,000
District-Wide Network Mapping	50,000
Internal Control Audit	35,000
Water Treatment, Electrical Controls Rehab	450,000
Community Park Playground	1,700,000
Cat Hollow Aquatic Features Replacement	150,000
Shirley McDonald Fountain Replacement	12,000
Maintenance Yard Phase 2, Creekside Park	10,000
	<u>\$ 6,013,855</u>

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10. FUND BALANCES (Continued)

The District assigned \$1,650,675 of General Fund fund balance to pay for future repairs, replacements, and purchases of capital. The amounts assigned for funding capital projects as of September 30, 2022 are as follows:

Replace Recycle Pump / Re-build Pump #2	\$ 25,000
Re-build HSP Cla-Valves	15,675
Membrane Replacement Fund	275,000
Regional Wastewater Improvement Fund	645,000
BRA - Water Line Reserve	680,000
Gym Equipment Reserve	10,000
	<u>\$ 1,650,675</u>

The Board of Directors approved a resolution to set aside \$8,882,813 for a 6-month Operating Reserve and \$3,638,731 for a Revenue Protection Reserve. In accordance with GASB Statement No. 54, these amounts are included in unassigned fund balance at year-end as noted in the following table:

<u>Unassigned Fund Balance</u>	
Operating Reserve	\$ 8,882,813
Revenue Protection Reserve	3,638,731
Remaining Unassigned Fund Balance	<u>1,357,160</u>
Total Unassigned Fund Balance	<u>\$ 13,878,704</u>

NOTE 11. COMMITMENTS

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 11. COMMITMENTS (Continued)

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

The LCRA utilized its reserved capacity in the system to receive wastewater from the District's wastewater collection system. The cities of Round Rock, Cedar Park, and Austin purchased the wastewater system from the LCRA in December 2009. The District is a customer of the City of Round Rock (the “City”). The BRA will operate and maintain the system in order to receive wastewater from the customers' wastewater collection systems and to treat and dispose of such wastewater. The District will pay charges on the system, their annual estimates for sub-regional operation and maintenance expenses and the resulting estimates of sub-regional capital charges and sub-regional flow charges. The District's capital charge means the portion of the City’s debt necessary to serve the District. Capital charges are included in wastewater purchase expenditures which totaled \$833,709 for fiscal year 2022. The following details the District’s portion of the City’s debt that will be included in future wastewater purchases.

	Principal	Interest	Total
2023	\$ 295,000	\$ 192,888	\$ 487,888
2024	305,000	182,923	487,923
2025	340,000	172,458	512,458
2026	355,000	160,243	515,243
2027	370,000	147,262	517,262
2028-2032	1,950,000	621,679	2,571,679
2033-2037	1,620,000	365,437	1,985,437
2038-2039	745,000	47,813	792,813
	\$ 5,980,000	\$ 1,890,703	\$ 7,870,703

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 11. COMMITMENTS (Continued)

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

NOTE 12. DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 12. DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided

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

Employee membership data related to the Plan, as of the valuation date of December 31, 2021 was as follows:

Retirees and beneficiaries currently receiving benefits	16
Terminated employees entitled to but not yet receiving benefits	349
Active plan members	165
Total	530

Contributions

The District has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The District contributed using the actuarially determined rate of 8.59% for 2021 as adopted by the governing body of the District. The employee contribution rate was 6.00%. The employee contribution rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act. The required contribution and actual contributions for the year ended December 31, 2021 were both \$251,756.

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 12. DEFINED BENEFIT PENSION PLAN (Continued)

Valuation Timing	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	14.8 years (based on contribution rate calculated in 12/31/21 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

All actuarial assumptions that determined the total pension liability as of December 31, 2021 were based on the results of an actuarial experience study for the period January 1, 2017 - December 31, 2020, except where required to be different by GASB 68.

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2022 information for a 10-year time horizon.

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 12. DEFINED BENEFIT PENSION PLAN (Continued)

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (2)
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	3.80%
Global Equities	MSCI World (net) Index	2.50%	4.10%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	3.80%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.30%
Investment - Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index (3)	4.00%	4.50%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	5.10%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	6.80%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-1.05%

(1) Target asset allocation adopted at the March 2022 TCDRS Board meeting.

(2) Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.6%, per Cliffwater's 2022 capital market assumptions.

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

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

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 12. DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate

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

Changes in net pension asset for the valuation year ended December 31, 2021 are as follows:

<u>Changes in Net Pension Liability / (Asset)</u>	<u>Total Pension Liability (a)</u>	<u>Fiduciary Net Position (b)</u>	<u>Net Pension Liability / (Asset) (a) - (b)</u>
Balances as of December 31, 2020	\$ 7,291,054	\$ 7,309,953	\$ (18,899)
Changes For the Year:			
Service Cost	508,147		508,147
Interest on Total Pension Liability (1)	585,707		585,707
Effect of Plan Changes (2)			-
Effect of Economic/Demographic Gains or Losses	(352,599)		(352,599)
Effect of Assumptions Changes or Inputs	(7,394)		(7,394)
Refund of Contributions	(95,930)	(95,930)	-
Benefit Payments	(92,591)	(92,591)	-
Administrative Expenses		(5,002)	5,002
Member Contributions		227,490	(227,490)
Net Investment Income		1,639,053	(1,639,053)
Employer Contributions		251,756	(251,756)
Other (3)		10,249	(10,249)
Balances as of December 31, 2021	<u>\$ 7,836,394</u>	<u>\$ 9,244,978</u>	<u>\$ (1,408,584)</u>

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

(2) No plan changes valued.

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 12. DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity Analysis

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total Pension Liability	\$ 9,140,308	\$ 7,836,394	\$ 6,777,465
Fiduciary Net Position	<u>9,244,978</u>	<u>9,244,978</u>	<u>9,244,978</u>
Net Pension Liability / (Asset)	<u>\$ (104,670)</u>	<u>\$ (1,408,584)</u>	<u>\$ (2,467,513)</u>

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

For the year ended September 30, 2022, the District recognized pension income of \$309,687. As of September 30, 2022, the deferred outflows and inflows of resources are as follows:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 289,982	\$ 9,634
Changes of Assumptions	4,929	161,331
Net Difference Between Projected and Actual Earnings	1,000,498	
Contributions Made Subsequent to Measurement Date		254,232
	<u>\$ 1,295,409</u>	<u>\$ 425,197</u>

The \$254,232 reported as deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2022. The remaining amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2022	\$ (226,873)
2023	(442,891)
2024	(240,188)
2025	<u>(214,492)</u>
Total	<u>\$ (1,124,444)</u>

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 13. RISK MANAGEMENT

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

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

NOTE 14. LEASE AGREEMENTS

The District entered into agreements with three outside parties to lease District property for cell tower use in fiscal years 2004, 2005 and 2009. These agreements are required to be recorded in the financial statements in accordance with the newly effective GASB Statement No. 87. The following table details out information for each of these three agreements:

	Monthly lease payment range	# of months in FY 2022 and subsequent	Lease term date	Interest Rate
AT&T	\$1,293 - \$3,380	400	January 1, 2055	3.6%
Sprint	\$2,975 - \$3,769	107	August 1, 2030	4.0%
Verizon	\$3,214 - \$4,250	154	July 1, 2034	4.0%

The changes in lease receivable during the current fiscal year are summarized in the following table:

Lease Receivable, October 1, 2021	\$ 1,225,637
Less: Lease Principal Received	<u>(43,489)</u>
Lease Receivable, September 30, 2022	<u>\$ 1,182,148</u>

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 14. LEASE AGREEMENTS (Continued)

Future payments to be received by the District under the terms of the three leases are summarized in the following table:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 46,359	\$ 44,533	\$ 90,892
2024	50,346	42,616	92,962
2025	60,056	40,414	100,470
2026	64,496	37,922	102,418
2027	68,350	35,275	103,625
Thereafter	892,541	381,952	1,274,493
	<u>\$ 1,182,148</u>	<u>\$ 582,712</u>	<u>\$ 1,764,860</u>

Deferred inflows of resources related to lease revenues was \$1,225,637 as of the beginning of the current fiscal year (the date of implementation of GASB Statement No. 87). The District recognized lease revenue of \$82,989 during the current fiscal year which resulted in a year-end balance for deferred inflows of resources of \$1,142,648.

The District owns a house that it rents to third parties through a management company. During the year ended September 30, 2022, the District recognized rental income of \$20,221 related to this rental property. Future rental income per the lease agreement is on a month to month basis.

NOTE 15. SUBRECIPIENT AGREEMENT

Effective August 9, 2022, the District entered into a Subrecipient Agreement with Williamson County (the "County") to receive an amount up to \$4,000,000 to reimburse the District for expenses related to eligible State and Local Fiscal Recovery Funds. These include construction and construction administration for any one or more of the following public infrastructure improvements: 1) centralized wastewater collection and conveyance including Cat Hollow Wastewater Lift Station improvements and Hillside Lift Station removal; 2) drinking water treatment including winterization improvements at the water treatment plant; and 3) drinking water source including emergency power installation at raw water intake facility, emergency power installation for groundwater wells, winterization of raw water intake vault and winterization improvements for groundwater wells. The Subrecipient Agreement terminates on December 31, 2026 unless terminated earlier in accordance with the Subrecipient Agreement. As of September 30, 2022, no funds have been received or expended under this agreement.

**REQUIRED SUPPLEMENTARY
INFORMATION**

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Program Revenue:				
Water and Wastewater Services	\$ 5,065,000	\$ 5,065,000	\$ 5,731,129	\$ 666,129
Park and Recreation Center Fees	1,578,368	1,578,368	2,133,310	554,942
Garbage Collection	1,386,000	1,386,000	1,397,438	11,438
Inspection Fees	15,000	15,000	24,075	9,075
Tap and Other Connection Fees	500	500	1,325	825
Contributions			562	562
General Revenue:				
Property Taxes	7,634,600	7,634,600	7,789,171	154,571
Investment Earnings	85,000	85,000	(607,745)	(692,745)
Rental Income	110,041	110,041	110,041	
Other	157,000	157,000	269,813	112,813
TOTAL REVENUES	\$ 16,031,509	\$ 16,031,509	\$ 16,849,119	\$ 817,610
EXPENDITURES				
Service Operations:				
Salary and Benefits	\$ 5,975,220	\$ 5,895,220	\$ 5,838,057	\$ 57,163
Water and Wastewater Purchases	1,702,195	1,702,195	1,719,145	(16,950)
Garbage Fees	1,196,720	1,196,720	1,179,427	17,293
Repairs and Maintenance	1,196,730	1,224,630	1,045,010	179,620
Administrative	478,360	478,360	355,553	122,807
Utilities	592,740	592,740	644,156	(51,416)
Contracted Services	908,089	988,089	780,482	207,607
Legal Fees	245,000	245,000	199,649	45,351
Insurance	113,450	136,546	136,730	(184)
Engineering Fees	220,000	298,800	185,699	113,101
Audit Fees	71,000	71,000	35,493	35,507
Financial Advisor	20,000	20,000	20,000	
Director's Fees	32,850	32,850	32,850	
Security Fees	145,225	145,225	118,854	26,371
Other *	1,236,466	1,051,470	754,867	296,603
Capital Outlay	1,698,364	1,721,364	1,009,796	711,568
Debt Service:				
Principal Payments	450,000	450,000	450,000	
Interest and Fiscal Charges	118,745	118,745	118,744	1
TOTAL EXPENDITURES	\$ 16,401,154	\$ 16,368,954	\$ 14,624,512	\$ 1,744,442
NET CHANGE IN FUND BALANCE	\$ (369,645)	\$ (337,445)	\$ 2,224,607	\$ 2,562,052
FUND BALANCE - OCTOBER 1, 2021	23,788,726	23,788,726	23,788,726	
FUND BALANCE - SEPTEMBER 30, 2022	\$ 23,419,081	\$ 23,451,281	\$ 26,013,333	\$ 2,562,052

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

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2022**

	Year Ended December 31, 2021*	Year Ended December 31, 2020*	Year Ended December 31, 2019*	Year Ended December 31, 2018*	Year Ended December 31, 2017*	Year Ended December 31, 2016*	Year Ended December 31, 2015*	Year Ended December 31, 2014*
Total Pension Liability								
Service Cost	\$ 508,147	\$ 448,604	\$ 416,956	\$ 364,608	\$ 294,923	\$ 295,387	\$ 267,011	\$ 250,979
Interest on Total Pension Liability	585,707	526,117	456,424	398,452	342,882	291,308	263,305	230,729
Effect of Plan Changes	-	-	-	-	4,376	-	(55,460)	-
Effect of Assumption Changes or Inputs	(7,394)	483,993	-	-	512	-	30,086	-
Effect on Economic/Demographic (Gains) or Losses	(352,599)	(164,748)	38,542	(26,962)	44,864	(28,730)	(120,517)	(26,206)
Benefit Payments/Refunds of Contributions	(188,521)	(97,267)	(69,593)	(75,772)	(66,783)	(75,753)	(54,772)	(42,950)
Net Change in Total Pension Asset	545,340	1,196,699	842,329	660,326	620,774	482,212	329,653	412,552
Total Pension Liability, Beginning	7,291,055	6,094,356	5,252,027	4,591,701	3,970,927	3,488,715	3,159,062	2,746,511
Total Pension Liability, Ending (a)	\$ 7,836,395	\$ 7,291,055	\$ 6,094,356	\$ 5,252,027	\$ 4,591,701	\$ 3,970,927	\$ 3,488,715	\$ 3,159,063
Fiduciary Net Position								
Employer Contributions	\$ 251,756	\$ 219,201	\$ 206,110	\$ 183,429	\$ 173,616	\$ 142,204	\$ 140,561	\$ 141,860
Member Contributions	227,490	206,145	198,835	180,126	170,719	147,347	138,711	129,948
Investment Income Net of Investment Expenses	1,639,053	653,880	843,237	(88,684)	596,801	264,683	(66,405)	199,976
Benefit Payments/Refunds of Contributions	(188,521)	(97,267)	(69,593)	(75,772)	(66,783)	(75,753)	(54,773)	(42,950)
Administrative Expenses	(5,002)	(5,349)	(4,818)	(4,126)	(3,280)	(2,878)	(2,516)	(2,463)
Other	10,250	10,334	12,363	9,070	3,689	24,012	2,488	446
Net Change in Fiduciary Net Position	1,935,026	986,944	1,186,134	204,043	874,762	499,615	158,066	426,817
Fiduciary Net Position, Beginning	7,309,954	6,323,010	5,136,876	4,932,833	4,058,071	3,558,456	3,400,390	2,973,574
Fiduciary Net Position, Ending (b)	\$ 9,244,980	\$ 7,309,954	\$ 6,323,010	\$ 5,136,876	\$ 4,932,833	\$ 4,058,071	\$ 3,558,456	\$ 3,400,391
Net Pension Liability / (Asset), Ending = (a) - (b)	\$ (1,408,585)	\$ (18,899)	\$ (228,654)	\$ 115,151	\$ (341,132)	\$ (87,144)	\$ (69,741)	\$ (241,328)
Fiduciary Net Position as a % of Total Pension Liability	117.97 %	100.26 %	103.75 %	97.81 %	107.43 %	102.19 %	102.00 %	107.64 %
Pensionable Covered Payroll	\$ 3,791,499	\$ 3,435,745	\$ 3,313,925	\$ 3,002,106	\$ 2,845,317	\$ 2,450,776	\$ 2,311,858	\$ 2,165,801
Net Pension Liability as a % of Covered Payroll	(37.15) %	(0.55) %	(6.90) %	3.84 %	(11.99) %	(3.56) %	(3.02) %	(11.14) %

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT**
Schedule of District Contributions
September 30, 2022

Year Ending December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll*	Actual Contribution as a % of Covered Payroll
2012	\$ 133,973	\$ 133,973	\$ -	\$ 2,023,768	6.6%
2013	134,120	134,120	-	2,089,097	6.4%
2014	141,860	141,860	-	2,165,801	6.6%
2015	140,561	140,561	-	2,311,858	6.1%
2016	141,900	142,204	(304)	2,450,776	5.8%
2017	168,727	173,616	(4,889)	2,845,317	6.1%
2018	183,429	183,429	-	3,002,106	6.1%
2019	205,795	206,110	(315)	3,313,925	6.2%
2020	219,201	219,201	-	3,435,745	6.4%
2021	251,756	251,756	-	3,791,499	6.6%

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

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**SUPPLEMENTARY INFORMATION
REQUIRED BY THE WATER
DISTRICT FINANCIAL
MANAGEMENT GUIDE**

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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

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

2. RETAIL SERVICE PROVIDERS

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

Based on the rate order effective April 14, 2022.

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
WATER:					
In-District	\$ 15.00		Y	\$ 2.25 winter \$ 2.95 summer	Oct to May Jun to Sep
Out-of-District	\$ 40.51		Y	\$ 2.25 winter \$ 2.95 summer	Oct to May Jun to Sep
WASTEWATER:					
In-District	\$ 6.00		N	\$ 2.70	Per 1,000
Out-of-District	\$ 12.00		N	\$ 10.80	Per 1,000
SURCHARGE:	N/A	N/A	N/A	N/A	N/A
District employs winter averaging for wastewater usage?					<u> X </u> Yes <u> </u> No

Total charges per 10,000 gallons usage: In-District: Water: \$37.50-Winter, \$44.50-Summer; Wastewater: \$33.00
Out-of-District: Water: \$63.01-Winter, \$70.01-Summer; Wastewater: \$120.00

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤ 3/4"	<u>5,551</u>	<u>5,551</u>	x 1.0	<u>5,551</u>
1"	<u>38</u>	<u>38</u>	x 2.5	<u>95</u>
1½"	<u>40</u>	<u>40</u>	x 5.0	<u>200</u>
2"	<u>38</u>	<u>38</u>	x 8.0	<u>304</u>
3"	<u>4</u>	<u>4</u>	x 15.0	<u>60</u>
4"	<u>2</u>	<u>2</u>	x 25.0	<u>50</u>
6"	<u>1</u>	<u>1</u>	x 50.0	<u>50</u>
8"	<u>5</u>	<u>5</u>	x 80.0	<u>400</u>
10"			x 115.0	
Total Water Connections	<u><u>5,679</u></u>	<u><u>5,679</u></u>		<u><u>6,710</u></u>
Total Wastewater Connections	<u><u>5,557</u></u>	<u><u>5,557</u></u>	x 1.0	<u><u>5,557</u></u>

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

Gallons pumped into the System: 1,048,087,000 Water Accountability Ratio: 87.8%
(Gallons billed /Gallons pumped)

Gallons billed to customers: 920,061,645

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

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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

Does the District have Debt Service standby fees? Yes ___ No X

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes X No _____

County in which District is located:

Williamson County

Is the District located within a city?

Entirely _____ Partly _____ Not at all X

Cities in which District is located:

N/A

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

Entirely X Partly _____ Not at all _____

ETJ's in which District is located:

City of Round Rock

Are Board Members appointed by an office outside the District?

Yes _____ No X

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Parks & Recreation</u>	<u>Utilities</u>	<u>Administrative & Other Services</u>	<u>Total</u>
SALARY AND BENEFITS	\$ 3,043,817	\$ 972,744	\$ 1,821,496	\$ 5,838,057
PROFESSIONAL FEES:				
Auditing			35,493	35,493
Legal			199,649	199,649
Engineering	10,584	162,764	12,351	185,699
Financial Advisor			20,000	20,000
PURCHASED SERVICES FOR RESALE -				
Bulk Water and Wastewater Service Purchases		1,719,145		1,719,145
CONTRACTED SERVICES -	375,518	97,102	426,716	899,336
UTILITIES	134,458	370,518	139,180	644,156
REPAIRS AND MAINTENANCE	823,813	170,785	50,412	1,045,010
ADMINISTRATIVE EXPENDITURES:				
Director Fees			32,850	32,850
Office Supplies	2,364	382	3,594	6,340
Insurance	-	7,886	128,844	136,730
Other Administrative Expenses	102,626	60,087	170,874	333,587
CAPITAL OUTLAY -				
Capitalized Assets	596,932	266,787	146,077	1,009,796
TAP CONNECTION EXPENDITURES		15,626		15,626
SOLID WASTE DISPOSAL		139	1,179,288	1,179,427
OTHER EXPENDITURES	415,840	269,448	69,579	754,867
DEBT SERVICE:				
Principal Payments			450,000	450,000
Interest and Fiscal Charges			118,744	118,744
TOTAL EXPENDITURES	<u>\$ 5,505,952</u>	<u>\$ 4,113,413</u>	<u>\$ 5,005,147</u>	<u>\$ 14,624,512</u>

Number of persons employed by the District: 148 Full-Time
56 Part-Time

(Does not include independent contractors or consultants; however, does include seasonal staff)

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
INVESTMENTS
SEPTEMBER 30, 2022**

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<u>GENERAL FUND</u>					
LOGIC	XXXX1002	Varies	Daily	\$ 665,694	\$
LOGIC	XXXX1003	Varies	Daily	855,703	
LOGIC	XXXX1015	Varies	Daily	7,711,703	
TexPool	XXXX0008	Varies	Daily	83,647	
TexPool	XXXX0001	Varies	Daily	39,055	
Municipal Bonds	XXXX9BH0	5.000%	02/15/23	1,424,771	62,414
US Agencies	XXXXXMV1	0.500%	10/04/24	2,308,911	6,113
US Agencies	XXXXNGN4	0.970%	12/09/24	2,316,625	7,474
US Agencies	XXXXMVD1	0.330%	04/05/24	2,347,627	8,047
US Agencies	XXXXLVY7	0.400%	04/15/24	2,345,728	9,205
US Agencies	XXXXLJ70	0.400%	03/12/24	1,883,861	4,855
Commerical Paper	XXXXMM91	n/a	12/09/22	993,402	
Commerical Paper	XXXXBSF7	n/a	05/15/23	972,722	
Commerical Paper	XXXXUPU1	n/a	02/28/23	982,450	
Treasury Notes	XXXXCCU3	0.125%	08/31/23	963,047	103
TOTAL GENERAL FUND				<u>\$ 25,894,946</u>	<u>\$ 98,211</u>
<u>DEBT SERVICE FUND</u>					
LOGIC	XXXX1001	Varies	Daily	\$ 1,592,320	\$
LOGIC	XXXX1013	Varies	Daily	811,417	
LOGIC	XXXX1016	Varies	Daily	4,068	
TexPool	XXXX0004	Varies	Daily	239,161	
TOTAL DEBT SERVICE FUND				<u>\$ 2,646,966</u>	<u>\$ - 0 -</u>
<u>CAPITAL PROJECTS FUND</u>					
LOGIC	XXXX1009	Varies	Daily	\$ 1,521,307	\$
LOGIC	XXXX1017	Varies	Daily	298,406	
TexPool	XXXX0007	Varies	Daily	1,011,448	
TOTAL CAPITAL PROJECTS FUND				<u>\$ 2,831,161</u>	<u>\$ - 0 -</u>
TOTAL - ALL FUNDS				<u>\$ 31,373,073</u>	<u>\$ 98,211</u>

See accompanying independent auditor's report

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
TAXES AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
OCTOBER 1, 2021	\$	40,131	\$	33,912
Adjustments to Beginning				
Balance		<u>(7,195)</u>	\$	<u>30,759</u>
Original 2021 Tax Levy	\$	7,760,495	\$	3,806,555
Adjustment to 2021 Tax Levy		<u>15,318</u>	<u>7,775,813</u>	<u>8,824</u>
TOTAL TO BE				
ACCOUNTED FOR		\$	7,808,749	\$
				3,846,138
TAX COLLECTIONS:				
Prior Years	\$	9,131	\$	9,067
Current Year		<u>7,766,195</u>	<u>7,775,326</u>	<u>3,811,132</u>
				<u>3,820,199</u>
TAXES RECEIVABLE -				
SEPTEMBER 30, 2022		<u>\$</u>	<u>33,423</u>	<u>\$</u>
				<u>25,939</u>
TAXES RECEIVABLE BY				
YEAR:				
2021	\$	9,618	\$	4,247
2020		3,832		1,677
2019		2,843		1,244
2018		2,856		1,250
2017		2,219		1,183
2016		1,267		2,199
2015		2,017		2,972
2014 & Prior		<u>8,771</u>		<u>11,167</u>
TOTAL		<u>\$</u>	<u>33,423</u>	<u>\$</u>
				<u>25,939</u>

See accompanying independent auditor's report

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
TAXES AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
PROPERTY VALUATIONS:				
District-wide	\$ 2,491,434,408	\$ 2,246,365,598	\$ 2,171,065,972	\$ 2,086,616,021
Defined Area	\$ 589,413,912	\$ 534,966,231	\$ 515,650,174	\$ 493,992,503
TAX RATES PER \$100 VALUATION:				
Debt Service Tax Rate	\$ 0.120000	\$ 0.1400	\$ 0.1400	\$ 0.1400
Maintenance Tax Rate	<u>\$ 0.312059</u>	<u>0.3200</u>	<u>0.3200</u>	<u>0.3200</u>
District-wide	\$ 0.432059	\$ 0.4600	\$ 0.4600	\$ 0.4600
Defined Area	\$ 0.1400	\$ 0.1600	\$ 0.1650	\$ 0.1750
ADJUSTED TAX LEVY	<u>\$ 11,591,192</u>	<u>\$ 11,189,256</u>	<u>\$ 10,840,101</u>	<u>\$ 10,464,134</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED				
	<u>99.88 %</u>	<u>99.95 %</u>	<u>99.96 %</u>	<u>99.96 %</u>

See accompanying independent auditor's report

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2022**

Due During Fiscal Years Ending September 30	DEFINED AREA REFUNDING SERIES - 2015			DEFINED AREA SERIES - 2015			UTILITY SYSTEM REVENUE NOTE SERIES - 2016		
	Principal Due June 1	Interest Due December 1/ June 1	Total	Principal Due June 1	Interest Due December 1/ June 1	Total	Principal Due June 1	Interest Due December 1/ June 1	Total
2023	\$ 225,000	\$ 90,900	\$ 315,900	\$ 120,000	\$ 95,706	\$ 215,706	\$ 465,000	\$ 106,910	\$ 571,910
2024	230,000	84,150	314,150	125,000	92,106	217,106	475,000	94,680	569,680
2025	240,000	77,250	317,250	130,000	88,356	218,356	490,000	82,188	572,188
2026	245,000	70,050	315,050	135,000	84,456	219,456	500,000	69,301	569,301
2027	260,000	62,394	322,394	140,000	80,406	220,406	515,000	56,151	571,151
2028	270,000	53,944	323,944	145,000	76,206	221,206	525,000	42,606	567,606
2029	280,000	44,494	324,494	150,000	71,494	221,494	540,000	28,799	568,799
2030	295,000	34,694	329,694	155,000	66,619	221,619	555,000	14,592	569,592
2031	300,000	24,000	324,000	160,000	61,581	221,581			
2032	165,000	12,750	177,750	170,000	56,381	226,381			
2033	175,000	6,562	181,562	175,000	50,431	225,431			
2034				185,000	44,306	229,306			
2035				190,000	37,831	227,831			
2036				200,000	31,181	231,181			
2037				205,000	23,931	228,931			
2038				215,000	16,500	231,500			
2039				225,000	8,442	233,442			
	<u>\$ 2,685,000</u>	<u>\$ 561,188</u>	<u>\$ 3,246,188</u>	<u>\$ 2,825,000</u>	<u>\$ 985,933</u>	<u>\$ 3,810,933</u>	<u>\$ 4,065,000</u>	<u>\$ 495,227</u>	<u>\$ 4,560,227</u>

See accompanying independent auditor's report

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2022**

Due During Fiscal Years Ending September 30	REFUNDING SERIES - 2019			REFUNDING SERIES - 2020			SERIES - 2020		
	Principal Due June 1	Interest Due December 1/ June 1	Total	Principal Due June 1	Interest Due December 1/ June 1	Total	Principal Due June 1	Interest Due December 1/ June 1	Total
2023	\$ 1,385,000	\$ 123,550	\$ 1,508,550	\$ 870,000	\$ 232,350	\$ 1,102,350	\$ 440,000	\$ 21,062	\$ 461,062
2024	-	82,000	82,000	1,770,000	206,250	1,976,250	340,000	16,663	356,663
2025	200,000	82,000	282,000	915,000	135,450	1,050,450	135,000	13,262	148,262
2026	1,900,000	76,000	1,976,000	945,000	108,000	1,053,000	140,000	11,575	151,575
2027				1,305,000	79,650	1,384,650	10,000	9,825	19,825
2028				1,350,000	40,500	1,390,500		9,675	9,675
2029							645,000	9,675	654,675
2030									
2031									
2032									
2033									
2034									
2035									
2036									
2037									
2038									
2039									
	<u>\$ 3,485,000</u>	<u>\$ 363,550</u>	<u>\$ 3,848,550</u>	<u>\$ 7,155,000</u>	<u>\$ 802,200</u>	<u>\$ 7,957,200</u>	<u>\$ 1,710,000</u>	<u>\$ 91,737</u>	<u>\$ 1,801,737</u>

See accompanying independent auditor's report

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2022**

Due During Fiscal Years Ending September 30	REFUNDING SERIES-2020A			DEFINED AREA REFUNDING SERIES-2020			DEFINED AREA REFUNDING SERIES-2021		
	Principal Due June 1	Interest Due December 1/ June 1	Total	Principal Due June 1	Interest Due December 1/ June 1	Total	Principal Due June 1	Interest Due December 1/ June 1	Total
2023	\$	163,200	\$ 163,200	\$ 110,000	\$ 38,870	\$ 148,870	\$ 125,000	\$ 45,050	\$ 170,050
2024	615,000	163,200	778,200	115,000	35,568	150,568	130,000	41,300	171,300
2025	1,550,000	150,900	1,700,900	120,000	32,118	152,118	135,000	37,400	172,400
2026		119,900	119,900	125,000	28,518	153,518	140,000	33,350	173,350
2027	1,685,000	119,900	1,804,900	120,000	26,020	146,020	145,000	29,150	174,150
2028	1,750,000	52,500	1,802,500	125,000	23,618	148,618	150,000	24,800	174,800
2029				125,000	21,120	146,120	5,000	20,300	25,300
2030				125,000	18,462	143,462	5,000	20,200	25,200
2031				135,000	15,806	150,806	5,000	20,100	25,100
2032				285,000	12,938	297,938	5,000	20,000	25,000
2033				290,000	6,525	296,525	5,000	19,900	24,900
2034							190,000	19,800	209,800
2035							195,000	16,000	211,000
2036							200,000	12,100	212,100
2037							200,000	8,100	208,100
2038							205,000	4,100	209,100
2039									
	<u>\$ 5,600,000</u>	<u>\$ 769,600</u>	<u>\$ 6,369,600</u>	<u>\$ 1,675,000</u>	<u>\$ 259,563</u>	<u>\$ 1,934,563</u>	<u>\$ 1,840,000</u>	<u>\$ 371,650</u>	<u>\$ 2,211,650</u>

See accompanying independent auditor's report

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2022**

**ANNUAL REQUIREMENTS
FOR ALL SERIES**

Due During Fiscal Years Ending September 30	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2023	\$ 3,740,000	\$ 917,598	\$ 4,657,598
2024	3,800,000	815,917	4,615,917
2025	3,915,000	698,924	4,613,924
2026	4,130,000	601,150	4,731,150
2027	4,180,000	463,496	4,643,496
2028	4,315,000	323,849	4,638,849
2029	1,745,000	195,882	1,940,882
2030	1,135,000	154,567	1,289,567
2031	600,000	121,487	721,487
2032	625,000	102,069	727,069
2033	645,000	83,418	728,418
2034	375,000	64,106	439,106
2035	385,000	53,831	438,831
2036	400,000	43,281	443,281
2037	405,000	32,031	437,031
2038	420,000	20,600	440,600
2039	225,000	8,442	233,442
	<u>\$ 31,040,000</u>	<u>\$ 4,700,648</u>	<u>\$ 35,740,648</u>

See accompanying independent auditor's report

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
CHANGES IN LONG-TERM BONDED DEBT
SEPTEMBER 30, 2022**

	Defined Area Unlimited Tax Series 2013	Defined Area Refunding Series 2015	Defined Area Unlimited Tax Series 2015	Utility System Revenue Note Series 2016	Refunding Series 2019
Interest Rate	3.25%	3.00% - 3.75%	3.00% - 3.75%	2.63%	3.00% - 4.00%
Dates Interest Payable	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1
Maturity Date	6/1/2022	6/1/2033	6/1/2039	6/1/2030	6/1/2026
Bonds Outstanding at Beginning of Current Fiscal Year	\$ 110,000	\$ 2,905,000	\$ 2,940,000	\$ 4,515,000	\$ 5,070,000
Bonds Sold During the Current Fiscal Year	-	-	-	-	-
Retirements During the Current Fiscal Year:					
Refunded	-	-	-	-	-
Principal	(110,000)	(220,000)	(115,000)	(450,000)	(1,585,000)
Bonds Outstanding at End of Current Fiscal Year	<u>\$ -</u>	<u>\$ 2,685,000</u>	<u>\$ 2,825,000</u>	<u>\$ 4,065,000</u>	<u>\$ 3,485,000</u>
Interest Paid During the Current Fiscal Year	<u>\$ 3,575</u>	<u>\$ 97,500</u>	<u>\$ 99,156</u>	<u>\$ 118,744</u>	<u>\$ 171,100</u>

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
CHANGES IN LONG-TERM BONDED DEBT
SEPTEMBER 30, 2022**

	<u>Refunding Series 2020</u>	<u>Series 2020</u>	<u>Refunding Series 2020A</u>	<u>Defined Area Refunding Series 2020</u>	<u>Defined Area Refunding Series 2021</u>
Interest Rate	3.00% - 4.00%	1.00% - 1.50%	2.00% - 4.00%	2.00% - 3.00%	2.00% - 3.00%
Dates Interest Payable	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1
Maturity Date	6/1/2028	6/1/2029	6/1/2028	6/1/2033	6/1/2038
Bonds Outstanding at Beginning of Current Fiscal Year	\$ 7,990,000	\$ 1,905,000	\$ 5,600,000	\$ 1,780,000	\$ 1,850,000
Bonds Sold During the Current Fiscal Year	-	-	-	-	-
Retirements During the Current Fiscal Year:					
Refunded	-	-	-	-	-
Principal	<u>(835,000)</u>	<u>(195,000)</u>	<u>-</u>	<u>(105,000)</u>	<u>(10,000)</u>
Bonds Outstanding at End of Current Fiscal Year	<u>\$ 7,155,000</u>	<u>\$ 1,710,000</u>	<u>\$ 5,600,000</u>	<u>\$ 1,675,000</u>	<u>\$ 1,840,000</u>
Interest Paid During the Current Fiscal Year	<u>\$ 257,400</u>	<u>\$ 23,012</u>	<u>\$ 163,200</u>	<u>\$ 42,019</u>	<u>\$ 50,264</u>

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
CHANGES IN LONG-TERM BONDED DEBT
SEPTEMBER 30, 2022**

	<u>Grand Total</u>		
Bonds and Note Outstanding at Beginning of Current Fiscal Year	\$ 34,665,000		
Bond/Note Sold During the Current Fiscal Year	-		
Retirements During the Current Fiscal Year:			
Refunded	-		
Principal	<u>(3,625,000)</u>		
Bonds and Note Outstanding at End of Current Fiscal Year	<u>\$ 31,040,000</u>		
Interest Paid During the Current Fiscal Year	<u>\$ 1,025,970</u>		
Paying Agent:	Series 2015, 2019, 2020, 2020A and 2021	Wells Fargo Bank Minneapolis, Minnesota 55415	
	Series 2016	BB&T Governmental Finance Charlotte, North Carolina 28217	
Bond Authority:	<u>District Tax Bonds*</u>	<u>Defined Area Tax Bonds</u>	<u>Refunding Bonds</u>
Amount Authorized by Voters	\$ 74,100,000	\$ 24,500,000	\$ 84,074,998
Amount Issued	<u>74,100,000</u>	<u>13,785,000</u>	<u>84,074,998</u>
Remaining to be Issued	<u>\$ - 0 -</u>	<u>\$ 10,715,000</u>	<u>\$ - 0 -</u>
Debt Service Fund cash and investment balances as of September 30, 2022:			<u>\$ 2,646,966</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:			<u>\$ 2,102,391</u>

See accompanying independent auditor's report.

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

	Amounts					Percentage of Total Revenue				
	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
GENERAL FUND										
REVENUES										
Water and Wastewater Service	\$ 5,731,129	\$ 5,408,639	\$ 5,405,598	\$ 5,192,564	\$ 5,385,725	34.0 %	33.9 %	34.9 %	32.3 %	36.1 %
Garbage Collection	1,397,438	1,395,584	1,391,326	1,388,800	1,385,486	8.3	8.8	9.0	8.6	9.3
Inspection Fees	24,075	21,675	31,700	29,000	27,685	0.1	0.1	0.2	0.2	0.2
Tap and Other Connection Fees	1,325	1,296	6,214	26,003	3,074				0.2	-
Park and Recreation Center Fees	2,133,310	1,560,908	1,165,846	1,969,615	1,673,060	12.7	9.8	7.5	12.2	11.2
Property Taxes, Including Penalties and Interest	7,789,171	7,210,360	6,922,703	6,675,772	5,903,594	46.2	45.2	44.6	41.5	39.6
Investment Earnings	(607,745)	80,144	342,725	564,348	284,545	(3.6)	0.5	2.2	3.5	1.9
Other	380,416	264,285	253,967	248,092	256,933	2.3	1.7	1.6	1.5	1.7
TOTAL REVENUES	\$ 16,849,119	\$ 15,942,891	\$ 15,520,079	\$ 16,094,194	\$ 14,920,102	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
EXPENDITURES										
Current:										
Personnel (Including Benefits)	\$ 5,838,057	\$ 5,200,496	\$ 4,652,172	\$ 4,534,771	\$ 4,261,308	34.7 %	32.5 %	30.0 %	28.3 %	28.6 %
Purchased Services for Resale	2,898,572	2,871,703	2,773,047	2,762,311	2,586,690	17.2	18.0	17.9	17.2	17.3
Administrative	388,403	370,745	378,185	1,149,496	1,047,338	2.3	2.3	2.4	7.1	7.0
Repairs and Maintenance	1,045,010	1,385,387	1,276,114	1,117,540	876,860	6.2	8.7	8.2	6.9	5.9
Utilities	644,156	585,697	611,657	580,259	624,474	3.8	3.7	3.9	3.6	4.2
Professional Services	1,451,292	1,235,878	1,326,943	706,177	564,091	8.6	7.8	8.5	4.4	3.8
Contracted Services	780,482	502,558	731,530	393,621	190,618	4.6	3.2	4.7	2.4	1.3
Capital Outlay	1,009,796	2,185,839	2,987,146	724,604	2,300,762	6.0	13.7	19.3	4.5	15.4
Principal Payments	450,000	440,000	430,000	420,000	405,000	2.7	2.8	2.8	2.6	2.7
Interest and Fiscal Charges	118,744	130,317	141,626	152,672	163,323	0.7	0.8	0.9	0.9	1.1
TOTAL EXPENDITURES	\$ 14,624,512	\$ 14,908,620	\$ 15,308,420	\$ 12,541,451	\$ 13,020,464	86.8 %	93.5 %	98.6 %	77.9 %	87.3 %
EXCESS OF REVENUES OVER EXPENDITURES	\$ 2,224,607	\$ 1,034,271	\$ 211,659	\$ 3,552,743	\$ 1,899,638	13.2 %	6.5 %	1.4 %	22.1 %	12.7 %
OTHER FINANCING SOURCES										
Sale of Capital Assets	\$ _____	\$ _____	\$ _____	\$ 685,683	\$ 32,303	_____ %	_____ %	_____ %	4.2 %	0.2 %
NET CHANGE IN FUND BALANCE	\$ 2,224,607	\$ 1,034,271	\$ 211,659	\$ 4,238,426	\$ 1,931,941	13.2 %	6.5 %	1.4 %	26.3 %	12.9 %

See accompanying independent auditor's report.

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

	Amounts					Percentage of Total Revenue				
	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
DEBT SERVICE FUND										
REVENUES										
Property Taxes, Including Penalties and Interest	\$ 3,826,408	\$ 4,012,812	\$ 3,880,627	\$ 3,785,126	\$ 4,008,201	99.3 %	99.8 %	97.7 %	95.1 %	98.2 %
Investment Earnings and Other	28,902	6,937	93,065	193,091	72,603	0.7	0.2	2.3	4.9	1.8
TOTAL REVENUES	<u>\$ 3,855,310</u>	<u>\$ 4,019,749</u>	<u>\$ 3,973,692</u>	<u>\$ 3,978,217</u>	<u>\$ 4,080,804</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
EXPENDITURES										
Principal Payments	\$ 3,175,000	\$ 3,895,000	\$ 2,810,000	\$ 3,205,000	\$ 2,605,000	82.4 %	96.9 %	70.7 %	80.6 %	63.8 %
Interest and Fiscal Charges	907,226	980,684	1,014,149	1,378,965	1,481,295	23.5	24.4	25.5	34.7	36.3
Tax Appraisal and Collection	63,945	64,653	66,799	64,078	64,019	1.7	1.6	1.7	1.6	1.6
Bond Issuance Costs		102,981	541,840	220,225			2.6	13.6	5.5	
Other	8,023	13,325	15,608	7,129	6,630	0.2	0.3	0.4	0.2	0.2
TOTAL EXPENDITURES	<u>\$ 4,154,194</u>	<u>\$ 5,056,643</u>	<u>\$ 4,448,396</u>	<u>\$ 4,875,397</u>	<u>\$ 4,156,944</u>	<u>107.8 %</u>	<u>125.8 %</u>	<u>111.9 %</u>	<u>122.6 %</u>	<u>101.9 %</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>\$ (298,884)</u>	<u>\$ (1,036,894)</u>	<u>\$ (474,704)</u>	<u>\$ (897,180)</u>	<u>\$ (76,140)</u>	<u>(7.8) %</u>	<u>(25.8) %</u>	<u>(11.9) %</u>	<u>(22.6) %</u>	<u>(1.9) %</u>
OTHER FINANCING SOURCES (USES)										
Transfers In	\$	\$	\$	\$	\$ 517,760	%	%	%	%	12.7 %
Proceeds from the Sale of Capital Assets				18,412					0.5	
Proceeds of Refunding Bonds		1,850,000	15,535,000	6,605,000			46.0	390.9	166.0	
Payment to Refunded Bond Escrow Agent		(1,874,403)	(16,373,412)	(6,855,598)			(46.6)	(412.0)	(172.3)	
Premium (Discount) on Bonds		62,484	1,252,827	408,548			1.6	31.5	10.3	
TOTAL OTHER FINANCING SOURCES	<u>\$ - 0 -</u>	<u>\$ 38,081</u>	<u>\$ 414,415</u>	<u>\$ 176,362</u>	<u>\$ 517,760</u>	<u>_____ %</u>	<u>1.0 %</u>	<u>10.4 %</u>	<u>4.5 %</u>	<u>12.7 %</u>
NET CHANGE IN FUND BALANCE	<u>\$ (298,884)</u>	<u>\$ (998,813)</u>	<u>\$ (60,289)</u>	<u>\$ (720,818)</u>	<u>\$ 441,620</u>	<u>(7.8) %</u>	<u>(24.8) %</u>	<u>(1.5) %</u>	<u>(18.1) %</u>	<u>10.8 %</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>5,679</u>	<u>5,673</u>	<u>5,680</u>	<u>5,685</u>	<u>5,683</u>					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>5,557</u>	<u>5,594</u>	<u>5,563</u>	<u>5,583</u>	<u>5,592</u>					

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2022**

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

District Telephone Number - (512) 255-7871

Board Members	Term of Office (Elected or <u>Appointed</u>)	Fees of Office for the year ended September 30, <u>2022</u>	Expense Reimbursements for the year ended September 30, <u>2022</u>	<u>Title</u>
Michael Tucker	11/20 11/24 (Elected)	\$ 6,000	\$ -0-	President
Kim Filiatrault	11/22 11/26 (Elected)	\$ 6,450	\$ -0-	Vice President
Ken Reifschlager	11/22 11/26 (Elected)	\$ 6,000	\$ -0-	Secretary
Rebecca B. Tullos	11/22 11/26 (Elected)	\$ 7,200	\$ -0-	Treasurer
Donna B. Parker	11/20 12/22 (Elected)	\$ 7,200	\$ -0-	Former Director

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

Submission date of most recent District Registration Form: December 30, 2022

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

See accompanying independent auditor's report.

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2022**

	<u>Date Hired</u>	<u>Fees for the year ended September 30, 2022</u>	<u>Title</u>
Consultants:			
McLean & Howard, LLP	2017	\$ 148,979	Attorney
McCall Gibson Swedlund Barfoot PLLC	2018	\$ 34,750	Auditor
Robert W. Baird & Co.	2015	\$ -0-	Financial Advisor
McCall, Parkhurst & Horton LLP	1994	\$ -0-	Bond Counsel
MRB Group	2013	\$ 335,079	Engineer
Meeder Public Funds, Inc. (fka Patterson & Associates)	2008	\$ 20,000	Investment Advisor
Williamson County Tax Assessor-Collector	1981	\$ 2,006	Tax Assessor/ Collector

**OTHER SUPPLEMENTARY
INFORMATION**

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
PRINCIPAL TAXPAYERS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

<u>District-Wide Area</u>	<u>Tax Roll Year</u>		
	<u>Taxpayer</u>	<u>2022</u>	<u>2021</u>
Landing at Round Rock Acquisition LLC	\$ 160,011,540	\$ 88,725,000	\$ 87,182,347
CWS Brushy Creek LP	74,647,167	52,934,180	51,957,360
Beck Commons Investments LLC	14,000,000	12,151,316	11,492,327
TXMS Real Estate Investments Inc.	13,745,042	-	-
H. E. Butt Inc.	12,936,927	10,657,967	10,024,054
Atmos Energy/Mid-Tex Distribution	11,616,884	9,764,727	8,456,367
Great American Storage Partners LLC	9,316,343	7,730,511	7,541,310
Highland 620 Land Investment Ltd.	8,117,325	7,502,624	7,522,601
Oncor Electric Delivery Company	6,668,719	6,662,136	-
Airport Storage LLC	6,520,000	-	-
IVQ Round Rock LP	-	12,099,882	11,699,881
Barclay/Texas Holdings XI LP	-	7,325,000	8,350,448
Reshetar Inc.	-	-	5,810,289
Total	<u>\$ 317,579,947</u>	<u>\$ 215,553,343</u>	<u>\$ 210,036,984</u>
Percent of Assessed Valuation	<u>10.85%</u>	<u>8.65%</u>	<u>9.35%</u>

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**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
PRINCIPAL TAXPAYERS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

<u>Defined Area</u>	<u>Tax Roll Year</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Taxpayer</u>			
TXMS Real Estate Investments Inc.	\$ 13,745,042	\$ -	\$ -
Highland 620 Land Investment Ltd.	8,117,325	7,502,624	7,522,601
Brushy Creek Texas LLC	5,490,000	-	-
Saiba Holdings LLC	4,676,400	2,974,967	2,851,555
Cuchara Investment Group Ltd.	4,388,626	4,293,221	4,301,214
Great Oaks Physicians Holding Company LP	4,384,883	4,254,867	3,760,662
First Star Bank SSB	4,318,086	3,789,811	3,440,747
Hatch House Management Company LLC	4,080,321	2,412,136	2,403,453
LIDL US Operations LLC	3,679,701	2,812,778	2,812,778
TDE Investments LLC	3,378,333	3,315,417	2,930,331
IVQ Round Rock LP	-	12,099,882	11,699,881
Alpine Village Community LLC & et al	-	4,934,348	-
MHM Brushy Creek FH LLC	-	-	4,360,483
Total	\$ 56,258,717	\$ 48,390,051	\$ 46,083,705
 Percent of Assessed Valuation	 <u>8.31%</u>	 <u>8.21%</u>	 <u>8.61%</u>

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
ASSESSED VALUE BY CLASSIFICATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

District-Wide Area

Tax Roll Year

Type of Property	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Single Family	\$ 3,333,085,211	113.8%	\$ 2,293,183,357	92.1%	\$ 1,840,474,598	82.0%
Multi-Family	252,052,771	8.6	154,101,224	6.2	148,523,051	6.6
Vacant Platted Lots/Tracts	14,845,067	0.5	11,097,385	0.4	11,473,690	0.5
Farm and Ranch Improvement	20,063	0.0	11,533	0.0	11,451	0.0
Commerical	172,370,809	5.9	147,873,152	5.9	131,028,342	5.8
Real & Intangible Personal, Utilities	21,217,787	0.7	18,456,530	0.7	13,783,956	0.6
Tangible Personal Business	19,540,783	0.7	24,115,734	1.0	19,172,997	0.9
Exempt	(885,055,965)	(30.2)	(157,404,507)	(6.3)	81,897,513	3.6
Total	\$ 2,928,076,526	100.0%	\$ 2,491,434,408	100.0%	\$ 2,246,365,598	100.0%

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT
ASSESSED VALUE BY CLASSIFICATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Defined Area	Tax Roll Year					
	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Type of Property						
Single Family	\$ 793,646,042	117.3%	\$ 576,576,729	97.8%	\$ 460,754,048	86.2%
Vacant Platted Lots/Tracts	13,789,853	2.0	10,316,347	1.8	10,335,780	1.9
Farm and Ranch Improvement	18,440	0.0	9,910	0.0	9,910	0.0
Commerical	44,461,691	6.6	38,074,649	6.5	29,043,659	5.4
Real & Intangible Personal, Utilities	149,943	0.0	207,966	0.0	264,971	0.0
Tangible Personal Business	4,023,176	0.6	4,799,291	0.8	4,734,603	0.9
Exempt	(179,171,130)	(26.5)	(40,570,980)	(6.9)	29,823,260	5.6
Total	\$ 676,918,015	100.0%	\$ 589,413,912	100.0%	\$ 534,966,231	100.0%

