

**WILLIAMSON-TRAVIS COUNTIES
MUNICIPAL UTILITY DISTRICT NO. 1**

WILLIAMSON AND TRAVIS COUNTIES, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Williamson-Travis Counties Municipal Utility District No. 1
Williamson and Travis Counties, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Williamson-Travis Counties Municipal Utility District No. 1 (the "District") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

February 21, 2024

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Management's discussion and analysis of Williamson-Travis Counties Municipal Utility District No. 1 (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Net Position includes all 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 expenditures are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has two governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, 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 debt service taxes. This fund was closed during the current fiscal year with the redemption of the Series 2003 bonds and a transfer of remaining funds to the General fund.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") and other supplementary information. A budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by \$13,519,895 as of September 30, 2023. This compares with assets exceeding liabilities by \$13,348,965 in the prior fiscal year.

A portion of the District's net position reflects its net investment in capital assets (e.g. water, wastewater, drainage and recreational facilities, less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide water, wastewater, drainage and recreational services within the District.

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

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2023	2022	Change Positive (Negative)
Current and Other Assets	\$ 4,357,564	\$ 3,820,193	\$ 537,371
Capital Assets (Net of Accumulated Depreciation)	10,103,604	10,477,232	(373,628)
Total Assets	\$ 14,461,168	\$ 14,297,425	\$ 163,743
Bonds Payable	\$ 941,273	\$ 185,000	\$ 185,000
Other Liabilities	941,273	763,460	(177,813)
Total Liabilities	\$ 941,273	\$ 948,460	\$ 7,187
Net Position:			
Net Investment in Capital Assets	\$ 10,103,604	\$ 10,292,232	\$ (188,628)
Restricted		152,717	(152,717)
Unrestricted	3,416,291	2,904,016	512,275
Total Net Position	\$ 13,519,895	\$ 13,348,965	\$ 170,930

The District net position increased by \$170,930, accounting for a 1.3% increase in net position. The following table provides a comparative analysis of the District's operations for the years ending September 30, 2023, and September 30, 2022:

	Summary of Changes in the Statement of Activities		
	2023	2022	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 2,486,717	\$ 2,227,239	\$ 259,478
Charges for Services	2,579,379	2,597,901	(18,522)
Other Revenues	194,911	82,342	112,569
Total Revenues	\$ 5,261,007	\$ 4,907,482	\$ 353,525
Expenses for Services	5,090,077	4,981,090	(108,987)
Change in Net Position	\$ 170,930	\$ (73,608)	\$ 244,538
Net Position, Beginning of Year	13,348,965	13,422,573	(73,608)
Net Position, End of Year	\$ 13,519,895	\$ 13,348,965	\$ 170,930

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of September 30, 2023, were \$3,351,496, an increase of \$350,527 from the prior year.

The General Fund fund balance increased by \$484,653, primarily due to property tax and service revenues exceeding operating and capital costs.

The Debt Service Fund fund balance decreased by \$134,126, with the redemption of the Series 2003 and a transfer of remaining funds to the General Fund. This fund was closed as of the end of the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated budget for the current fiscal year. Actual revenues net of expenditures were \$601,604 more than budgeted.

CAPITAL ASSETS

The District's capital assets as of September 30, 2023, amount to \$10,103,604 (net of accumulated depreciation). These capital assets include land, as well as the water and wastewater systems, recreational and detention facilities, fences and capital recovery fees.

Capital Assets At Year-End, Net of Accumulated Depreciation

	<u>2023</u>	<u>2022</u>	<u>Change Positive (Negative)</u>
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 84,052	\$ 84,052	\$
Construction in Progress	343,869	86,741	257,128
Capital Assets, Net of Accumulated Depreciation:			
Water and Wastewater System	6,840,611	7,208,153	(367,542)
Park and Detention Facilities	2,729,743	2,958,027	(228,284)
District Fences	31,621	46,796	(15,175)
Capital Recovery Fees	73,708	93,463	(19,755)
Total Net Capital Assets	<u>\$ 10,103,604</u>	<u>\$ 10,477,232</u>	<u>\$ (373,628)</u>

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

LONG-TERM DEBT ACTIVITY

As of September 30, 2023, the District had no bond debt payable. The changes in the debt position of the District during the fiscal year ended September 30, 2023, are summarized as follows:

Bond Debt Payable, October 1, 2022	\$ 185,000
Less: Bond Principal Paid	<u>185,000</u>
Bond Debt Payable, September 30, 2023	<u>\$ - 0 -</u>

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Williamson-Travis Counties Municipal Utility District No. 1, c/o Coats Rose, P.C., Terrace 2, 2700 Via Fortuna, Suite 350, Austin, Texas 78746

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2023

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	\$ 1,218,658	\$	\$ 1,218,658
Investments	2,812,296		2,812,296
Receivables:			
Property Taxes	64,795		64,795
Service Accounts	254,727		254,727
Other	7,088		7,088
Land		84,052	84,052
Construction in Progress		343,869	343,869
Capital Assets (Net of Accumulated Depreciation)		9,675,683	9,675,683
TOTAL ASSETS	\$ 4,357,564	\$ 10,103,604	\$ 14,461,168

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

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2023

	General Fund	Adjustments	Statement of Net Position
LIABILITIES			
Accounts Payable	\$ 534,036	\$	\$ 534,036
Security Deposits	407,237		407,237
TOTAL LIABILITIES	\$ 941,273	\$ -0-	\$ 941,273
 DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 64,795	\$ (64,795)	\$ -0-
 FUND BALANCE			
Unassigned	\$ 3,351,496	\$ (3,351,496)	\$ -0-
TOTAL FUND BALANCE	\$ 3,351,496	\$ (3,351,496)	\$ -0-
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 \$ 4,357,564		
 NET POSITION			
Net Investment in Capital Assets		\$ 10,103,604	\$ 10,103,604
Unrestricted		3,416,291	3,416,291
TOTAL NET POSITION		\$ 13,519,895	\$ 13,519,895

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

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

Total Fund Balance - Governmental Fund	\$	3,351,496
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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.		10,103,604
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Deferred inflows of resources related to property tax revenues on delinquent taxes for the 2022 and prior tax levies became part of recognized revenue in the governmental activities of the District.		64,795
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Total Net Position - Governmental Activities	\$	<u>13,519,895</u>
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The accompanying notes to the financial statements are an integral part of this report.

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WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 2,414,090	\$ 64,213
Water and Wastewater Service	1,883,296	
Fire Protection Fee	665,984	
Penalty and Interest	30,099	
Investment Revenues	155,925	11,532
Miscellaneous Revenues	26,940	514
TOTAL REVENUES	\$ 5,176,334	\$ 76,259
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 249,242	\$
Contracted Services	1,942,515	
Purchased Water and Wastewater Service	1,327,186	
Utilities	56,413	
Repairs and Maintenance	760,169	
Depreciation		
Other	115,588	1,425
Capital Outlay	257,128	
Debt Service:		
Bond Principal		185,000
Bond Interest		7,400
TOTAL EXPENDITURES/EXPENSES	\$ 4,708,241	\$ 193,825
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	\$ 468,093	\$ (117,566)
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	\$ 16,560	\$ (16,560)
NET CHANGE IN FUND BALANCES	\$ 484,653	\$ (134,126)
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - OCTOBER 1, 2022	2,866,843	134,126
FUND BALANCES/NET POSITION - SEPTEMBER 30, 2023	\$ 3,351,496	\$ -0-

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

Total	Adjustments	Statement of Activities
\$ 2,478,303	\$ 8,414	\$ 2,486,717
1,883,296		1,883,296
665,984		665,984
30,099		30,099
167,457		167,457
27,454		27,454
<u>\$ 5,252,593</u>	<u>\$ 8,414</u>	<u>\$ 5,261,007</u>
\$ 249,242	\$	\$ 249,242
1,942,515		1,942,515
1,327,186		1,327,186
56,413		56,413
760,169		760,169
	630,756	630,756
117,013		117,013
257,128	(257,128)	
185,000	(185,000)	
7,400	(617)	6,783
<u>\$ 4,902,066</u>	<u>\$ 188,011</u>	<u>\$ 5,090,077</u>
<u>\$ 350,527</u>	<u>\$ (179,597)</u>	<u>\$ 170,930</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
\$ 350,527	\$ (350,527)	\$
	170,930	170,930
<u>3,000,969</u>	<u>10,347,996</u>	<u>13,348,965</u>
<u>\$ 3,351,496</u>	<u>\$ 10,168,399</u>	<u>\$ 13,519,895</u>

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

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Net Change in Fund Balances - Governmental Funds	\$ 350,527
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.	8,414
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.	(630,756)
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.	257,128
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.	185,000
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.	<u>617</u>
Change in Net Position - Governmental Activities	<u>\$ 170,930</u>

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

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1. CREATION OF DISTRICT

Williamson-Travis Counties Municipal Utility District No. 1 (the "District") was created effective March 27, 1985, by an Order of the Texas Water Commission, presently known as the Texas Commission on Environmental Quality (the "Commission"). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The District is also empowered to establish, operate and maintain a fire department to perform all fire-fighting activities within the District.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

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

Financial Statement Presentation

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

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- 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 by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

General Fund - To account for resources not required to be accounted for in another fund, customer service revenues, costs and general 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 debt service taxes. This fund was closed during the current fiscal year with the redemption of the Series 2003 bonds and a transfer of remaining funds to the General Fund.

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 of 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. During the current fiscal year, the Debt Service Fund transferred \$16,650 to the General Fund to close the Debt Service Fund.

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Water and wastewater facilities	30-40
Park and detention facilities:	
Park improvements and pavilion	5-30
District office	30
Office furniture	10
Detention ponds	30
District fences	15
Capital recovery fees	23-33

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Directors are considered to be wages subject to federal income tax withholding for payroll tax purposes only.

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 funds types 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. The District does not have any nonspendable fund balances.

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. The District does not have any restricted fund balances.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 3. LONG – TERM DEBT

The following is a summary of transactions regarding bonds payable for the year ended September 30, 2023:

	October 1, 2022	Additions	Retirements	September 30, 2023
Bonds Payable	\$ 185,000	\$ -0-	\$ 185,000	\$ -0-

As of September 30, 2023, the District has authorized but unissued tax bonds in the amount of \$5,813,671. 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.

During the year ended September 30, 2023, the District levied an ad valorem debt service tax rate of \$0.0078 per \$100 of assessed valuation, which resulted in a tax levy of \$64,277 on the adjusted taxable valuation of \$824,642,148 for the 2022 tax year. The bond order requires the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

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

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

The bond order states 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. 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.

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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 \$1,218,658 and the bank balance was \$1,241,010. The District was not exposed to custodial risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at September 30, 2023, as listed below:

	<u>Cash</u>
GENERAL FUND	<u>\$ 1,218,658</u>

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

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

The District invests in TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool meets the criteria established in GASB Statement No. 79 and 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.

As of September 30, 2023, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 year
<u>GENERAL FUND</u>		
TexPool	<u>\$ 2,812,296</u>	<u>\$ 2,812,296</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2023, the District's investment in TexPool was rated AAAM by Standard and Poor's.

Interest rate risk is the risk the changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in TexPool to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District.

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2023:

	October 1, 2022	Increases	Decreases	September 30, 2023
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 84,052	\$	\$	\$ 84,052
Construction in Progress	86,741	257,128		343,869
Total Capital Assets Not Being Depreciated	<u>\$ 170,793</u>	<u>\$ 257,128</u>	<u>\$ -0-</u>	<u>\$ 427,921</u>
Capital Assets Subject to Depreciation				
Water and Wastewater System	\$ 17,571,167	\$	\$	\$ 17,571,167
Park and Detention Facilities	5,212,587			5,212,587
District Fences	1,741,657			1,741,657
Capital Recovery Fees	1,112,422			1,112,422
Total Capital Assets Subject to Depreciation	<u>\$ 25,637,833</u>	<u>\$ - 0 -</u>	<u>\$ -0-</u>	<u>\$ 25,637,833</u>
Less Accumulated Depreciation				
Water and Wastewater System	\$ 10,363,014	\$ 367,542	\$	\$ 10,730,556
Park and Detention Facilities	2,254,560	228,284		2,482,844
District Fences	1,694,861	15,175		1,710,036
Capital Recovery Fees	1,018,959	19,755		1,038,714
Total Accumulated Depreciation	<u>\$ 15,331,394</u>	<u>\$ 630,756</u>	<u>\$ -0-</u>	<u>\$ 15,962,150</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 10,306,439</u>	<u>\$ (630,756)</u>	<u>\$ -0-</u>	<u>\$ 9,675,683</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 10,477,232</u>	<u>\$ (373,628)</u>	<u>\$ -0-</u>	<u>\$ 10,103,604</u>

NOTE 7. MAINTENANCE TAX

On June 18, 1985, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$1.50 of assessed valuation of taxable property within the District. During the year ended September 30, 2023, the District levied an ad valorem maintenance tax rate of \$0.294 per \$100 of assessed valuation, which resulted in a tax levy of \$2,422,731 on the adjusted taxable valuation of \$824,642,148 for the 2022 tax year. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and sanitary sewer system.

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8. WHOLESALE WATER AND WASTEWATER SERVICE AGREEMENT

Effective September 22, 2015, the District and the City of Cedar Park, Texas (the “City”) entered into a Wholesale Water and Wastewater Service Agreement (the “Agreement”). The Agreement was amended on November 1, 2016. Per the Agreement, the City has agreed to provide the District with a wholesale water supply and wholesale wastewater treatment services. The Agreement established wholesale rates for water and wastewater services provided and further provided mechanisms for calculating increases in the respective rates. The current rate being charged by the City is \$3.89 per 1,000 gallons of water purchased and \$3.76 per 1,000 gallons of wastewater services purchased. During the current fiscal year, the District recorded \$859,998 for purchased water services and \$467,188 for purchased wastewater services.

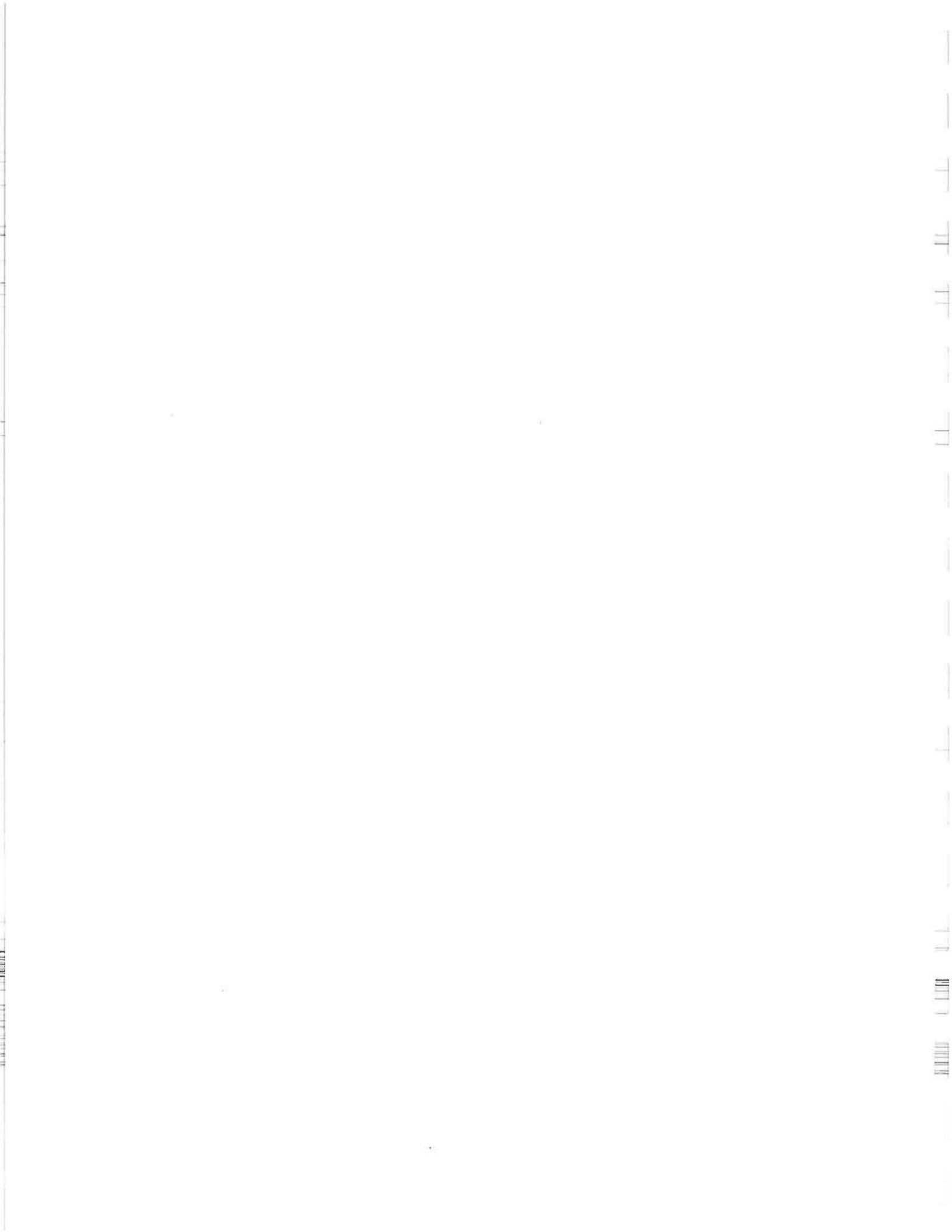
NOTE 9. RISK MANAGEMENT

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

**WILLIAMSON-TRAVIS COUNTIES
MUNICIPAL UTILITY DISTRICT NO. 1**

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2023



WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 2,393,001	\$ 2,414,090	\$ 21,089
Water and Wastewater Service	2,034,000	1,883,296	(150,704)
Fire Protection Fee	635,000	665,984	30,984
Penalty and Interest	31,500	30,099	(1,401)
Investment Revenues	16,500	155,925	139,425
Miscellaneous Revenues	<u>30,000</u>	<u>26,940</u>	<u>(3,060)</u>
TOTAL REVENUES	<u>\$ 5,140,001</u>	<u>\$ 5,176,334</u>	<u>\$ 36,333</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 329,000	\$ 249,242	\$ 79,758
Contracted Services	1,940,925	1,942,515	(1,590)
Purchased Water and Wastewater Service	1,400,000	1,327,186	72,814
Utilities	61,325	56,413	4,912
Repairs and Maintenance	727,950	760,169	(32,219)
Other	162,752	115,588	47,164
Capital Outlay	<u>635,000</u>	<u>257,128</u>	<u>377,872</u>
TOTAL EXPENDITURES	<u>\$ 5,256,952</u>	<u>\$ 4,708,241</u>	<u>\$ 548,711</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (116,951)</u>	<u>\$ 468,093</u>	<u>\$ 585,044</u>
OTHER FINANCING SOURCES(USES)			
Transfers In	<u>\$ -0-</u>	<u>\$ 16,560</u>	<u>\$ 16,560</u>
NET CHANGE IN FUND BALANCE	<u>\$ (116,951)</u>	<u>\$ 484,653</u>	<u>\$ 601,604</u>
FUND BALANCE - OCTOBER 1, 2022	<u>2,866,843</u>	<u>2,866,843</u>	
FUND BALANCE - SEPTEMBER 30, 2023	<u>\$ 2,749,892</u>	<u>\$ 3,351,496</u>	<u>\$ 601,604</u>

See accompanying independent auditor's report.

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**WILLIAMSON-TRAVIS COUNTIES
MUNICIPAL UTILITY DISTRICT NO. 1**

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

SEPTEMBER 30, 2023



**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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

<u> X </u>	Retail Water	<u> </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> X </u>	Fire Protection	<u> X </u>	Security
<u> X </u>	Solid Waste/Garbage	<u> </u>	Flood Control	<u> </u>	Roads
	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
<u> X </u>	Other (specify): Restrictive Covenant Enforcement				

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 3/4" METER (OR EQUIVALENT):

Based on the rate order effective August 22, 2023.

	<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:	\$ 25.00*	N/A	N	\$ 4.66 \$ 5.60 \$ 6.71	0,001 to 10,000 10,001 to 15,000 15,001 and up
WASTEWATER:		N/A	N	\$ 3.76	0,001 and up
FIRE PROTECTION	\$27.58				
SURCHARGE:	\$0.05% of water and wastewater bill				
Regulatory Assessment Fee					

District employs winter averaging for wastewater usage? X
Yes
No

Total monthly charges per 10,000 gallons usage: Water: \$71.60 Wastewater: \$37.60 Fire Protection: \$27.58
Surcharge: \$0.55

* Base fee of \$25.00

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤¾"	1,900	1,896	x 1.0	1,896
1"	20	20	x 2.5	50
1½"	10	10	x 5.0	50
2"	2	2	x 8.0	16
3"	4	4	x 15.0	60
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u>1,936</u>	<u>1,932</u>		<u>2,072</u>
Total Wastewater Connections	<u>1,918</u>	<u>1,914</u>	x 1.0	<u>1,914</u>

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

Gallons billed to customers: 170,956,000 Water Accountability Ratio: 85.0 %
 (Gallons billed/Gallons purchased)

Gallons purchased: 201,037,000 From: City of Cedar Park, Texas

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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

Does the District have Debt Service standby fees? Yes No

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No

Counties in which District is located:

Williamson and Travis Counties, Texas

Is the District located within a city?

Entirely Partly Not at all

City in which District is partially located:

City of Cedar Park, Texas

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

Entirely Partly Not at all

ETJ in which District is located:

City of Cedar Park, Texas

Is the general membership of the Board appointed by an office outside the District?

Yes No

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

PROFESSIONAL FEES:	
Auditing	\$ 17,000
Engineering	58,952
Legal	170,790
Financial Advisor	<u>2,500</u>
TOTAL PROFESSIONAL FEES	\$ <u>249,242</u>
 PURCHASED SERVICES FOR RESALE:	
Purchased Water Service	\$ 859,998
Purchased Wastewater Service	<u>467,188</u>
TOTAL PURCHASED SERVICES FOR RESALE	\$ <u>1,327,186</u>
 CONTRACTED SERVICES:	
Appraisal District	\$ 13,036
Bookkeeping	40,197
Utility Manager	651,158
Deed Restriction	25,200
Solid Waste Disposal	463,935
Security	83,005
Fire Fighting	<u>665,984</u>
TOTAL CONTRACTED SERVICES	\$ <u>1,942,515</u>
 UTILITIES	 \$ <u>56,413</u>
 REPAIRS AND MAINTENANCE	 \$ <u>760,169</u>
 ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 24,868
Election Costs	7,685
Insurance	18,072
Legal Notices	2,455
Payroll Taxes and Administration	2,420
Other	<u>51,251</u>
TOTAL ADMINISTRATIVE EXPENDITURES	\$ <u>106,751</u>

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

CAPITAL OUTLAY	<u>\$ 257,128</u>
OTHER EXPENDITURES:	
Permit Fees	\$ 4,743
Regulatory Assessment	<u>4,094</u>
TOTAL OTHER EXPENDITURES	<u>\$ 8,837</u>
TOTAL EXPENDITURES	<u>\$ 4,708,241</u>

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
INVESTMENTS
SEPTEMBER 30, 2023**

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
TexPool	XXXX0002	Varies	Daily	\$ 2,794,211	\$
TexPool	XXXX0004	Varies	Daily	18,085	
TOTAL GENERAL FUND				<u>\$ 2,812,296</u>	<u>\$ -0-</u>

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Maintenance Tax		Debt Service Tax	
TAXES RECEIVABLE -				
OCTOBER 1, 2022	\$ 37,173		\$ 19,208	
Adjustments to Beginning				
Balance	<u>(345)</u>	\$ 36,828	<u>54</u>	\$ 19,262
Original 2022 Tax Levy	\$ 2,437,845		\$ 64,678	
Adjustment to 2022 Tax Levy	<u>(15,114)</u>	<u>2,422,731</u>	<u>(401)</u>	<u>64,277</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 2,459,559		\$ 83,539
TAX COLLECTIONS:				
Prior Years	\$ 1,247		\$ 199	
Current Year	<u>2,412,843</u>	<u>2,414,090</u>	<u>64,014</u>	<u>64,213</u>
TAXES RECEIVABLE -				
SEPTEMBER 30, 2023		<u>\$ 45,469</u>		<u>\$ 19,326</u>
TAXES RECEIVABLE BY				
YEAR:				
2022		\$ 9,888		\$ 263
2021		5,422		495
2020		4,255		714
2019		4,091		1,384
2018		3,402		1,256
2017 and prior		<u>18,411</u>		<u>15,214</u>
TOTAL		<u>\$ 45,469</u>		<u>\$ 19,326</u>

See accompanying independent auditor's report.

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**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
TOTAL PROPERTY VALUATIONS (a)	\$ <u>824,642,148</u>	\$ <u>685,249,322</u>	\$ <u>604,222,209</u>	\$ <u>612,970,809</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.0078	\$ 0.0275	\$ 0.0500	\$ 0.0973
Maintenance	<u>0.2940</u>	<u>0.3016</u>	<u>0.2979</u>	<u>0.2877</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.3018</u>	<u>\$ 0.3291</u>	<u>\$ 0.3479</u>	<u>\$ 0.3850</u>
ADJUSTED TAX LEVY*	<u>\$ 2,487,008</u>	<u>\$ 2,254,720</u>	<u>\$ 2,156,577</u>	<u>\$ 2,401,755</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED**	<u>99.59 %</u>	<u>99.74 %</u>	<u>99.77 %</u>	<u>99.77 %</u>

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

Maintenance Tax – Maximum tax rate of \$1.50 per \$100 of assessed valuation was approved by voters on June 18, 1985

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Description	Original Bonds Issued	Bonds Outstanding October 1, 2022
Williamson-Travis Counties Municipal Utility District No. 1 Unlimited Tax and Revenue Bonds, Series 2003	<u>\$ 2,360,000</u>	<u>\$ 185,000</u>

Bond Authority:	Tax Bonds (1)	Refunding Bonds
Amount Authorized by Voters	\$ 25,751,525	\$
Amount Issued	<u>19,937,854</u>	<u>21,466,667</u>
Remaining to be Issued	<u>\$ 5,813,671</u>	<u>*</u>

(1) Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes.

* Voter approval of refunding bonds is not required pursuant to Texas Water Code.

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding September 30, 2023</u>	<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>		
<u>\$ -0-</u>	<u>\$ 185,000</u>	<u>\$ 7,400</u>	<u>\$ -0-</u>	Bank of New York Mellon Trust Company, N.A. Dallas, TX

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS**

	Amounts		
	2023	2022	2021
REVENUES			
Property Taxes,	\$ 2,414,090	\$ 2,100,940	\$ 1,828,934
Water and Wastewater Service	1,913,395	1,961,079	1,880,827
Fire Protection Fee	665,984	636,822	613,790
Investment Revenues	155,925	20,580	1,469
Miscellaneous Revenues	26,940	59,819	58,171
TOTAL REVENUES	\$ 5,176,334	\$ 4,779,240	\$ 4,383,191
EXPENDITURES			
Professional Fees	\$ 249,242	\$ 341,096	\$ 586,348
Contracted Services	1,942,515	1,832,053	1,768,945
Purchased Water and Wastewater Service	1,327,186	1,370,993	1,206,982
Utilities	56,413	14,007	13,039
Repairs and Maintenance	760,169	668,311	599,991
Other	115,588	108,579	123,854
Capital Outlay	257,128	128,540	47,816
TOTAL EXPENDITURES	\$ 4,708,241	\$ 4,463,579	\$ 4,346,975
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 468,093	\$ 315,661	\$ 36,216
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	\$ 16,560	\$ -0-	\$ -0-
NET CHANGE IN FUND BALANCE	\$ 484,653	\$ 315,661	\$ 36,216
BEGINNING FUND BALANCE	2,866,843	2,551,182	2,514,966
ENDING FUND BALANCE	\$ 3,351,496	\$ 2,866,843	\$ 2,551,182

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2020	2019	2023	2022	2021	2020	2019
\$ 1,750,801	\$ 1,744,825	46.6 %	44.0 %	41.8 %	41.2 %	41.9 %
1,859,473	1,768,482	37.0	41.0	42.9	43.8	42.4
590,712	564,364	12.9	13.3	14.0	13.9	13.5
24,137	52,795	3.0	0.4		0.6	1.3
19,887	39,099	0.5	1.3	1.3	0.5	0.9
<u>\$ 4,245,010</u>	<u>\$ 4,169,565</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 463,694	\$ 273,837	4.8 %	7.1 %	13.4 %	10.9 %	6.6 %
1,715,531	1,688,636	37.5	38.3	40.4	40.4	40.5
1,025,728	997,358	25.6	28.7	27.5	24.2	23.9
12,413	13,336	1.1	0.3	0.3	0.3	0.3
630,749	584,834	14.7	14.0	13.7	14.9	14.0
141,967	235,654	2.2	2.3	2.8	3.3	5.7
193,429	190,265	5.0	2.7	1.1	4.6	4.6
<u>\$ 4,183,511</u>	<u>\$ 3,983,920</u>	<u>90.9 %</u>	<u>93.4 %</u>	<u>99.2 %</u>	<u>98.6 %</u>	<u>95.6 %</u>
\$ 61,499	\$ 185,645	9.1 %	6.6 %	0.8 %	1.4 %	4.4 %
\$ -0-	\$ -0-					
\$ 61,499	\$ 185,645					
2,453,467	2,267,822					
<u>\$ 2,514,966</u>	<u>\$ 2,453,467</u>					

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS**

	Amounts		
	2023	2022	2021
REVENUES			
Property Taxes, including Penalty and Interest	\$ 64,213	\$ 200,935	\$ 305,198
Investment Revenues	11,532	1,943	293
Miscellaneous Revenues	514		
TOTAL REVENUES	\$ 76,259	\$ 202,878	\$ 305,491
EXPENDITURES			
Tax Collection Expenditures	\$ 1,425	\$ 2,502	\$ 2,426
Debt Service Principal	185,000	175,000	345,000
Debt Service Interest and Fees	7,400	14,400	27,270
TOTAL EXPENDITURES	\$ 193,825	\$ 191,902	\$ 374,696
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (117,566)	\$ 10,976	\$ (69,205)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	\$ (16,560)	\$ -0-	\$ -0-
NET CHANGE IN FUND BALANCE	\$ (134,126)	\$ 10,976	\$ (69,205)
BEGINNING FUND BALANCE	134,126	123,150	192,355
ENDING FUND BALANCE	\$ -0-	\$ 134,126	\$ 123,150
TOTAL ACTIVE RETAIL WATER CONNECTIONS	1,932	1,932	1,929
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	1,914	1,932	1,924

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2020	2019	2023	2022	2021	2020	2019
\$ 594,007	\$ 649,705	84.2 %	99.0 %	99.9 %	98.9 %	97.1 %
6,371	19,483	15.1	1.0	0.1	1.1	2.9
		0.7				
<u>\$ 600,378</u>	<u>\$ 669,188</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 6,895	\$ 6,993	1.9 %	1.2 %	0.8 %	1.1 %	1.0 %
555,000	690,000	242.6	86.3	112.9	92.4	103.1
48,330	73,055	9.7	7.1	8.9	8.0	10.9
<u>\$ 610,225</u>	<u>\$ 770,048</u>	<u>254.2 %</u>	<u>94.6 %</u>	<u>122.6 %</u>	<u>101.5 %</u>	<u>115.0 %</u>
<u>\$ (9,847)</u>	<u>\$ (100,860)</u>	<u>(154.2) %</u>	<u>5.4 %</u>	<u>(22.6) %</u>	<u>(1.5) %</u>	<u>(15.0) %</u>
<u>\$ -0-</u>	<u>\$ -0-</u>					
\$ (9,847)	\$ (100,860)					
<u>202,202</u>	<u>303,062</u>					
<u>\$ 192,355</u>	<u>\$ 202,202</u>					
<u>1,931</u>	<u>1,933</u>					
<u>1,928</u>	<u>1,930</u>					

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2023**

District Mailing Address - Williamson-Travis Counties Municipal Utility District No. 1
c/o Coats Rose, P.C.
Terrace 2, 2700 Via Fortuna, Suite 350
Austin, TX 78746

District Telephone Number - (512) 541-3593

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended <u>September 30, 2023</u>	Expense Reimbursements for the year ended <u>September 30, 2023</u>	<u>Title</u>
Hanoi Avila	11/22 11/26 (Elected)	\$ 2,471	\$ -0-	President
Linda Fabre	11/20 11/24 (Elected)	\$ 3,663	\$ -0-	Vice President/ Treasurer
Kelley Masters	04/23 11/24 (Appointed)	\$ 1,271	\$ -0-	Secretary
David Flores	11/22 11/26 (Elected)	\$ 2,613	\$ -0-	Assistant Secretary
Beth Jones	11/22 11/26 (Elected)	\$ 6,900	\$ -0-	Director

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

Submission Date of most recent District Registration Form: December 14, 2023

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

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2023**

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended September 30, 2023</u>	<u>Title</u>
Coats Rose, P.C.	03/29/23	\$ 88,664	General Counsel
McGinnis Lochridge		\$ 87,313	Former General Counsel
McCall Gibson Swedlund Barfoot PLLC	10/18/23	\$ -0-	Auditor
Maxwell Locke & Ritter LLP	2009- 2023	\$ 17,000	Former Auditor
Artesian Financial Services, LLC	06/27/23	\$ 16,181	Bookkeeper
Westwood Professional Services, Inc.	10/18/23	\$ -0-	Engineer
Gray & Associates, Inc.	1992- 2023	\$ 138,517	Former Engineer
Inframark, LLC	1991	\$ 1,019,671	District Manager and Former Bookkeeper
Williamson County Tax Assessor/Collector		\$ 467	Tax Assessor/ Collector
Travis County Tax Assessor/Collector		\$ 955	Tax Assessor/ Collector

See accompanying independent auditor's report.

