

HURST CREEK MUNICIPAL UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2019

HURST CREEK MUNICIPAL UTILITY DISTRICT

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JANSEN AND GREGORCZYK

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Hurst Creek Municipal Utility District

We have audited the accompanying financial statements of the governmental activities of Hurst Creek Municipal Utility District, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Hurst Creek's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Hurst Creek Municipal Utility District, as of September 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-9 and 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Jansen and Gregorczyk

Kyle, Texas
January 13, 2020

MANAGEMENT DISCUSSION AND ANALYSIS
HURST CREEK MUNICIPAL UTILITY DISTRICT
SEPTEMBER 30, 2019

Our discussion and analysis of the Hurst Creek Municipal Utility District (District) financial performance provides an overview of the District's financial activities for the year ended September 30, 2019. Please review it in conjunction with the District's financial statements, which follow this section.

In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, the management of Hurst Creek Municipal Utility District (the "District") offers the following narrative on the financial performance of the District for the year ended September 30, 2019. Please read it in connection with the District's financial statements that follow.

For purposes of GASB Statement No. 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 "General Fund" 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 Assets and the Statement of Activities.

Overview of the Basic Financial Statements

The District's reporting is comprised of three parts:

- *Management's Discussion and Analysis* (this section)
- *Basic Financial Statements*

Statement of Net Position and Governmental Fund Balance Sheet

Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund

Notes to Basic Financial Statements

- *Required Supplemental Information*

Other supplementary information is also included.

The *Statement of Net Position and Governmental Fund Balance Sheet* includes a column ("General Fund") that represents a balance sheet prepared using the modified accrual basis of accounting. 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 assets will indicate financial health.

The *Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance* includes a column ("General Fund") 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 represent the income statement of a private-sector business.

The *Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund* presents a comparison statement between the District's adopted budget to its actual results.

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

Schedules required by the Texas Commission on Environmental Quality are presented immediately following the *Notes to Basic Financial Statements*.

Overview of the District's Financial Position and Operations

The District's total net position increased by \$225,743 in the year ended September 30, 2019. The District has sufficient funds to meet its obligations. Our analysis below focuses on the net assets (Table 1) and the changes in net assets (Table 2) for the District's activities.

Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements were \$1,438,378 at September 30, 2019.

The District has sufficient funds at present and is anticipated in the future to have sufficient funds to pay the expenses of the District.

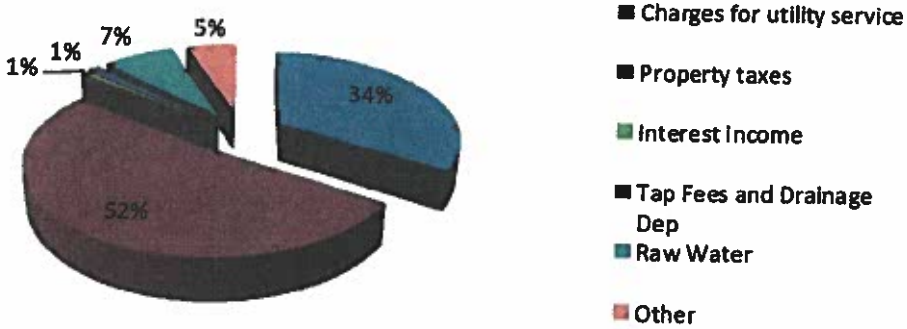
Table 1

	Governmental Activities	
	<u>2019</u>	<u>2018</u>
Current assets	\$ 1,647,360	\$ 1,402,949
Capital assets	9,207,071	9,605,763
Total assets	<u>10,854,431</u>	<u>11,008,712</u>
Current liabilities	145,555	160,984
Long-term debt outstanding	4,024,388	4,390,922
Total liabilities	<u>4,169,943</u>	<u>4,551,906</u>
Net assets:		
Invested in capital assets	5,182,683	5,214,841
Restricted	63,427	68,400
Unrestricted	1,438,378	1,173,565
Total net assets	<u>\$ 6,684,488</u>	<u>\$ 6,456,806</u>

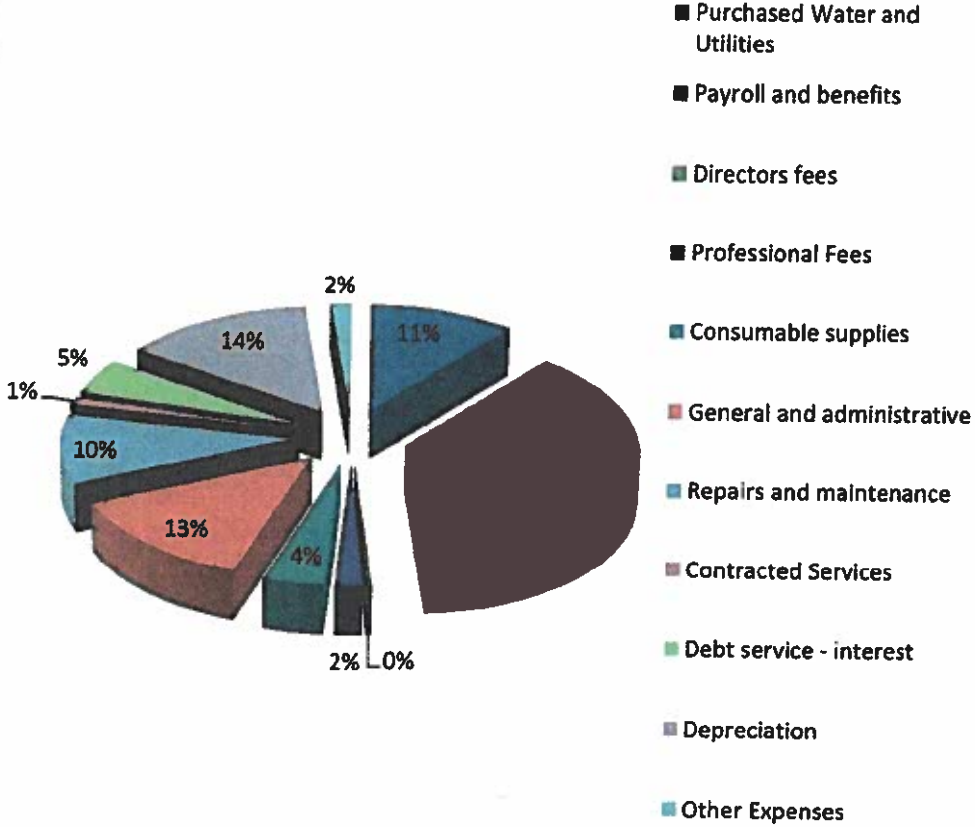
Table 2

	<u>2019</u>	<u>2018</u>
Revenues		
Service revenues	\$ 1,021,524	\$ 1,157,918
Property taxes	1,573,044	1,554,972
Interest income	22,105	11,706
Other revenues	420,901	373,310
Total Revenues	<u>\$ 3,037,574</u>	<u>\$ 3,097,906</u>
Expenses		
Purchased water and utilities	\$ 303,537	\$ 319,289
Payroll and benefits	1,068,068	935,152
Directors fees	9,750	8,400
Professional fees	49,855	174,786
Purchased and contracted services	31,742	46,790
Consumable supplies and materials	110,485	219,519
General and administrative	374,406	326,632
Repairs and maintenance	281,413	171,929
Interest	141,526	209,196
Depreciation	398,692	398,692
Other expenses	42,357	100,199
Total Expenses	<u>2,811,831</u>	<u>2,910,583</u>
Increase in Net Assets	<u>225,743</u>	<u>187,323</u>
Net Position - Beginning of year	<u>6,458,744</u>	<u>6,269,482</u>
Net Position - End of Year	<u>\$ 6,684,488</u>	<u>\$ 6,456,806</u>

REVENUES



EXPENSES



SOURCES OF REVENUES

The District relies on service revenues and maintenance tax revenues to fund its activities. Service revenues are generated by the sale of water and wastewater service to District residents and the provision of irrigation water, primarily to the golf course. In fiscal year 2019 the District received \$1,021,524 in utility revenues, \$1,573,055 in maintenance taxes, \$37,035 in tap fees and drainage deposits and \$225,595 from the sale of irrigation water to the golf course. Other income received was \$180,365 resulting in total revenues for the fiscal year of \$3,037,574.

Utility water revenues are composed of the minimum base monthly charges and the per thousand gallon rate. All connections pay the minimum bill which produces a reliable income stream. The per thousand gallon rate component of overall service revenues is influenced by weather conditions; a dry summer will result in vastly increased water sales compared to a relatively wet summer. The maintenance tax revenues are dependent on the overall assessed valuation (AV) of taxable property in the District, and the tax rate. The District's AV has increased approximately 4% over the prior year.

EXPENDITURES

Major expenditure components include the cost of raw water from the Lower Colorado River Authority (the "LCRA"), payroll expenses, repairs and maintenance and debt service. The cost of purchasing and pumping raw water approximates prior year. Overall operational costs decreased slightly and were approximately the same as amounts budgeted.

The District continues to make significant reductions in long-term and short-term debt, with \$366,534 in principal retired during the fiscal year. Interest payments on all debt totaled \$141,526. Total remaining bonded indebtedness at the year-end was \$4.024 million.

General Fund Budgetary Highlights

The District prepares an annual operating budget in August and September for the coming fiscal year beginning in October. The draft budget is prepared by the General Manager and reviewed by the Budget Committee prior to action by the full board. Anticipated expenditures and revenues are based on a number of factors, driven primarily by the number of active customers, their average utility consumption, the costs of raw water, electricity, and equipment maintenance and repairs.

General Fund revenues were less than the budgeted amounts by \$92,889, and expenditures were \$134,746 less than the budget amount.

Capital Asset and Debt Administration

Net capital assets decreased due to depreciation being recorded and no capital additions were made during the year.

Debt Service

Debt service refers to the annual payments required on the District's bonded indebtedness. The District issues tax-exempt bonds and uses the proceeds to build utility and drainage facilities. Debt service payments during the year totaled \$295,000 in principal and \$131,827 in interest for the Debt Service Fund.

Debt service requirements are met via the Debt Service tax rate, which is levied on all taxable property in the District. Due to steady increases in 2018 in taxable values, the debt service tax rate has been declining for several years since 2005, when the issuance of additional bonds required a small increase in the rate:

		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>
Debt Service Tax Rate										
Per \$100 valuation	\$	0.08	\$	0.10	\$	0.12	\$	0.15	\$	0.16

Tax collection rates remain consistently high, with approximately 99% of the tax levy collected.

Taxable property valuations in the District experienced an increase from 2018 to 2019.

		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>
	\$	504.8	\$	487.3	\$	441.9	\$	442.0	\$	414.1

The District offers the maximum homeowner's exemption allowed by State law, over 65, and disabled veterans exemptions.

Regulatory Environment

The District's activities as a public water supplier and operator of a wastewater system are governed by the Texas Commission on Environmental Quality (TCEQ). The District enjoys excellent relations with the TCEQ and has a good compliance history. The District's drinking water system is recognized as a "Superior" system by the State.

Relevant Economic Factors

The District considered many factors when setting the fiscal year 2019 budget and tax rates. Anticipated expenditures and revenues are based on a number of factors, driven primarily by the number of active customers, their average utility consumption, the costs of raw water, electricity and maintenance and repairs of equipment.

Contacting the District's Financial Management

This financial report is designed to provide the taxpayers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's office at:

Earl Wood
District Manager
Hurst Creek Municipal Utility District
102 Trophy Drive
The Hills, TX 78738
(512) 261-6281

Hurst Creek Municipal Utility District
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2019

	General Fund	Debt Service Fund	Capital Reserve Fund	Drainage Fund	Total Governmental Funds	Adjustments Note 9	Total Net Position
Assets							
Cash and Investments	\$ 988,127	\$ 75,546	\$133,474	\$ 38,848	\$ 1,235,995		\$ 1,235,995
Restricted Cash	-	63,427			63,427		63,427
Taxes Receivable	34,501	27,116			61,617		61,617
Service Receivables	286,321	-			286,321		286,321
Capital assets							
Land and construction					-		
work in progress					-	51,500	51,500
Other capital assets, net of depreciation					-	9,155,571	9,155,571
Total assets	<u>1,308,949</u>	<u>166,089</u>	<u>133,474</u>	<u>38,848</u>	<u>1,647,360</u>	<u>9,207,071</u>	<u>10,854,431</u>
Liabilities							
Accounts payable	82,128				82,128		82,128
Payroll taxes payable	-				-		-
Accrued interest	-	63,427			63,427	-	63,427
Long term liabilities							
Due within 1 year					-	-	-
Due in more than 1 year					-	394,434	394,434
	<u>82,128</u>	<u>63,427</u>	<u>-</u>	<u>-</u>	<u>145,555</u>	<u>3,629,954</u>	<u>3,629,954</u>
Deferred Inflows of Resources						<u>4,024,388</u>	<u>4,169,943</u>
Unavailable revenue	34,501	27,116	-	-	61,617	(61,617)	-
property taxes	116,629	90,543	-	-	207,172	3,962,771	4,169,943
Fund balance/Net position							
Fund balance - unassigned	<u>1,192,320</u>	<u>75,546</u>	<u>133,474</u>	<u>38,848</u>	<u>1,440,188</u>	<u>(1,440,188)</u>	
	<u>\$ 1,308,949</u>	<u>\$ 166,089</u>	<u>\$133,474</u>	<u>\$ 38,848</u>	<u>\$ 1,647,360</u>		
Net position							
Net investment in capital assets							\$ 5,182,683
Unrestricted							1,438,378
Restricted for debt service							63,427
							<u>6,684,488</u>
							<u>\$10,854,431</u>

The accompanying notes are an integral part of these financial statements.

Hurst Creek Municipal Utility District
Statement of Activities and Governmental Funds Revenues,
Expenditures, and Changes in Fund Balance
For the year ended September 30, 2019

	General Fund	Debt Service Fund	Capital Reserve Fund	Drainage Fund	Total Governmental Funds	Adjustments Note 9	Total 2019
Expenditures/expenses							
Purchased Water and Utilities	\$ 303,537	\$ -	\$ -	\$ -	\$ 303,537		\$ 303,537
Payroll and benefits	1,068,068	-			1,068,068		1,068,068
Directors fees	9,750	-			9,750		9,750
Professional Fees	49,855	-			49,855		49,855
Consumable supplies	110,485	-			110,485		110,485
General and administrative	210,021	-	102,417	61,968	374,406		374,406
Repairs and maintenance	281,413	-	-	-	281,413		281,413
Contracted Services	31,742	-			31,742		31,742
Debt service - principal	71,534	295,000			366,534	(366,534)	-
Debt service - interest	9,699	131,827			141,526	-	141,526
Depreciation	-	-			-	398,692	398,692
Other Expenses	42,357	-			42,357		42,357
Total expenditure/expenses	2,188,461	426,827	102,417	61,968	2,779,673	32,158	2,811,831
Revenues:							
Charges for utility service	\$ 1,021,524	\$ -			\$ 1,021,524		\$ 1,021,524
Property taxes	1,143,105	423,305			1,566,410	6,634	1,573,044
Interest income	20,325	1,780			22,105		22,105
Tap Fees and Drainage Dep	37,035	-			37,035		37,035
Raw Water	225,484	-			225,484		225,484
Other	158,382	-			158,382		158,382
Total revenues	2,605,855	425,085	-	-	3,030,940	6,634	3,037,574
Revenue over/(under) expenditures	417,394	(1,742)	(102,417)	(61,968)	251,267		225,743
Other financing sources:							
Transfers In/Out	(132,000)	-	72,000	60,000	-	-	-
Prior Period Adjustment	-	-			-	1,938	1,938
Net position-beginning of year	906,926	77,288	163,891	40,816	1,188,921	-	6,456,806
Fund Balances - End of Year	\$ 1,192,320	\$ 75,546	\$ 133,474	\$ 38,848	\$ 1,440,188	\$ -	\$ 6,684,488

The accompanying notes are an integral part of these financial statements.

Hurst Creek Municipal Utility District
Notes to Financial Statements
For the Year Ended September 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The following summary of the Hurst Creek Municipal Utility District's (the "District") more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity:

The Hurst Creek Municipal Utility District (District) was created on October 5, 1979, by an order of the Texas Commission on Environmental Quality (formerly the Texas Water Commission) under Chapter 54 of the Texas Water Code. In an election held on October 6, 1979 its voters confirmed Creation. The Board of Directors held its first meeting on November 12, 1979. The District's operating period began on January 1, 1982.

At September 30, 2019, the District does not have any component units for which it is financially accountable.

B. Government Wide and Fund Financial Statements:

For purposes of GASB Statement No. 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 Total" 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 assets and the statement of activities.

The government-wide financial statements report information on all of the activities of the District. The effect of interfund activity has been removed from these statements. The statement of activities demonstrates how the District uses revenue.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The government-wide financial statements are 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 related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Amounts reported as revenues include charges to customers or applicants for goods, services, or privileges provided. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon

enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within thirty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The District reports the following major governmental funds:

- The General Fund includes financial resources used for general operations. It is a budgeted fund, and any fund balances are considered resources available for current operations.
- The Debt Service Fund includes debt service taxes and other revenues collected to retire bond principal and to pay interest due.
- The Capital Projects Fund is used to account for financial resources designated to be used for authorized construction and other capital asset acquisitions. This fund did not have activity in the current year.

D. Cash and Cash Equivalents

Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and so near maturity that there is no significant risk of changes in value due to changes in interest rates. Cash equivalents are stated at cost which approximates market value.

E. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

F. Budgets and Budgetary Accounting:

The District establishes the fiscal year as the twelve-month period beginning October 1. The departments submit to the District Manager a budget of estimated expenditures for the ensuing fiscal year after which the District Manager subsequently submits a budget of estimated expenditures and revenues to the Board of Directors for approval. Budgeted amounts are as originally adopted by the Board.

The Budgetary Comparison Schedule presents a comparison of budgetary data to actual results. The General fund utilizes the same basis of accounting for both budgetary purposes and actual results.

G. Property, Plant, and Equipment

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. Repairs and maintenance are recorded as expenditures, renewals and betterments are capitalized. The District does not possess any infrastructure assets. Depreciation is provided using the straight-line method at annual rates as follows:

Organizational cost	30 years
Pump stations	50 years
Buildings, water and sewer plant	50 years
Machinery and equipment	7-10 years

The water distribution system, the wastewater collection system, and the effluent holding pond have been capitalized.

H. Long-Term Liabilities

General obligation bonds, which have been issued to fund capital projects of the District, are to be repaid from tax revenues. Additionally, the District has two operating leases for equipment which are included in Long Term Debt. General obligation debt is recorded exclusively in the General Long-Term Debt Account Group.

I. Reservation of Fund Balance

Reserves of fund balance in governmental funds indicate that a portion of the fund balance is not available for general appropriation or is legally segregated for a specific use. At September 30, 2019, restricted cash consisted of the amounts reserved for the bond payments due subsequent to year end.

J. Property Taxes

Property taxes are levied on October 1st of each year based on property values. Taxes are due and payable when levied. Lien attaches and taxes become delinquent and subject to penalty and interest on February 1st of the following year. The Travis County Tax Office bills and collects taxes for the District based upon assessed property valuation after approved exemptions and a rate determined by the District's Board of Directors.

K. Receivables

Service accounts receivable pertain to water and sewer service. Taxes and interest receivable pertain to real property taxes and investments. All receivables are considered collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operating expenses when that determination is made. Revenues from property taxes are recognized in the current year to the extent they are available to finance current year expenditures.

L. Sick Leave and Vacation

The District allows employees to accumulate vacation and sick leave, however, upon termination no benefits are payable. Pursuant to Governmental Accounting Standards Board pronouncements, the District does not accrue sick leave rights since these are nonvesting. The District does not accrue for vacation benefits in its financial statements.

M. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

N. Net Position

Net position represents the difference between assets and liabilities. Net position is comprised of investments in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisitions, construction or improvements of those assets. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the organization or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the organization's policy to use restricted resources first and then unrestricted resources as they are needed. When both unassigned and committed or assigned funds are available for expenditure, committed or assigned funds are used first.

NOTE 2 - DEPOSITS AND INVESTMENTS

DEPOSITS

At September 30, 2019, the carrying amounts of the District's deposits in cash accounts were \$344,749. All of the District's deposits are insured by either FDIC or pledged security by the banks.

INVESTMENTS

The District had \$889,247, invested in Texpool as of September 30, 2019. The weighted average maturity of TexPool as of September 30, 2019 was 32 days.

Interest Rate Risk. The District does have a formal investment policy in place. The District's cash and cash equivalents are currently invested in short-term instruments such as certificates of deposits, money market funds and an interest-bearing checking account.

Credit Risk. The Texas Local Government Investment Pool (TexPool) is a public funds investment pool created pursuant to the Interlocal Cooperation Act of the State of Texas. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. An Advisory Board reviews the investment policy and management fee structure. TexPool is rated AAA by Standard & Poor's. As a requirement to maintain the rating weekly portfolio, information must be submitted to Standard & Poors, as well as the Office of the Comptroller of the Public Accounts for review.

TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

The Board Directors has authorized the District to invest in compliance with V.A.T.C.S. Government Code, Title 10, Chapter 2256 (Public Funds Investment Act of 1993). Money in any fund may be placed in obligations of the United States or its instrumentalities; direct obligations of this state or its agencies; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by this state or the United States or its instrumentalities; and obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent, Certificates of Deposit and any other investment authorized in Chapter 2256. Accordingly, cash is invested in money market funds or interest-bearing demand deposits and is stated at fair value.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The majority of the District's funds are in TexPool which is considered the same as cash.

NOTE 3 - ACCOUNTS RECEIVABLES - TAXES

Property taxes receivable reported in the Debt Service Fund and the General Fund are offset by deferred revenues in the financial statements at September 30, 2019. Included in the total taxes receivable is \$61,617 which represents the current taxes receivable (collectible within 30 days from year end).

NOTE 4 - BONDED DEBT PAYABLE

The District is in compliance with bond covenant requirements and in compliance.

The following summarizes the outstanding debt at September 30, 2019.

Debt Service	Date of Issue	Date of Maturity	Interest Rates	Original Amount	Balance 9/30/2018	Added	Retired	Balance 9/30/2019
Unlimited Tax	2003	4/1/2020	2.9%-5.8%	425,000	70,000	-	35,000	35,000
Unlimited Bonds	2005	4/1/2030	4.0%-5.0%	2,000,000	1,230,000	-	90,000	1,140,000
Refunding Bonds	2005	4/1/2020	2.9%-4.0%	5,025,000	60,000	-	30,000	30,000
Unlimited Tax Bonds	2012	6/15/2032	2.25%-3.25%	3,350,000	2,750,000	-	140,000	2,610,000
Total Long Term Debt - Bonds				\$ 13,335,000	\$ 4,110,000	\$ -	\$ 295,000	\$ 3,815,000
Less: Current Portion								(320,000)
								<u>3,495,000</u>
Long Term Debt - Leases (General Fund)								
SouthStar Bank - Meter System		6/15/2022	3.75%	436,420	240,763	-	63,028	177,735
SouthStar Bank - Vac Excavator		1/18/2023	4.54%	61,373	40,159	-	8,506	31,653
				<u>497,793</u>	<u>280,922</u>	<u>-</u>	<u>71,534</u>	<u>209,388</u>
Less: Current Portion								(74,434)
								<u>134,954</u>
Total Long Term Debt				\$ 13,832,793	\$ 4,390,922	\$ -	\$ 366,534	\$ 4,024,388

BONDS:

Year ending	Principal Due	Interest Due	Total
2020	320,000	126,855	446,855
2021	275,000	115,962	390,962
2022	280,000	107,675	387,675
2023	290,000	49,578	339,578
2023-2027	1,660,000	364,192	2,024,192
2028-2032	990,000	102,563	1,092,563
	<u>\$ 3,815,000</u>	<u>\$866,825</u>	<u>\$4,681,825</u>

LEASES:

Year Ending	Principal	Interest	Total
2020	74,434	6,799	70,983
2021	77,347	8,829	86,176
2022 and thereafter	57,607	833	58,240
	<u>\$ 209,388</u>	<u>\$ 16,261</u>	<u>\$ 215,399</u>

NOTE 5 - CAPITAL ASSETS

The following schedule summarizes the changes in the components of the District's capital assets for the year ended September 30, 2019:

	Balance 9/30/2018	Increase	Decrease	Balance 9/30/2019
Capital assets, not being depreciated				
Land	\$51,500			\$51,500
Construction work in progress	-	-	-	-
Total assets, not being depreciated	<u>51,500</u>	<u>-</u>	<u>-</u>	<u>51,500</u>
Capital assets, being depreciated				
Organizational costs	336,618		-	336,618
Machinery	932,005	-	-	932,005
Water and waste water system	18,779,836	-	-	18,779,836
Total capital assets, being depreciated	<u>20,048,459</u>	<u>-</u>	<u>-</u>	<u>20,048,459</u>
Less accumulated depreciation	(10,494,196)	-	(398,692)	(10,892,888)
Total net assets being depreciated, net	<u>9,554,263</u>	<u>-</u>	<u>-</u>	<u>9,155,571</u>
Total capital assets	<u>\$ 9,605,763</u>	<u>\$ -</u>	<u>\$ (398,692)</u>	<u>\$ 9,207,071</u>

NOTE 6 - PENSION PLAN

The District has a simplified employee pension (SEP) IRA, single employer plan covering all its employees. IRS Form 5305-SEP under authority 408(k) of the Internal Revenue Code; executed March 13, 1986, amended December 11, 1995 and again on October 28, 1997. The District contributes 12.4% to SEP individual retirement accounts in lieu of social security taxes. The expense amounted to \$41,233 in fiscal year 2019. Employees made no contributions. Financial statements are sent directly to the employees from the Trustees, Individuals are allowed to select their own trustee for this plan.

NOTE 7 - PLEDGED REVENUES

The District is required by its bond resolutions to annually levy taxes on taxable property in the District for the purpose of retiring principal and interest on outstanding bonds. This tax is designated for the Debt Service Fund.

The District levies taxes on real property within the District on October 1. The assessed valuation of net taxable property in the District as of 2018 was \$504,876,533 representing 100% of appraised value. The rate for the 2018 tax roll which is used for fiscal year 2019 taxes was set at .0847 per \$100 assessed valuation designated solely for debt service and .23 per \$100 assessed valuation designated solely for maintenance and operations of the water and sewer systems. This rate is a decrease from the previous year of \$.0053.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has joined together with other governments in the Texas Municipal League Intergovernmental Employee Benefits Pool (the Pool). The District pays an annual premium to the Pool for its employee Insurance coverage. The District has also addressed its needs in the area of risk management by purchasing property and liability coverage from Arthur J. Gallagher. The District continues to carry commercial fidelity bonds for directors and employees

NOTE 9 – ADJUSTMENTS TO CONVERT FUND STATEMENTS TO GOVERNMENT-WIDE

Adjustments to convert fund statements to government-wide

Unrestricted fund balance - governmental fund	\$ 1,440,188
Increase net assets for capital assets not reported in the governmental funds	9,207,071
Taxes receivables deferred in the fund financial statements and not in the government-wide financial statements	61,617
Long-term debt liabilities not reported in the fund financial statements	(4,024,388)
Net assets - governmental activities	<u>\$ 6,684,488</u>

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental fund	\$ 251,267
Net increase in tax receivable deferred in the fund financial statement not in the government-wide financial statements	6,634
Depreciation expense not recognized in the fund financial statements	(398,692)
Long-term debt principal payments recognized as expenditures in the fund financial statements	<u>366,534</u>
Change in net assets - governmental activities	<u>\$ 225,743</u>

NOTE 10 – SUBSEQUENT EVENTS

The District has evaluated subsequent events as of January 13, 2019, the date the financial statements were available to be issued.

NOTE 11 – PRIOR PERIOD ADJUSTMENT

Due to the conversion to a new accounting system, a nonmaterial equity amount was not properly recorded in the new accounting software and therefore a prior period adjustment was recorded. The effect of this adjustment was required to convert the fund financials into government wide financials for presentation purposes.

SUPPLEMENTAL SCHEDULES

Budgetary Comparison Schedule
 General Fund
 For the Year Ended September 30, 2019

	General Fund		
	Original and Final Budget	Actual	Variance (Unfavorable)
Revenues:			
Charges for utility service	\$ 1,156,523	\$ 1,021,524	\$ (134,999)
Property taxes	1,170,888	1,143,105	(27,783)
Interest Income	-	20,325	20,325
Tap Fees	12,967	37,035	24,068
Raw Water	223,325	225,484	2,159
Other	135,041	158,382	23,341
Total revenues	2,698,744	2,605,855	(92,889)
Expenditures/expenses:			
Purchased Water and Utilities	317,200	303,537	13,663
Payroll and benefits	1,039,642	1,068,068	(28,426)
Directors fees	9,750	9,750	-
Professional Fees	56,700	49,855	6,845
Purchased and contracted services	48,600	31,742	16,858
Consumable supplies and materials	215,200	110,485	104,715
General and administrative	221,585	210,021	11,564
Repairs	327,747	281,413	46,334
Debt service - interest	10,250	9,699	551
Debt service - principal	70,983	71,534	(551)
Other Expenses	5,550	42,357	(36,807)
Total expenditure/expenses	2,323,207	2,188,461	134,746
Excess (deficiency) of revenues over expenditures	375,537	417,394	41,857
Other Financing Sources:			
Transfers In/Out	(132,000)	(132,000)	-
	0	(132,000)	-
Net position-beginning of year	906,926	906,926	-
Net position- end of year	\$ 1,150,463	\$ 1,192,320	\$ 41,857

HURST CREEK M.U.D.
TSI 1. SERVICES AND RATES
Year Ended September 30, 2019

1. Services Provided by the District:

- | | | |
|---|---|--|
| <input checked="" type="checkbox"/> Retail Water | <input type="checkbox"/> Wholesale Water | <input checked="" type="checkbox"/> Drainage |
| <input checked="" 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 3/4" meter

The most prevalent type of meter (if not a 1) = 3/4"

	<u>MIN CHARGE</u>	<u>MIN USAGE</u>	<u>FLAT RATE Y/N</u>	<u>RATE PER 1000 GALLONS OVER MINIMUM USE</u>	<u>USAGE LEVELS</u>
WATER:	\$ 14.78	0	N	\$ 2.43 \$ 2.72 \$ 3.01	0 to 50,000 gallons 50,001-100,000 100,001 & over
SEWER:	\$ 9.00	0	N	\$ 1.75	

District employs winter averaging for wastewater usage? Yes No

Total water and sewer charges per 10,000 gallons usage: Water: \$ 24.30
 Wastewater: \$ 17.50

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
3/4"	1131	1131	x 1.0	1131
1"	64	64	x 2.5	160
1 1/2"	6	6	x 5.0	30
2"	11	11	x 8.0	88
3"	2	2	x 15.0	30
4"	3	3	x 25.0	75
6"	1	1	x 50.0	50
8"	0	0	x 80.0	0
10"	0	0	x 115.0	0
Total Water	1218	1218		1564
Total Wastewater	1195	1195	x 1.0	

[21]

3. Total water consumption (rounded to the nearest 1,000) during the fiscal year:

Gallons pumped into system:	263,698
Gallons billed to customers:	220,075
Water Accountability Ratio: (Gallons billed/Gallons pumped)	83.45 %

4. Standby Fees:

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 the District

County(ies) in which the District is located: TRAVIS COUNTY

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 the District is located: VILLAGE OF THE HILLS AND CITY OF LAKEWAY

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

Entirely Partly Not at all

ETJs in which the District is located: VILLAGE OF THE HILLS

Are Board members appointed by an office outside the district? Yes No

If Yes, by whom?

Hurst Creek Municipal Utility District
 TSI-2. Schedule of General Fund Expenditures
 For the Year Ended September 30, 2019

System:		
	Personnel (Including Benefits)	1,068,068
Professional Fees:		
	Auditing	17,766
	Legal	17,261
	Engineering	14,828
Purchased Services for Resale:		
	Bulk Water and Sewer Service Purchases	159,807
Contracted Services:		
	Other Contracted Services	158,541
	Lab Analysis	31,742
Utilities		147,730
Repairs & Maintenance		281,413
Administrative Expenditures:		
	Directors' Fees	9,750
	Office Supplies	23,524
	Insurance	42,357
	Other Administrative Expenses	144,140
Depreciation Expense		-
		398,692
	TOTAL EXPENDITURES	<u>\$2,515,619</u>

Number of Persons Employed by the District:	10	Full-Time
	2	Part-Time

Hurst Creek Municipal Utility District
TSI-3. Temporary Investments
For the Year Ended September 30, 2019

NONE

Hurst Creek Municipal Utility District
 TSI-4. Taxes Levied and Collected
 September 30, 2019

	Maintenance <u>Taxes</u>	Debt Service <u>Taxes</u>
Taxes receivable at beginning of year	\$28,981	\$24,063
2018 original levy	1,169,026	430,507
Adjustments	(5,177)	(1,907)
Total to be accounted for	<u>1,163,849</u>	<u>428,600</u>
Tax collections:		
Current year	1,153,693	424,860
Prior years	3,932	3,453
Total collections	<u>1,157,625</u>	<u>428,313</u>
Taxes receivable, end of year	\$35,205	\$24,350
Taxes receivable, by year		
2008 and prior	3,707	4,943
2009	991	1,321
2010	1,910	2,604
2011	2,055	3,073
2012	2,189	2,119
2013	2,237	1,971
2014	3,039	2,279
2015	3,327	2,298
2016	3,713	2,006
2017	3,810	1,732
2018	7,523	2,770
	<u>\$ 34,501</u>	<u>\$ 27,116</u>

	2018	2017	2016	2015
Property Valuations	\$ 504,876,533	\$ 487,301,571	\$ 461,184,220	\$ 442,051,682
Tax rates per \$100 valuations				
Debt service tax rate	\$ 0.0847	\$ 0.10	\$ 0.1200	\$ 0.148
Maintenance tax rate	\$ 0.2300	\$ 0.22	\$ 0.2221	\$ 0.215
Total tax rate	\$ 0.31	\$ 0.32	\$ 0.3421	\$ 0.363
Original tax levy	\$ 1,599,533	\$ 1,552,690	\$ 1,582,713	\$ 1,592,449
Percent of taxes collected to levy	98.7%	99.1%	99.4%	99.0%

Hurst Creek Municipal Utility District
 TSI-5. Long Term Debt Service Requirements
 All Bonded Debt Series - by Years
 For the Year Ended September 30, 2019

Due During Fiscal Years Ending	Annual Requirements for All Series Bonds		
	Principal Due April 1 and October 1	Interest Due April 1 and October 1	Total Annual Requirements
2020	320,000	126,855	446,855
2021	275,000	115,963	390,963
2022	280,000	107,675	387,675
2023	290,000	99,155	389,155
2024	310,000	89,865	399,865
2025	320,000	78,940	398,940
2026	325,000	67,650	392,650
2027	345,000	56,210	401,210
2028	360,000	43,900	403,900
2029	230,000	31,000	261,000
2030	240,000	24,100	264,100
2031	255,000	16,900	271,900
2032	265,000	8,613	273,613
	\$ 3,815,000	\$ 866,825	\$ 4,681,825

Hurst Creek Municipal Utility District
 TSI-5. Long Term Debt Service Requirements
 Unlimited Tax Series 2003 Bonds - by Years
 For the Year Ended September 30, 2019

Due During Fiscal Years Ending	Principal Due April 1	Interest Due April 1 and October 1	Total Annual Requirements
2020	35,000	2,030	37,030
	\$ 35,000	\$ 2,030	\$ 37,030

Hurst Creek Municipal Utility District
 TSI-5. Long Term Debt Service Requirements
 Unlimited Tax Bonds Series 2005 - by Years
 For the Year Ended September 30, 2019

Due During Fiscal Years Ending	Principal Due September 1	Interest Due April 1 and October 1	Total Annual Requirements
2020	110,000	48,325	158,325
2021	120,000	43,925	163,925
2022	120,000	39,125	159,125
2023	120,000	34,205	154,205
2024	130,000	29,165	159,165
2025	130,000	23,640	153,640
2026	130,000	18,050	148,050
2027	140,000	12,460	152,460
2028	140,000	6,300	146,300
2029	-	-	-
	\$ 1,140,000	\$ 255,195	\$ 1,395,195

Hurst Creek Municipal Utility District
 TSI-5. Long Term Debt Service Requirements
 Unlimited Tax Refunding Bonds Series 2005 - by Years
 For the Year Ended September 30, 2019

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1 and September 1	Total Annual Requirements
2020	30,000	1,200	31,200
	<u>\$ 30,000</u>	<u>\$ 1,200</u>	<u>\$ 31,200</u>

Hurst Creek Municipal Utility District
TSI-5. Long Term Debt Service Requirements
Unlimited Tax Bonds Series 2012 - by Years
For the Year Ended September 30, 2019

Due During Fiscal Years Ending	Principal Due April 1	Interest Due April 1 and October 1	Total Annual Requirements
2020	145,000	75,300	220,300
2021	155,000	72,038	227,038
2022	160,000	68,550	228,550
2023	170,000	64,950	234,950
2024	180,000	60,700	240,700
2025	190,000	55,300	245,300
2026	195,000	49,600	244,600
2027	205,000	43,750	248,750
2028	220,000	37,600	257,600
2029	230,000	31,000	261,000
2030	240,000	24,100	264,100
2031	255,000	16,900	271,900
2032	265,000	8,612	273,612
	\$ 2,610,000	\$ 608,400	\$ 3,218,400

Hurst Creek Municipal Utility District
 TSI-6. Analysis of Changes in General Long-Term Debt
 For the Year Ended September 30, 2019

	Bond Issues				Total
	Series 2003	Series 2005	Refunding Series 2005	Series 2012	
Interest Rate	5.7% - 5.8%	4.0% - 4.5%	4.00% 2.25%-3.25%		
Dates Interest Payable	Apr 18 & Oct 1	Apr 18 & Oct 1	Apr 18 & Oct 1	Apr 18 & Oct 1	
Maturity Dates	April 1, 2020	April 1, 2028	April 1, 2020	April 1, 2032	
Bonds Outstanding at Beginning of Current Year	\$70,000	\$1,230,000	\$60,000	\$2,750,000	\$4,110,000
Bonds Sold During the Current Year	-	-	-	-	-
Bonds Acquired During the Current Year	-	-	-	-	-
Retirements - Principal	35,000	90,000	30,000	140,000	295,000
Bonds Outstanding at End of Current Year	<u>\$35,000</u>	<u>\$1,140,000</u>	<u>\$30,000</u>	<u>\$2,610,000</u>	<u>\$3,815,000</u>
Paid During Current Year - Interest	<u>\$3,028</u>	<u>\$50,125</u>	<u>\$1,800</u>	<u>\$76,875</u>	<u>\$131,828</u>

Paying agent's name and address

Series 2003 Tax
 Series 2005 Refunding
 Series 2005 Tax
 Series 2012 Tax
 Bond Authority: Tower Marc Plaza
 10161 Centurion Parkway
 Jacksonville, FL 32256

Bank of New York - New York, New York
 Bank of New York - New York, New York
 Bank of New York - New York, New York
 Bank of New York - New York, New York
 Bank of NY Mellon
 PO Box 392005
 Pittsburg, PA 15251-9005

Amount Authorized by Voters
 Amount Issued
 Remaining to be Issued

Tax Bonds
 \$21,345,000
 16,755,000
 4,590,000

Debt Service Fund Cash and Temporary Investment Balance 9/30/19
 Average Annual Debt Service Payment (Principal and Interest) for remaining term of all Debt: [31] \$ 63,427 360,140

Hurst Creek Municipal Utility District
 TSI 7 - Comparative Schedule of Revenues and Expenditures - 5 Years
 All Funds

For the Year Ended September 30, 2019

	2019	2018	2017	2016	2015	2019	2018	2017	2016	2015
General Fund Revenue										
Property Taxes	\$ 1,573,044	\$ 1,554,972	\$ 1,020,934	\$ 932,426	\$ 877,110	51.8%	50.2%	35.6%	31.9%	31.4%
Service Revenue	1,021,524	1,157,918	1,379,679	1,239,147	1,056,597	33.6%	37.4%	48.1%	42.4%	37.8%
Miscellaneous Revenue	420,901	373,310	466,095	749,407	860,552	13.9%	12.1%	16.2%	25.6%	30.8%
Interest on Temporary Investments	22,105	11,706	4,020	1,858	278	0.7%	0.4%	0.1%	0.1%	0.0%
Total Revenue	3,037,574	3,097,906	2,870,728	2,922,838	\$ 2,794,537	100.0%	100.0%	100.0%	100.0%	100.0%
General Fund Expenditures										
Purchased Water & Sewer Service	303,537	319,289	319,105	321,266	310,332	10.8%	13.4%	11.5%	10.6%	10.6%
Payroll Expense	1,068,068	935,152	927,095	1,029,928	1,002,541	38.0%	39.2%	33.5%	34.0%	34.2%
Directors Fees	9,750	8,400	8,550	8,550	9,150	0.3%	0.4%	0.3%	0.3%	0.3%
Professional Fees	49,855	174,786	134,201	120,393	119,028	1.8%	7.3%	4.9%	4.0%	4.1%
Purchased & Contracted Services	31,742	46,790	35,701	46,415	35,776	1.1%	2.0%	1.3%	1.5%	1.2%
Consumable Supplies & Materials	110,485	219,519	269,891	224,334	192,938	3.9%	9.2%	9.8%	7.4%	6.6%
General & Administrative	374,406	326,632	203,498	192,099	185,316	13.3%	13.7%	7.4%	6.3%	6.3%
Other	863,988	353,061	755,542	652,029	652,187	30.7%	14.8%	27.3%	21.5%	22.3%
Capital Outlay	-	-	113,402	432,487	422,617	0.0%	0.0%	4.1%	14.3%	14.4%
Total Expenditures	2,811,831	2,383,629	2,766,985	3,027,501	2,929,885	100.0%	100.0%	100.0%	100.0%	100.0%
Excess Revenues (Expenditures)	225,743	714,277	103,743	(104,663)	(135,348)	0.0%	0.0%	0.0%	0.0%	0.0%
Debt Service Revenue										
Property Taxes	423,305	470,218	554,971	653,119	663,651	99.6%	96.5%	98.3%	99.9%	100.0%
Penalties & Interest on Property Taxes	-	15,526	8,482	-	-	0.0%	3.2%	1.5%	0.0%	0.0%
Investments on Temporary Investments	1,780	1,471	1,128	708	172	0.4%	0.3%	0.2%	0.1%	0.0%
Total Revenue	425,085	487,215	564,581	653,827	663,823	100.0%	100.0%	100.0%	100.0%	100.0%
Debt Service Expenditures										
General & Administration	-	300	32	-	-	0.0%	0.1%	0.0%	0.0%	0.0%
Debt Service - Interest & Principal	426,827	515,435	636,633	651,890	648,132	100.0%	99.9%	100.0%	100.0%	100.0%
Total Expenditures	426,827	515,735	636,665	651,890	648,132	100.0%	100.0%	100.0%	100.0%	100.0%
Excess Revenues (Expenditures)	\$ (1,742)	\$ (28,520)	\$ (72,084)	\$ 1,937	\$ 15,691	0.0%	0.0%	0.0%	0.0%	0.0%
Total Active Retail Water and/or Wastewater Connectors	1195	1190	1190	1100	1100					

HURST CREEK MUNICIPAL UTILITY DISTRICT
 TSI 8 - BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
 YEAR ENDED SEPTEMBER 30, 2019

Complete District Mailing Address: 102 Trophy Drive, The Hills, TX 78738

District Business Telephone Number: (512) 261 - 6281

Limit on fees of office during a fiscal year: \$150 per day - maximum of \$7,200 per year

<u>Name and Address</u>	<u>Term of Office or Hire Date</u>	<u>Fees of Office</u> <u>Sept. 30, 2019</u>	<u>Expenses Reimbursed</u> <u>Sept. 30, 2019</u>	<u>Title at Year end</u>
<u>Board Members</u>				
Wilson Smith 17 Applegreen Lane The Hills, TX 78738	Nov-16	\$ 2,100	\$ -	President
James M. Wingard 16 Sw iftwater Trail The Hills, TX 78738	Nov-16	\$ 2,100	\$ -	Vice - President
Bill Warmuth 26 Hedgebrook Way The Hills, TX 78738	Nov-18	\$ 1,950	\$ -	Treasurer
Mike Maroney 30 Hightrail Way The Hills, TX 78738	Nov-18	\$ 2,100	\$ -	Secretary
Larry Kener 4 Radnor Drive The Hills, TX 78738	Nov-18	\$ 1,500	\$ -	Assistant Secretary
<u>Key Personnel</u>				
Earl Wood 102 Trophy Drive The Hills, TX 78738	10/27/97	\$ 149,855.53	\$ -	General Manager
Stacey Johnson 717 Ruby Isle Leander TX, 78641	02/17/06	\$ 100,292.41	\$ -	Assist. General Manager- Project Dvlpmt & Sys Controls
Kurt Pendleton 3 Rosewood Cr Wimberly, TX 78676	07/06/09	\$ 97,792.47	\$ -	Assist. General Manager Operations

Consultants

Lloyd, Gosselink, Blevins, Rochelle, Baldwin & Townsend, P.C. 111 Congress Ave. #1800 Austin, TX 78701	\$ 29,522.69 \$	- Legal Counsel
James Miertschin & Assoc. P.O. Box 162305 Austin, Texas 78716	\$ 4,775 \$	- Engineer
Jansen and Gregorczyk P.O. Box 1778 Kyle, Texas 78640	\$ 17,766.25 \$	- Auditor
Steger & Bizzell 1978 S. Austin Avenue Georgetown, TX 78626	\$ 54,522.75 \$	- Drainage Engineer
Specialized Public Finance, Inc. 248 Addie Roy Road Suite B-103 Austin, TX 78746	\$ - \$	- Financial Advisor
Orrick, Herrington & Sutcliffe LLP 300 W. 6th Street Suite 1850 Austin, TX 78701	\$ - \$	- Bond Counsel

**Hurst Creek MUD
Schedule of Insurance in Force
September 30, 2019**

Name of Company	Policy Period	Details of Coverage	Annual Premium
Arthur J. Gallagher			
Allied World Assurance Co.	10/1/18-10/1/19	Property, Eqpt., Gen. Liability Auto, Pollution and Umbrella Liability, Cyber, Excess Liability	\$ 33,803
Philadelphia Insuance Co.	10/1/18-10/1/19	Cyber Liability	1,139
Federal Insurance Co.	10/1/18-10/1/19	Directors and Officers Liability	3,000
Texas Mutual	10/1/18-10/1/19	Workers' Compensation	8,090
Hartford Casualty Insurance Co	10/1/18-10/1/19	Directors Position Schedule Bond	174
Hartford Fire Insurance Co Agency Fee	10/1/18-10/1/19	Public Employee Blanket Crime Bond	120
			<u>2,200</u>
			<u>\$ 48,526</u>