

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1

YEAR ENDED SEPTEMBER 30, 2023

**FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT**

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1

**FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2023**

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1

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ANNUAL FILING AFFIDAVIT

ANNUAL FILING AFFIDAVIT

STATE OF TEXAS
COUNTY OF WILLIAMSON

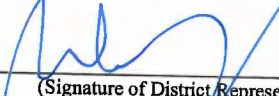
I,  of the
(Name of Duty Authorized District Representative)

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
(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 **7th day of February, 2024** its annual audit report for the fiscal year ended **September 30, 2023** and that copies of the annual audit report have been filed in the District's office, located at:

401 Congress Ave., Suite 2100 Austin, TX 78701.
(Address of District's Office)

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

Date: February 7, 2024 By: 
(Signature of District Representative)
Mitchell Schwarz, President
(Typed Name and Title of District Representative)

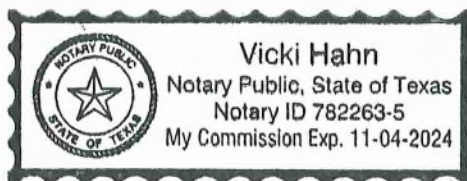
Sworn to and subscribed to before me this 7th day of February, 2024.




(Signature of Notary)

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

Form TCEQ-0723 (Revised 07/2012)



INDEPENDENT AUDITOR'S REPORT

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Round Rock Municipal Utility District No. 1
Williamson County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Round Rock 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 Budgetary Comparison Schedule - 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 Texas 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 information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

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
Certified Public Accountants
Houston, Texas

February 7, 2024

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

**ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2023**

In accordance with Governmental Accounting Standards Board Statement No. 34 ("GASB 34"), the management of Round Rock Municipal Utility District No. 1 (the "District") offers the following discussion and analysis to provide an overview of the District's financial activities for the year ended September 30, 2023. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the District's basic financial statements that follow.

FINANCIAL HIGHLIGHTS

- *General Fund:* At the end of the current fiscal year, the unassigned fund balance was \$833, a decrease of \$48,741 from the previous fiscal year. General Fund revenues were \$100,652 and expenditures were \$149,393 for the fiscal year ending September 30, 2023.
- *Debt Service Fund:* Fund balance restricted for debt service increased to \$181,558 in the current fiscal year. Debt Service Fund revenues were \$166,558 and expenditures were \$156,700. The District paid \$154,407 in bond interest during the current fiscal year.
- *Capital Projects Fund:* Fund balance restricted for capital projects increased to \$24,232 in the current fiscal year.
- *Governmental Activities:* On a government-wide basis for governmental activities, the District had expenses net of revenues of \$44,282 in the current fiscal year. Net position decreased from a deficit balance of \$519,942 at September 30, 2022 to a deficit balance of \$564,224 at September 30, 2023.

OVERVIEW OF THE DISTRICT

Round Rock Municipal Utility District No. 1, a political subdivision of the State of Texas, was created under the terms and conditions of Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54 of the Texas Water Code and House Bill 4689, 86th Legislature, for, among other purposes, financing the construction of the water, wastewater, drainage, and recreational facilities within its boundaries. The District contains approximately 356 acres and is located in southern Williamson County and is entirely within the corporate limits of the City of Round Rock.

**ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2023**

USING THIS ANNUAL REPORT

This annual report consists of five parts:

1. *Management's Discussion and Analysis* (this section)
2. *Basic Financial Statements*
3. *Required Supplementary Information*
4. *Texas Supplementary Information* (required by the Texas Commission on Environmental Quality (the TSI section))
5. *Other Supplementary Information* (the OSI section)

For purposes of GASB 34, the District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the "Governmental Funds" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The *Statement of Net Position and Governmental Funds Balance Sheet* includes a column (titled "Governmental Funds") that represents a balance sheet prepared using the modified accrual basis of accounting. This method measures cash and all other financial assets that can be readily converted to cash. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District's net position will indicate financial health.

The *Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* includes a column (titled "Governmental Funds") that derives the change in fund balance resulting from current year revenues, expenditures, and other financing sources or uses. These amounts are prepared using the modified accrual basis of accounting. The adjustments column converts those activities to full accrual, a basis that more closely represents the income statement of a private-sector business.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the information presented in the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances*.

The *Required Supplementary Information* presents a comparison statement between the District's adopted budget for the General Fund and its actual results.

**ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

Summary Statement of Net Position

	Governmental Activities		Change Increase (Decrease)
	2023	2022	
Current and other assets	\$ 242,359	\$ 263,016	\$ (20,657)
Non-current assets	3,185,853	3,185,853	-
Total Assets	\$ 3,428,212	\$ 3,448,869	\$ (20,657)
Current liabilities	\$ 133,535	\$ 26,211	\$ 107,324
Long-term liabilities	3,858,901	3,942,600	(83,699)
Total Liabilities	\$ 3,992,436	\$ 3,968,811	\$ 23,625
Net Investment in Capital Assets	\$ (693,816)	\$ (694,285)	\$ 469
Restricted	168,759	164,769	3,990
Unrestricted	(39,167)	9,574	(48,741)
Total Net Position	\$ (564,224)	\$ (519,942)	\$ (44,282)

The District's net position decreased by \$44,282 during the 2023 fiscal year to a deficit balance of \$564,224 at September 30, 2023 from the previous year's deficit balance of \$519,942.

**ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Revenues and Expenses:

	<u>Summary Statement of Activities</u>		Change Increase (Decrease)
	Governmental Activities		
	2023	2022	
Property taxes	\$ 255,631	\$ 79,354	\$ 176,277
Interest and other	13,349	268	13,081
Total Revenues	\$ 268,980	\$ 79,622	\$ 189,358
District operations	\$ 70,051	\$ 18,507	\$ 51,544
Professional fees	62,643	10,250	52,393
Other	18,992	14,641	4,351
Developer interest	-	199,517	(199,517)
Debt service	161,576	330,267	(168,691)
Total Expenses	\$ 313,262	\$ 573,182	\$ (259,920)
Change in Net Position	\$ (44,282)	\$ (493,560)	\$ 449,278
Beginning Net Position	(519,942)	(26,382)	(493,560)
Ending Net Position	<u>\$ (564,224)</u>	<u>\$ (519,942)</u>	<u>\$ (44,282)</u>

Revenues were \$268,980 for the fiscal year ended September 30, 2023 while expenses were \$313,262. Net position decreased \$44,282 during the 2023 fiscal year.

For the fiscal year ended September 30, 2023, property tax revenues totaled \$255,631. Property tax revenue is derived from taxes being levied based upon the assessed value of real and personal property within the District. Property taxes levied for the 2022 tax year (September 30, 2023 fiscal year) were based upon a current assessed value of \$34,010,156 and a tax rate of \$0.68 per \$100 of assessed valuation. Property taxes levied for the 2021 tax year (September 30, 2022 fiscal year) were based upon a current assessed value of \$9,079,860 and a tax rate of \$0.68 per \$100 of assessed valuation.

The tax rate levied is determined after the District's Board of Directors reviews the General Fund budget requirements and the debt service obligations of the District. The District's primary revenue source is property taxes.

**ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2023**

ANALYSIS OF GOVERNMENTAL FUND

	<u>Governmental Fund by Year</u>	
	2023	2022
Cash and cash equivalent investments	\$ 241,859	\$ 263,016
Other	1,076	30,750
Total Assets	\$ 242,935	\$ 293,766
Accounts payable	\$ 35,736	\$ 5,892
Other	576	44,138
Total Liabilities	\$ 36,312	\$ 50,030
Restricted	\$ 205,790	\$ 194,162
Unassigned	833	49,574
Total Fund Balances	\$ 206,623	\$ 243,736
Total Liabilities and Fund Balances	\$ 242,935	\$ 293,766

As of September 30, 2023, the District's governmental funds reflected a fund balance of \$206,623, a \$37,113 decrease over the previous year.

This fund balance includes a \$48,741 decrease in the General Fund fund balance.

The Debt Service Fund reflects an increase of \$9,858 in fiscal year 2023. Debt Service Fund revenues were \$166,558 and expenditures were \$156,700. The District paid \$154,407 in bond interest during the current fiscal year. More detailed information about the District's debt is presented in the *Notes to the Financial Statements*.

The Capital Projects Fund purchases the District's infrastructure. The Capital Projects Fund had a \$1,770 increase in fund balance for fiscal year 2023.

BUDGETARY HIGHLIGHTS

The General Fund pays for daily operating expenditures. The Board of Directors adopted the 2023 budget on September 14, 2022. The budget included revenues of \$87,473 and other financing sources of \$109,947 as compared to expenditures of \$197,420 for the 2023 fiscal year. When comparing actual figures to budgeted amounts, the District had a negative net variance of \$48,741. More detailed information about the District's budgetary comparison is presented in the *Required Supplementary Information*.

**ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2023**

INTANGIBLE ASSETS

The District's governmental activities have invested \$3,185,853 in intangible assets. The detail is reflected in the following schedule:

Summary of Intangible Assets, net

	9/30/2023	9/30/2022	
Intangible Assets:			
Road Improvements	\$ 3,185,853	\$ 3,185,853	
Less: Accumulated Amortization	-	-	
Total Net Intangible Assets	\$ 3,185,853	\$ 3,185,853	

More detailed information about the District's intangible assets is presented in the *Notes to the Financial Statements*.

LONG TERM DEBT

The District has the following balances outstanding on unlimited tax bonds:

	Bonds Payable
Series 2022	\$ 3,935,000
Total	\$ 3,935,000

The District owes approximately \$4 million to bond holders. The ratio of the District's long term debt to the total 2022 taxable assessed valuation (\$34,010,156) is 11.6%. More detailed information about the District's long-term debt is presented in the *Notes to the Financial Statements*.

**ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2023**

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The property tax assessed value for the 2023 tax year (2024 fiscal year) is approximately \$122 million. The fiscal year 2024 tax rate (2023 tax year) is \$0.68 on each \$100 of taxable value. Approximately 69% property tax collected during fiscal year 2024 will fund general operating expenses and 31% will fund debt service obligations.

The adopted budget for fiscal year 2024 projects a \$367,462 increase to the operating fund balance.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of Winstead PC, 401 Congress Ave., Suite 2100, Austin, TX 78701.

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FINANCIAL STATEMENTS

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

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - Wide Statement of Net Position
ASSETS						
Cash and cash equivalents:						
Cash	\$ 18,702	\$ -	\$ -	\$ 18,702	\$ -	\$ 18,702
Cash equivalents	17,291	181,634	24,232	223,157	-	223,157
Receivables:						
Interfund	576	-	-	576	(576)	-
Prepaid expenses	-	-	500	500	-	500
Intangible assets, net of accumulated amortization	-	-	-	-	3,185,853	3,185,853
TOTAL ASSETS	<u>\$ 36,569</u>	<u>\$ 181,634</u>	<u>\$ 24,732</u>	<u>\$ 242,935</u>	<u>3,185,277</u>	<u>3,428,212</u>
LIABILITIES						
Accounts payable	\$ 35,736	-	-	35,736	-	35,736
Accrued bond interest payable	-	-	-	-	12,799	12,799
Interfund payables	-	76	500	576	(576)	-
Long-term liabilities:						
Due to developer	-	-	-	-	40,000	40,000
Bonds payable -						
Due within one year	-	-	-	-	85,000	85,000
Due after one year	-	-	-	-	3,818,901	3,818,901
TOTAL LIABILITIES	<u>35,736</u>	<u>76</u>	<u>500</u>	<u>36,312</u>	<u>3,956,124</u>	<u>3,992,436</u>
FUND BALANCES / NET POSITION						
Fund balances:						
Restricted for debt service	-	181,558	-	181,558	(181,558)	-
Restricted for authorized construction	-	-	24,232	24,232	(24,232)	-
Unassigned	833	-	-	833	(833)	-
TOTAL FUND BALANCES	<u>833</u>	<u>181,558</u>	<u>24,232</u>	<u>206,623</u>	<u>(206,623)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES						
	<u>\$ 36,569</u>	<u>\$ 181,634</u>	<u>\$ 24,732</u>	<u>\$ 242,935</u>		
Net position:						
Net investment in capital assets					(693,816)	(693,816)
Restricted for debt service					168,759	168,759
Unrestricted					(39,167)	(39,167)
TOTAL NET POSITION					<u>\$ (564,224)</u>	<u>\$ (564,224)</u>

The accompanying notes are an integral part of this statement.

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - Wide Statement of Activities
REVENUES:						
Property taxes, including penalties	\$ 99,809	\$ 155,822	\$ -	\$ 255,631	\$ -	\$ 255,631
Interest and other	843	10,736	1,770	13,349	-	13,349
TOTAL REVENUES	100,652	166,558	1,770	268,980	-	268,980
EXPENDITURES / EXPENSES:						
Operations and management	12,791	-	-	12,791	-	12,791
Landscape maintenance	39,168	-	-	39,168	-	39,168
Drainage maintenance	18,092	-	-	18,092	-	18,092
Legal fees	19,383	-	-	19,383	-	19,383
Engineering fees	12,160	-	-	12,160	-	12,160
Accounting fees	18,800	-	-	18,800	-	18,800
Audit fees	12,000	-	-	12,000	-	12,000
Financial advisor fees	300	-	-	300	-	300
Tax appraisal/collection fees	508	793	-	1,301	-	1,301
Director fees, including payroll taxes	7,105	-	-	7,105	-	7,105
Insurance	4,150	-	-	4,150	-	4,150
Public notice	410	-	-	410	-	410
Bank fees	3,404	-	-	3,404	-	3,404
Other	1,122	1,500	-	2,622	-	2,622
Debt service:						
Interest	-	154,407	-	154,407	7,169	161,576
TOTAL EXPENDITURES / EXPENSES	149,393	156,700	-	306,093	7,169	313,262
NET CHANGE IN FUND BALANCE	(48,741)	9,858	1,770	(37,113)	37,113	-
CHANGE IN NET POSITION					(44,282)	(44,282)
FUND BALANCES / NET POSITION:						
Beginning of the year	49,574	171,700	22,462	243,736	(763,678)	(519,942)
End of the year	\$ 833	\$ 181,558	\$ 24,232	\$ 206,623	\$ (770,847)	\$ (564,224)

The accompanying notes are an integral part of this statement.

**NOTES TO THE
FINANCIAL STATEMENTS**

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Round Rock Municipal Utility District No. 1 (the "District") relating to the fund included in the accompanying financial statements conform to generally accepted accounting principles ("GAAP") as applied to governmental entities. GAAP for local governments include those principles prescribed by the *Governmental Accounting Standards Board* ("GASB"), which constitutes the primary source of GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

Reporting Entity - The District, a political subdivision of the State of Texas, was created under the terms and conditions of Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54 of the Texas Water Code and House Bill 4689, 86th Legislature, for, among other purposes, financing the construction of the water, wastewater, drainage, and recreational facilities within its boundaries. The reporting entity of the District encompasses those activities and functions over which the District's officials exercise significant oversight or control. The District is governed by a five member Board of Directors (the "Board"), all of which have been elected or deemed elected by District residents or appointed by the Board. The District is not included in any other governmental "reporting entity" as defined by GASB standards since the majority of Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined by GASB standards which are included in the District's reporting entity.

Basis of Presentation - Government-wide and Fund Financial Statements - 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:

- Net Investment in Capital Assets – This component of net position consists of intangible assets and capital assets, including restricted intangible assets and capital assets, net of accumulated amortization and 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.

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

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

The basic financial statements are prepared in conformity with GASB Statement No. 34 and include a column for government-wide (based upon the District as a whole) and fund financial statement presentations. GASB Statement No. 34 also requires as supplementary information Management's Discussion and Analysis, which includes an analytical overview of the District's financial activities. In addition, a budgetary comparison statement is presented that compares the adopted General Fund budget with actual results.

- **Government-wide Statements:** The District's statement of net position includes both non-current assets and non-current liabilities of the District, which were previously recorded in the General Fixed Assets Account Group and the General Long-Term Debt Account Group. In addition, the government-wide statement of activities column reflects depreciation and amortization expense on the District's capital and intangible assets, including infrastructure, if any.

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from financial activities of the fiscal period. The focus of the fund financial statements is on the individual funds of the governmental categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

- **Fund Financial Statements:** Fund based financial statement columns are provided for governmental funds. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures of either fund category) for the determination of major funds. All of the District's funds are reported as major funds.

Governmental Fund Types - The accounts of the District are organized and operated on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. The various funds are grouped by category and type in the financial statements. The District maintains the following fund type:

- **General Fund** - The General Fund accounts for financial resources in use for general types of operations which are not encompassed within other funds. This fund is established to account for resources devoted to financing the general services that the District provides for its residents. Tax revenues and other sources of revenue used to finance the fundamental operations of the District are included in this fund.
- **Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest and related costs.
- **Capital Projects Fund** - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

Non-current Governmental Assets and Liabilities - GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the government-wide financial statement column in the Statement of Net Position.

Basis of Accounting

Government-wide Statements - The government-wide financial statement column is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Fund Financial Statements - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the net fund balances. Governmental funds are accounted for on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e. both measurable and available).

"Measurable" means that the amount of the transaction can be determined and "available" means the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures, if measurable, are generally recognized on the accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include the unmatured principal and interest on general obligation long-term debt which is recognized when due. This exception is in conformity with generally accepted accounting principles.

Property tax revenues are recognized when they become available. In this case, available means when due, or past due and receivable within the current period and collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Tax collections expected to be received subsequent to the 60-day availability period are reported as deferred inflows of resources. All other revenues of the District are recorded on the accrual basis in all funds.

The District may report unearned revenue on its balance sheet. Unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when revenue recognition criteria are met, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

Budgets and Budgetary Accounting - An unappropriated budget was adopted on September 14, 2022, for the General Fund on a basis consistent with generally accepted accounting principles. The District's Board utilizes the budget as a management tool for planning and cost control purposes. The budget was not amended during the fiscal year. The Budgetary Comparison Schedule – 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 because the District does not have employees. The Internal Revenue Service has determined that Directors are considered to be “employees” for federal payroll tax purposes.

Cash and Cash Equivalent Investments - Includes cash on deposit as well as investments with maturities of three months or less. The investments, consisting of obligations in the State Comptroller’s Investment Pool, are recorded at amortized cost.

Intangible Assets - Intangible assets, consisting of the right to receive water and wastewater service and road improvements conveyed to the City of Round Rock, Texas (the “City”), are reported in the government-wide column in the Statement of Net Position. Intangible assets are valued at the cost of water and wastewater facilities or the cost of road improvements conveyed to the City. See Note 10 for information concerning the construction and conveyance of certain assets to the City.

Interfund Transactions - Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay that amount and if the debtor fund has the ability to repay the advance on a timely basis. Operating transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Long-Term Debt - Unlimited tax bonds, which have been issued to fund capital projects, are to be repaid from tax revenues of the District.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. 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.

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

Long-Term Debt (continued) -

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Fund Balance - 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.
- ***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 does not have any assigned fund balances.
- ***Unassigned***: all other spendable amounts in the General Fund.

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

Accounting Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

2. RECONCILIATION OF THE GOVERNMENTAL FUNDS

Adjustments to convert the Governmental Funds Balance Sheet to the Statement of Net Position are as follows :

Fund Balances - Total Governmental Funds		\$ 206,623
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds -		
Intangible assets		3,185,853
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
Bonds payable	(3,935,000)	
Bond discount, net	31,099	
Due to developer	(40,000)	
Accrued interest	(12,799)	
	(3,956,700)	
Net Position - Governmental Activities		\$ (564,224)

Adjustments to convert the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities are as follows:

Changes in Fund Balances - Governmental Funds		\$ (37,113)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report:		
Interest expenditures in year paid		(5,868)
Governmental funds do not report -		
Bond discount amortization		(1,301)
	(7,169)	
Change in Net Position - Governmental Activities		\$ (44,282)

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

3. CASH AND CASH EQUIVALENT INVESTMENTS

The investment policies of the District are governed by Section 2256 of the Texas Government Code (the "Public Funds Investment Act") and an adopted District investment policy that includes depository contract provisions and custodial contract provisions. Major provisions of the District's investment policy, which complies with the Public Funds Investment Act, include: depositories must be Federal Deposit Insurance Corporation ("FDIC") insured Texas banking institutions; depositories must fully insure or collateralize all demand and time deposits; and securities collateralizing time deposits are held by independent third party trustees.

Cash - At September 30, 2023, the carrying amount of the District's cash was \$18,702 and the bank balance was \$25,064. The bank balance was covered by federal depository insurance.

Cash Equivalents and Investments -

Interest rate risk. In accordance with its investment policy, the District manages its exposure to declines in fair values through investment diversification and limiting investments as follows:

- Money market mutual funds are required to have weighted average maturities of 90 days or fewer; and
- Other mutual fund investments are required to have weighted average maturities of less than two years.

Credit risk. The District's investment policy requires the application of the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, and considering the probable safety of their capital as well as the probable income to be derived. The District's investment policy requires that District funds be invested in:

- Obligations of the United States Government and/or its agencies and instrumentalities;
- Money market mutual funds with investment objectives of maintaining a stable net asset value of \$1 per share;
- Mutual funds rated in one of the three highest categories by a nationally recognized rating agency;
- Securities issued by a State or local government or any instrumentality or agency thereof, in the United States, and rated in one of the three highest categories by a nationally recognized rating agency; or
- Public funds investment pools rated AAA or AAAM by a nationally recognized rating agency.

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

3. CASH AND CASH EQUIVALENT INVESTMENTS (continued) –

Cash Equivalents and Investments (continued) -

At September 30, 2023, the District held the following investments:

Investment	Fair Value at 9/30/2023	Governmental Fund			Investment Rating	
		General	Debt Service	Capital Projects	Rating	Rating Agency
		Unrestricted	Restricted (1)	Restricted (2)		
TexPool	\$ 223,157	\$ 17,291	\$ 181,634	\$ 24,232	AAA	Standard & Poors
	<u>\$ 223,157</u>	<u>\$ 17,291</u>	<u>\$ 181,634</u>	<u>\$ 24,232</u>		

(1) Restricted for payment of debt service and cost of assessing and collecting taxes.

(2) Restricted for purchase of capital assets.

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 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.

Concentration of credit risk. In accordance with the District's investment policy, investments in individual securities are to be limited to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. As of September 30, 2023, the District did not own any investments in individual securities.

Custodial credit risk-deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The government's investment policy requires that the District's deposits be fully insured by FDIC insurance or collateralized with obligations of the United States or its agencies and instrumentalities. As of September 30, 2023, the District's bank deposits were fully covered by FDIC insurance.

4. PROPERTY TAXES

Property taxes attach as an enforceable lien on January 1. Taxes are levied on or about October 1, are due on November 1, and are past due the following February 1. The Williamson Central Appraisal District establishes 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 set current tax rates on September 14, 2022.

The property tax rates, established in accordance with state law, were based on 100% of the net assessed valuation of real property within the District on the 2022 tax roll. The tax rate, based on total taxable assessed valuation of \$34,010,156 was \$0.68 on each \$100 valuation and was allocated \$0.2655 to the General Fund and \$0.4145 to the Debt Service Fund. The maximum allowable maintenance tax of \$1.20 was established by the voters at an election held on November 5, 2019.

Property taxes were fully collected at September 30, 2023.

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

5. INTERFUND ACCOUNTS

A summary of interfund accounts, which resulted from the time lag between dates that payments are made between funds, is as follows at September 30, 2023:

	Interfund	
	Receivable	Payable
General Fund -		
Debt Service Fund	\$ 76	\$ -
Capital Projects Fund	500	-
Debt Service Fund -		
General Fund	-	76
Capital Projects Fund -		
General Fund	-	500
	<u>\$ 576</u>	<u>\$ 576</u>

6. CHANGES IN INTANGIBLE ASSETS

A summary of changes in intangible assets follows:

	Balance 10/1/2022	Additions	Deletions	Balance 9/30/2023
Intangible assets not being amortized:				
Road Improvements	\$ 3,185,853	\$ -	\$ -	\$ 3,185,853
Total intangible assets not being amortized	<u>\$ 3,185,853</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,185,853</u>

7. BONDED DEBT

The following is a summary of bond transactions of the District for the year ended September 30, 2023:

	Unlimited Tax Bonds
Bonds payable at October 1, 2022	\$ 3,935,000
Bonds issued	-
Bonds retired	-
Bond discount, net	(31,099)
Bonds payable at September 30, 2023	<u>\$ 3,903,901</u>

Bonds payable at September 30, 2023, was comprised of the following individual issue:

Unlimited Tax Bonds -

\$3,935,000 – Series 2022 Unlimited Tax Road Bonds payable serially through the year 2047 at interest rates which range from 3.65% to 4.25%. Bonds maturing on or after September 1, 2030 are callable prior to maturity beginning September 1, 2029, or any date thereafter. Bonds maturing September 1, 2033, 2035, 2038, 2041, 2044 and 2047 are term bonds and are subject to mandatory sinking fund redemption.

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

7. BONDED DEBT (continued)

The annual requirements to amortize all bonded debt at September 30, 2023, including interest, are as follows:

Year Ended September 30,	Annual Requirements for All Series		
	Principal	Interest	Total
2024	\$ 85,000	\$ 160,655	\$ 245,655
2025	90,000	157,553	247,553
2026	95,000	154,268	249,268
2027	100,000	150,800	250,800
2028	105,000	147,150	252,150
2029-2033	610,000	673,445	1,283,445
2034-2038	795,000	538,112	1,333,112
2039-2043	1,025,000	353,814	1,378,814
2044-2047	1,030,000	111,988	1,141,988
	<u>\$ 3,935,000</u>	<u>\$ 2,447,785</u>	<u>\$ 6,382,785</u>

Bonds authorized but not issued as of September 30, 2023, are as follows:

Type	Amount
Unlimited Tax Bonds	\$ 41,500,000
Road Bonds	\$ 34,565,000
Refunding bonds - Utility	\$ 51,875,000
Refunding bonds - Roads	\$ 48,125,000

\$181,558 is available in the Debt Service Fund to service the bonded debt. The existing outstanding bonds of the District 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.

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

8. COMMITMENTS AND CONTINGENCIES

The Developers of the land within the District have incurred costs for the construction of facilities, as well as costs pertaining to the creation and operation of the District. Claims for reimbursement of construction costs and operational advances will be evaluated upon receipt of adequate supporting documentation and proof of contractual obligation. Such costs may be reimbursable to the Developer by the District from proceeds of future bond issues or from District operations, subject to approval by the Texas Commission on Environmental Quality. On May 7, 2022, a bond election held within the District approved authorization to issue \$41,500,000 of bonds to fund costs of proposed water, wastewater and drainage system facilities, and the costs of creation. Additionally, \$38,500,000 of bonds to fund road improvements, \$51,875,000 of refunding tax bonds and \$48,125,000 of refunding tax road bonds were approved by voters of the District. As of September 30, 2023, the District has issued \$3,935,000 of unlimited tax road bonds to repay the developer. The District owes the developers \$40,000 for advances used to fund operating expenditures as of September 30, 2023.

9. 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. 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.

10. CONSENT AGREEMENT

Pursuant to the Consent and Development Agreement (“Consent Agreement”) entered into by the District, the developer and the City of Round Rock (the “City”), effective June 27, 2019, the District and the developer will design, finance, and construct all water, wastewater, streets, drainage and other public improvement facilities (the “District Improvements”) required to serve the District in accordance with applicable City requirements and design standards. Upon completion of the construction of District Improvements by or on behalf of the District, wastewater, road and drainage facilities will be conveyed to the City and water facilities will be conveyed to Jonah Water Special Utility District (“SUD”). In exchange for the conveyance of the District Improvements, the City and SUD agree to operate and maintain the facilities conveyed. The City and SUD will provide retail wastewater and water services, respectively, to customers within the District. As part of conveying the roadway improvements to the City, no roadway impact fees will be owed to the City for any residential use within the development. The Consent Agreement terminates when the District is dissolved. The City may dissolve the District at any time after the District has issued bonds to finance reimbursable costs paid for or incurred to construct the District improvements that are required to serve full development. If dissolved, the City must assume the assets, functions and obligations of the District.

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

11. STRATEGIC PARTNERHIP AGREEMENT

Pursuant to the Strategic Partnership Agreement (the "SPA") between the City and the District effective September 12, 2019, the District shall construct the water, wastewater, roadway and drainage facilities to serve the District (the "District Facilities"). Upon completion of the District Facilities and after inspection by the City, all wastewater, road and drainage facilities will be conveyed to and maintained by the City, however drainage ponds will be conveyed to the homeowners association. All internal water lines constructed by the District will be conveyed and maintained by the SUD who will also provide billing services for the District for water, wastewater, stormwater drainage and solid waste collection services under an Interlocal Agreement for Billing Services between the City and SUD.

The SPA provided for the full purpose annexation of the District into the corporate boundaries of the City effective June 17, 2019. Accordingly, the District is located entirely within the corporate limits of the City. Owners of property in the District are subject to both taxes levied by the City in addition to those levied on taxable property within the District. The term of SPA will continue until the District is dissolved in accordance with the Consent Agreement.

12. SUBSEQUENT EVENT

On December 14, 2023, the District issued \$12,000,000 of Unlimited Tax Road Bonds, Series 2023. Proceeds of the bonds were used to reimburse a developer within the District for certain road improvements and fund future interest payments on the bonds and pay bond issue costs. The Series 2023 bonds were sold with interest rates ranging from 4.25% to 7.25% and principal maturities through September 2048.

**REQUIRED SUPPLEMENTARY
INFORMATION**

**ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Property taxes, including penalties	\$ 99,809	\$ 87,473	\$ 12,336
Other	843	-	843
TOTAL REVENUES	<u>100,652</u>	<u>87,473</u>	<u>13,179</u>
EXPENDITURES:			
Operations and management	12,791	18,000	5,209
Landscape maintenance	39,168	40,000	832
Drainage maintenance	18,092	18,000	(92)
Legal fees	19,383	60,000	40,617
Engineering fees	12,160	12,000	(160)
Accounting fees	18,800	19,000	200
Audit fees	12,000	10,000	(2,000)
Financial advisor fees	300	2,500	2,200
Tax appraisal/collection fees	508	1,600	1,092
Director fees, including payroll taxes	7,105	9,720	2,615
Insurance	4,150	2,500	(1,650)
Public notice	410	500	90
Bank fees	3,404	-	(3,404)
Other	1,122	3,600	2,478
TOTAL EXPENDITURES	<u>149,393</u>	<u>197,420</u>	<u>48,027</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (48,741)</u>	<u>\$ (109,947)</u>	<u>\$ 61,206</u>
OTHER FINANCING SOURCES:			
Developer advances	\$ -	\$ 109,947	\$ (109,947)
TOTAL OTHER FINANCING SOURCES	<u>\$ -</u>	<u>\$ 109,947</u>	<u>\$ (109,947)</u>
NET CHANGE IN FUND BALANCE	<u>(48,741)</u>	<u>\$ -</u>	<u>\$ (48,741)</u>
FUND BALANCE:			
Beginning of the year	<u>49,574</u>		
End of the year	<u>\$ 833</u>		

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**TEXAS SUPPLEMENTARY
INFORMATION**

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
TSI-1. SERVICES AND RATES
SEPTEMBER 30, 2023

1. Services Provided by the District during the Fiscal Year:

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

2. Retail Service Providers

a. Retail Rates Based on 5/8" Meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1000 Gallons Over Minimum	Usage Levels
WATER:	(1)	(1)	(1)	(1)	(1)
WASTEWATER:	(1)	(1)	(1)	(1)	(1)
SURCHARGE:	(1)	(1)	(1)	(1)	(1)

District employs winter averaging for wastewater usage? Yes No

Total charges per 10,000 gallons usage: Water (1) Wastewater (1)

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC's
Unmetered			1.0	
< 3/4"			1.0	
1"			2.5	
1 1/2"			5.0	
2"			8.0	
3"			15.0	
4"			25.0	
6"			50.0	
8"			80.0	
10"			115.0	
Total Water	(1)	(1)		(1)
Total Wastewater	(1)	(1)	1.0	(1)

⁽¹⁾ Water and wastewater services are provided to District customers by the Jonah Water Special Utility District and the City of Round Rock, respectively.

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
TSI-1. SERVICES AND RATES (continued)
SEPTEMBER 30, 2023

3. Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):

Gallons pumped into system: _____ (1)

Gallons billed to customers: _____ (1)

Water Accountability Ratio (Gallons billed / Gallons Pumped) N/A

4. Standby Fees (authorized only under TWC Section 49.231):

Does the District assess standby fees? Yes No

If yes, Date of the most recent Commission Order: _____

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

If yes, Date of the most recent Commission Order: _____

5. Location of District

County(ies) in which district is located: _____ Williamson County, Texas

Is the District located entirely within one county? Yes No

Is the District located within a city? Entirely Partly Not at all

City(ies) in which district is located: _____ City of Round Rock, Texas

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

Entirely Partly Not at all

ETJ's in which district is located: _____

Are Board members appointed by an office outside the district?

Yes No

If Yes, by whom? _____

⁽¹⁾ Water and wastewater services are provided to District customers by the Jonah Water Special Utility District and the City of Round Rock, respectively.

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
TSI-2. GENERAL FUND EXPENDITURES
SEPTEMBER 30, 2023

Personnel Expenditures (including benefits)	\$	-
Professional Fees:		
Auditing		12,000
Legal		19,383
Engineering		12,160
Financial Advisor		300
Purchased Services For Resale:		
Bulk Water and Wastewater Purchases		-
Contracted Services:		
Bookkeeping		18,800
General Manager		12,791
Appraisal District/Tax Collector		508
Other Contracted Services		-
Utilities		-
Repairs and Maintenance		57,260
Chemicals		-
Administrative Expenditures:		
Directors' Fees		7,105
Office Supplies		-
Insurance		4,150
Election Costs		-
Other Administrative Expenditures		4,936
Capital Outlay:		
Capitalized Assets		-
Expenditures not Capitalized		-
Bad Debt		-
Parks and Recreation		-
Other Expenditures		-
TOTAL EXPENDITURES	\$	<u>149,393</u>

Number of persons employed by the District:

Full-Time

Part-Time
TSI-2

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
TSI-3. TEMPORARY INVESTMENTS
SEPTEMBER 30, 2023

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
General Fund -					
TexPool	XXX0001	Varies	Daily	\$ 17,291	\$ -
Total				<u>17,291</u>	<u>-</u>
Debt Service Fund -					
TexPool	XXX0002	Varies	Daily	1,957	-
TexPool	XXX0003	Varies	Daily	156,828	-
TexPool	XXX0004	Varies	Daily	22,849	-
Total				<u>181,634</u>	<u>-</u>
Capital Projects Fund -					
TexPool	XXX0005	Varies	Daily	24,232	-
Total				<u>24,232</u>	<u>-</u>
Total - All Funds				<u>\$ 223,157</u>	<u>\$ -</u>

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
TSI-4. TAXES LEVIED AND RECEIVABLE
SEPTEMBER 30, 2023

	<u>Maintenance Taxes</u>	<u>Debt Service Taxes</u>	
Taxes Receivable, Beginning of Year	\$ -	\$ -	
2022 Original Tax Levy, less abatements	99,642	155,561	
Total to be accounted for	<u>99,642</u>	<u>155,561</u>	
Tax collections:			
Current year	99,642	155,561	
Rollbacks	-	-	
Total collections	<u>99,642</u>	<u>155,561</u>	
Taxes Receivable, End of Year	<u>\$ -</u>	<u>\$ -</u>	
Taxes Receivable, By Tax Years			
Rollbacks	\$ -	\$ -	
2021	-	-	
2022	-	-	
Taxes Receivable, End of Year	<u>\$ -</u>	<u>\$ -</u>	
Property Valuations:	<u>2022</u>	<u>2021</u>	<u>2020</u>
Land and improvements	\$ 34,010,156 (a)	\$ 9,079,860 (a)	\$ 687,515
Total Property Valuations	<u>\$ 34,010,156</u>	<u>\$ 9,079,860</u>	<u>\$ 687,515</u>
Tax Rates per \$100 Valuation:			
Debt Service tax rates	\$ 0.4145	\$ -	\$ -
Maintenance tax rates	<u>0.2655</u>	<u>0.68</u>	<u>0.68</u>
Total Tax Rates per \$100 Valuation:	<u>\$ 0.6800</u>	<u>\$ 0.68</u>	<u>\$ 0.68</u>
Original Tax Levy	<u>\$ 231,269</u>	<u>\$ 61,743</u>	<u>\$ 4,675</u>
Percent of Taxes Collected to Taxes Levied **	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Maximum Maintenance Tax Approved by Voters:	<u>\$ 1.20 on 11/5/2019</u>		

**Calculated as taxes collected in current and previous years divided by tax levy.

(a) Valuations are provided by the appropriate Appraisal District. Due to various factors including tax protests and disputes, such valuations change over time; therefore, they may vary slightly from those disclosed to the District's bond offering documents or the District's annual bond disclosure filings.

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS
SEPTEMBER 30, 2023

Fiscal Year Ending	Unlimited Tax Road Bonds Series 2022			Total - All Issues		
	Principal Due 9/1	Interest Due 3/1, 9/1	Total	Principal Due 9/1	Interest Due 3/1, 9/1	Total
	2024	\$ 85,000	\$ 160,655	\$ 245,655	\$ 85,000	\$ 160,655
2025	90,000	157,553	247,553	90,000	157,553	247,553
2026	95,000	154,268	249,268	95,000	154,268	249,268
2027	100,000	150,800	250,800	100,000	150,800	250,800
2028	105,000	147,150	252,150	105,000	147,150	252,150
2029	110,000	143,318	253,318	110,000	143,318	253,318
2030	115,000	139,303	254,303	115,000	139,303	254,303
2031	120,000	135,048	255,048	120,000	135,048	255,048
2032	130,000	130,488	260,488	130,000	130,488	260,488
2033	135,000	125,288	260,288	135,000	125,288	260,288
2034	145,000	119,888	264,888	145,000	119,888	264,888
2035	150,000	114,088	264,088	150,000	114,088	264,088
2036	160,000	108,088	268,088	160,000	108,088	268,088
2037	165,000	101,448	266,448	165,000	101,448	266,448
2038	175,000	94,600	269,600	175,000	94,600	269,600
2039	185,000	87,338	272,338	185,000	87,338	272,338
2040	195,000	79,475	274,475	195,000	79,475	274,475
2041	205,000	71,188	276,188	205,000	71,188	276,188
2042	215,000	62,475	277,475	215,000	62,475	277,475
2043	225,000	53,338	278,338	225,000	53,338	278,338
2044	240,000	43,775	283,775	240,000	43,775	283,775
2045	250,000	33,575	283,575	250,000	33,575	283,575
2046	265,000	22,950	287,950	265,000	22,950	287,950
2047	275,000	11,688	286,688	275,000	11,688	286,688
	<u>\$ 3,935,000</u>	<u>\$ 2,447,785</u>	<u>\$ 6,382,785</u>	<u>\$ 3,935,000</u>	<u>\$ 2,447,785</u>	<u>\$ 6,382,785</u>

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
TSI-6. CHANGES IN LONG-TERM BONDED DEBT
SEPTEMBER 30, 2023

	<u>SR2022</u>	<u>Total</u>
Interest Rate	3.65% - 4.25%	
Dates Interest Payable	3/1 ; 9/1	
Maturity Dates	9/1/2047	
Bonds Outstanding at Beginning of Current Fiscal Year	\$ 3,935,000	\$ 3,935,000
Bonds Sold During the Current Fiscal Year	-	-
Retirements During the Current Fiscal Year:		
Principal	-	-
Refunded	-	-
Bonds Outstanding at End of Current Fiscal Year	<u>\$ 3,935,000</u>	<u>\$ 3,935,000</u>
Interest Paid During the Current Fiscal Year	<u>\$ 154,407</u>	<u>\$ 154,407</u>

Paying Agent's Name and Address:

Bank of Texas
Dallas, TX

Bond Authority:	<u>Unlimited Tax Bonds*</u>	<u>Refunding Tax Bonds*</u>	<u>Road Bonds*</u>	<u>Refunding Road Bonds*</u>
Amount Authorized by Voters	\$ 41,500,000	\$ 51,875,000	\$ 38,500,000	\$ 48,125,000
Amount Issued	-	-	(3,935,000)	-
Remaining To Be Issued	<u>\$ 41,500,000</u>	<u>\$ 51,875,000</u>	<u>\$ 34,565,000</u>	<u>\$ 48,125,000</u>

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

Debt Service Fund Cash and Temporary Investments balances as of September 30, 2023: \$ 181,634

Average Annual Debt Service Payment (Principal and Interest) for the remaining term of all debt: \$ 265,949

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
TSI-7. COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND AND DEBT SERVICE FUND - FIVE YEARS
SEPTEMBER 30, 2023

	Amounts					Fund Total Revenues			Percent of Fund Total Revenues
	2023	2022	2021*	2020*	2019*	2023	2022	2021*	
GENERAL FUND REVENUES:									
Property taxes, including penalties	\$ 99,809	\$ 79,354	\$ 4,675	\$ -	\$ -	99.2%	84.1%	23.8%	-
Interest and other	843	-	3	3	-	0.8%	-	-	0.1%
Developer advances	-	15,000	15,000	5,000	5,000	-	15.9%	-	99.9%
TOTAL GENERAL FUND REVENUES	100,652	94,354	19,678	5,003	5,000	100.0%	100.0%	100.0%	100.0%
GENERAL FUND EXPENDITURES:									
Operations and management	12,791	13,473	4,650	-	-	12.7%	14.2%	23.6%	-
Landscape maintenance	39,168	3,264	-	-	-	38.9%	3.4%	-	-
Drainage maintenance	18,092	1,770	-	-	-	18.0%	1.9%	-	-
Legal fees	19,383	-	-	-	-	19.3%	-	-	-
Engineering fees	12,160	2,700	-	-	-	12.1%	2.9%	-	-
Accounting fees	18,800	7,550	4,100	3,400	989	18.7%	8.0%	20.8%	67.9%
Audit fees	12,000	-	-	-	-	11.9%	-	-	-
Financial advisor fees	300	-	-	-	-	0.3%	-	-	-
Tax appraisal/collection fees	508	331	32	-	-	0.5%	0.4%	0.2%	-
Public notice	410	300	-	-	-	0.4%	0.3%	-	-
Director fees, including payroll taxes	7,105	6,787	5,429	6,139	2,261	7.1%	7.2%	27.6%	122.7%
Insurance	4,150	4,057	4,057	-	-	4.1%	4.3%	20.6%	45.2%
Bank fees	3,404	2,242	3	3	-	3.4%	2.4%	-	-
Other	1,122	924	-	-	-	1.0%	1.0%	-	0.1%
TOTAL GENERAL FUND EXPENDITURES	149,393	43,398	18,271	9,542	3,250	148.4%	46.0%	92.8%	190.7%
EXCESS (DEFICIENCY) OF GENERAL FUND REVENUES OVER (UNDER) EXPENDITURES	\$ (48,741)	\$ 50,956	\$ 1,407	\$ (4,539)	\$ 1,750	-48.4%	54.0%	7.2%	-90.7%
DEBT SERVICE FUND REVENUES:									
Interest and other	\$ 10,736	\$ 208	\$ -	\$ -	\$ -	6.4%	0.1%	-	-
Property taxes, including penalties	155,822	-	-	-	-	93.6%	0.0%	-	-
Bond proceeds	-	171,492	-	-	-	-	99.9%	-	-
TOTAL DEBT SERVICE FUND REVENUES	166,558	171,700	-	-	-	100.0%	100.0%	-	-
DEBT SERVICE FUND EXPENDITURES:									
Bond interest	154,407	-	-	-	-	92.7%	0.0%	-	-
Fiscal agent fees and other	2,293	-	-	-	-	1.4%	0.0%	-	-
TOTAL DEBT SERVICE FUND EXPENDITURES	156,700	-	-	-	-	94.1%	0.0%	-	-
EXCESS OF DEBT SERVICE FUND REVENUES OVER EXPENDITURES	\$ 9,858	\$ 171,700	\$ -	\$ -	\$ -	5.9%	100.0%	-	-
TOTAL ACTIVE RETAIL WATER AND WASTEWATER CONNECTIONS	(1)	(1)	(1)	(1)	(1)	-	-	-	-

(1) Water and wastewater service to be provided to District customers by Jonah Water Special Utility District and City of Round Rock, respectively.

* Unaudited

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
TSI-8. BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2023

Complete District Mailing Address: 401 Congress Ave., Suite 2100
Austin, TX 78701

District Business Telephone Number: (512) 370-2931

Submission Date of the most recent District Registration Form TWC Sections 36.054 and 49.054): November 18, 2022

Limits on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution TWC Section 49.060) \$7,200*

<u>Name and Address:</u>	<u>Term of Office (Elected or Appointed) or Date Hired</u>	<u>Fees of Office Paid * 9/30/2023</u>	<u>Expense Reimbursements 9/30/2023</u>	<u>Title at Year End</u>
<i>Board Members:</i>				
MITCHELL SCHWARTZ	(Elected) 5/2/2020 - 5/4/2024	\$ 1,350	\$ 350	President
WILLIAM JAMES MOSLEY	(Elected) 5/7/2022 - 5/2/2026	\$ 1,050	\$ 117	Vice President
DWAIN HALM	(Elected) 5/7/2022 - 5/2/2026	\$ 1,350	\$ 233	Secretary
TIM AGEE	(Elected) 5/2/2020 - 5/4/2024	\$ 1,350	\$ 207	Treasurer / Assistant Secretary
MOSES KIM	(Elected) 5/7/2022 - 5/2/2026	\$ 1,500	\$ 117	Assistant Secretary
<i>Consultants:</i>				
Winstead PC	8/1/2019	\$ 19,792	\$ -	Attorney
Inframark	4/8/2021	\$ 22,206	\$ -	Operator
Carlson Brigance & Doering Inc.	8/1/2019	\$ 12,160	\$ -	Engineer
Bott & Douthitt, PLLC	8/1/2019	\$ 18,500	\$ -	Accountant
McCall Gibson Swedlund Barfoot PLLC	8/10/2022	\$ 12,000	\$ -	Auditor
		\$ 1,750	\$ -	Bond Related Services
Hilltop Securities Inc.	8/1/2019	\$ -	\$ -	Financial Advisor
Williamson County Tax Collector	6/11/2020	\$ 125	\$ -	Tax Collector

*Fees of Office are the amounts actually paid to a director during the District's fiscal year.

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**OTHER SUPPLEMENTARY
INFORMATION**

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
OSI-1. PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2023

Taxpayer	Type of Property	Tax Roll Year		
		2023	2022	2021
KB Home Lone Star Inc.	N/A	\$ 35,044,349	\$ 32,862,392	\$ 8,276,715
Pritchard Trusts et al	N/A	1,708,988	12,153	15,395
Homeowner	N/A	556,368	169,991	-
Spicewood Retail LLC	N/A	535,006	446,821	-
Homeowner	N/A	534,824	147,716	-
Homeowner	N/A	533,697	126,861	-
Homeowner	N/A	533,070	104,965	-
Homeowner	N/A	519,956	83,600	-
Homeowner	N/A	519,563	48,520	-
Homeowner	N/A	519,233	-	-
Salerno Residential Community Inc.	N/A	-	7,137	-
Creek Bend Land Holdings LLC	N/A	-	-	677,330
Lone Mountain Properties LLC	N/A	-	-	86,737
Homeowner	N/A	-	-	22,958
Agee et al	N/A	-	-	725
Total		\$ 41,005,054	\$ 34,010,156	\$ 9,079,860
Percent of Assessed Valuation		33.5%	100.0%	100.0%

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ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1
OSI-2. ASSESSED VALUE BY CLASSIFICATION
SEPTEMBER 30, 2023

Type of Property	Tax Roll Year					
	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Residential Single Family	\$ 62,116,412	50.8%	\$ -	-	\$ -	-
Vacant Platted Lots	107,920	0.1%	8,427	0.1%	-	-
Real Acreage	7,446,030	6.1%	15,707,945	46.2%	8,976,088	98.9%
Farm and Ranch Improvement	9,521,572	7.8%	9,570,791	28.1%	8,981,927	98.9%
Tangible Personal, Business	73,187	0.1%	42,699	0.1%	-	-
Real Inventory	76,695,040	62.6%	32,221,351	94.7%	-	-
Exemptions/Adjustments	<u>(33,636,348)</u>	<u>-27.5%</u>	<u>(23,541,057)</u>	<u>-69.2%</u>	<u>(8,878,155)</u>	<u>-97.8%</u>
Total	<u>\$ 122,323,813</u>	<u>100.0%</u>	<u>\$ 34,010,156</u>	<u>100.0%</u>	<u>\$ 9,079,860</u>	<u>100.0%</u>

