

**The Meadows at Chandler Creek
Municipal Utility District**

**Financial Statements and
Supplemental Information
as of and for the Year Ended
September 30, 2021 and
Independent Auditors' Report**



The Meadows at Chandler Creek Municipal Utility District

Table of Contents

	<u>Page</u>
Annual Filing Affidavit	1
Independent Auditors' Report	2-4
Management's Discussion and Analysis	5-8
Basic Financial Statements:	
Statement of Net Position and Governmental Funds Balance Sheet	9
Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances	10
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	11
Notes to Basic Financial Statements	12-22
Supplemental Information Required by the Texas Commission on Environmental Quality:	
Index of Supplemental Schedules Required by the Texas Commission on Environmental Quality	23
Supplemental Schedules Required by the Texas Commission on Environmental Quality	24-35
Other Supplementary Information:	
Principal Taxpayers	36
Assessed Value by Classification	37

Annual Filing Affidavit

The State of Texas

County of Williamson

I, Walter Berry of the
(Name of Duly Authorized District Representative)

The Meadows at Chandler Creek Municipal Utility District

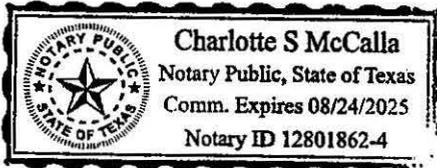
hereby swear, or affirm, that the District named above has reviewed and approved at a meeting of the Board of Directors of the District on the 18th day of January, 2022, its audit report for the year ended September 30, 2021, and that copies of the audit report have been filed in the District's office, located at c/o McGinnis Lochridge, 1111 W 6th St, Ste. 400, Austin, TX 78703.

The annual filing affidavit and the attached copy of the audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code and to the Texas Comptroller of Public Accounts in satisfaction of the annual filing requirements of Section 140.008 of the Texas Local Government Code.

Date: 1/18, 2022. By: Walter Berry
(Signature of District Representative)

Walter Berry, Board President
(Typed Name and Title of above District Representative)

Sworn to and subscribed to before me this 18th day of January, 2022.



(SEAL)

Charlotte S McCalla
(Signature of Notary)

Charlotte S. McCalla
(Printed Name of Notary)

My Commission Expires On: 8/24/25
Notary Public in and for the State of Texas.



MAXWELL LOCKE & RITTER LLP

Accountants and Consultants

An Affiliate of CPAmerica International

tel (512) 370 3200 fax (512) 370 3250
www.mlrpc.com

Austin: 401 Congress Avenue, Suite 1100
Austin, TX 78701

Round Rock: 411 West Main Street, Suite 300
Round Rock, TX 78664

Independent Auditors' Report

To the Board of Directors of
The Meadows at Chandler Creek Municipal Utility District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of The Meadows at Chandler Creek Municipal Utility District (the "District"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District'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.

Auditors' 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.

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

*"A Registered Investment Advisor"
This firm is not a CPA firm*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 and each major fund of the District as of September 30, 2021, and the respective changes in financial position, and the respective budgetary comparison for the General Fund 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 on pages 5 through 8 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.

Other 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 supplemental information required by the Texas Commission on Environmental Quality (the "TCEQ") and other supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information required by the TCEQ listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information required by the TCEQ listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other supplemental information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Maxwell Locke + Ritter LLP

Austin, Texas
January 18, 2022

The Meadows at Chandler Creek Municipal Utility District

Management's Discussion and Analysis For the Year Ended September 30, 2021

In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, the management of The Meadows at Chandler Creek Municipal Utility District (the "District") offers the following narrative on the financial performance of the District for the year ended September 30, 2021. 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 "Total 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 Basic Financial Statements

The District's reporting is comprised of two parts:

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

Other supplementary information is also included.

The *Statement of Net Position and Governmental Funds Balance Sheet* includes a column (titled "Total Governmental Funds") 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 position will indicate financial health.

The *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances* includes a column (titled "Total Governmental Funds") that derives the change in fund balances 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 *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 Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances*.

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

Comparative Financial Statements

Statement of Net Position

	Governmental Activities		
	2021	2020	% Change
Current assets	\$ 1,565,416	\$ 1,633,814	(4%)
Capital assets	8,831,658	9,115,168	(3%)
Total assets	<u>\$ 10,397,074</u>	<u>\$ 10,748,982</u>	<u>(3%)</u>
Current liabilities	\$ 713,526	\$ 723,605	(1%)
Long-term liabilities	645,000	1,280,000	(50%)
Total liabilities	<u>\$ 1,358,526</u>	<u>\$ 2,003,605</u>	<u>(32%)</u>
Net investment in capital assets	\$ 7,551,658	\$ 7,230,168	4%
Restricted	287,313	331,884	(13%)
Unrestricted	1,199,577	1,183,325	1%
Total net position	<u>\$ 9,038,548</u>	<u>\$ 8,745,377</u>	<u>3%</u>

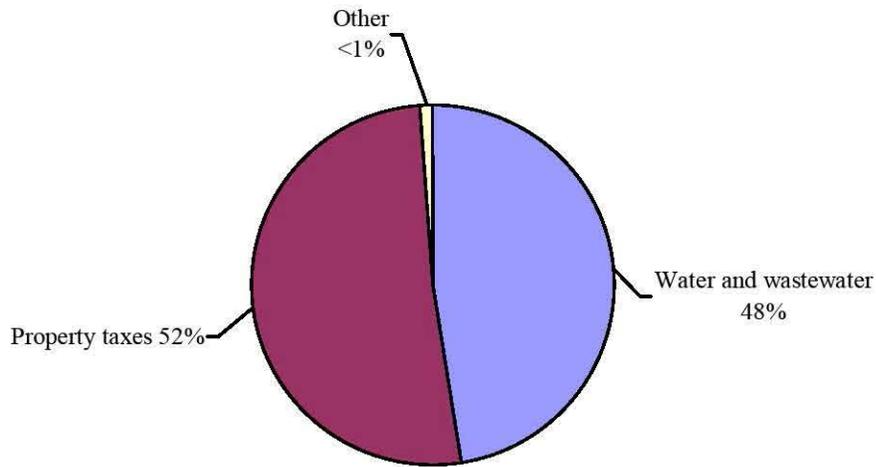
The District's total assets were approximately \$10.4 million as of September 30, 2021. Of this amount, approximately \$8.8 million is included in capital assets. The District had outstanding liabilities of approximately \$1.4 million which were comprised primarily of general obligation bonds.

Statement of Activities

	Governmental Activities		
	2021	2020	% Change
Water and wastewater services	\$ 1,337,053	\$ 1,406,590	(5%)
Property taxes, including penalties and interest	1,449,904	1,434,271	1%
Contributions	-	398,560	(100%)
Other	2,466	19,646	(87%)
Total revenues	<u>2,789,423</u>	<u>3,259,067</u>	<u>(14%)</u>
Services	1,337,053	1,406,590	(5%)
Other	711,002	654,582	9%
Debt service costs	40,081	56,151	(29%)
Depreciation	408,116	372,347	10%
Total expenses	<u>2,496,252</u>	<u>2,489,670</u>	<u><1%</u>
Change in net position	293,171	769,397	(62%)
Beginning net position	8,745,377	7,975,980	10%
Ending net position	<u>\$ 9,038,548</u>	<u>\$ 8,745,377</u>	<u>3%</u>

Revenues were approximately \$2.8 million for the fiscal year ended September 30, 2021, which is a 14% decrease from the prior year. This decrease was mainly related to contributed capital assets of approximately \$399,000 which was contributed during the year ended September 30, 2020. Property taxes provided approximately \$1.5 million and water and wastewater services provided approximately \$1.3 million. Expenses increased in total by approximately \$7,000 to approximately \$2.5 million for the fiscal year ended September 30, 2021, of which approximately \$1.3 million was related to water and wastewater services and approximately \$408,000 was related to depreciation expense. Net position for the fiscal year ended September 30, 2021 increased approximately \$293,000 compared to the prior year net position increase of approximately \$769,000.

Sources of Revenue



Analysis of Governmental Funds

	2021	2020
Cash	\$ 97,005	\$ 21,728
Temporary investments	1,449,428	1,563,590
Receivables	12,348	37,671
Prepaid items	6,635	10,825
Interfund receivable	775	789
Total assets	\$ 1,566,191	\$ 1,634,603
Accounts payable	\$ 50,299	\$ 100,517
Refundable deposits	22,436	9,578
Interfund payable	775	789
Total liabilities	73,510	110,884
Deferred inflows of resources - property tax revenue	4,105	4,611
Nonspendable fund balance	6,635	10,825
Restricted fund balance	291,396	338,476
Assigned fund balance	134,032	99,804
Unassigned fund balance	1,056,513	1,070,003
Total fund balances	1,488,576	1,519,108
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,566,191	\$ 1,634,603

The *General Fund* pays for daily operating expenditures. When comparing actual figures to the budget, actual revenues were lower than budget by approximately \$44,000 mostly due to lower water and wastewater service revenue than expected. Actual expenditures were lower than final budget by approximately \$161,000 mostly due to lower than expected parks repairs and maintenance and water and wastewater service expenditures. More detailed information about the District's budgetary comparison is presented in the *Basic Financial Statements*.

The *Debt Service Fund* remitted bond principal of \$605,000 and interest of \$42,800. More detailed information about the District's debt is presented in the *Notes to Basic Financial Statements*.

Capital Assets

	2021	2020
Land	\$ 411,060	\$ 411,060
Construction in progress	-	363,869
Water and wastewater facilities	12,807,082	12,807,082
Park improvements	2,287,363	1,798,888
Other capital assets	355,430	355,430
Subtotal	15,860,935	15,736,329
Accumulated depreciation	(7,029,277)	(6,621,161)
Total	<u>\$ 8,831,658</u>	<u>\$ 9,115,168</u>

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

Long-Term Debt Activity

	2021	2020
Series 2005 Bonds	\$ 190,000	\$ 280,000
Series 2012 Bonds	1,090,000	1,605,000
Total	<u>\$ 1,280,000</u>	<u>\$ 1,885,000</u>

At September 30, 2021, unlimited tax bonds of \$1,835,000 were authorized by the District, but unissued. More detailed information about the District's long-term debt is presented in the *Notes to Basic Financial Statements*.

Currently Known Facts, Decisions, or Conditions

For fiscal year 2022, which is the tax year 2021, the tax rate is \$0.1976 per \$100 of assessed valuation for maintenance and operating expenditures and the tax rate is \$0.1400 per \$100 of assessed valuation for payment of principal and interest associated with outstanding bonds. The adopted budget for 2022 projects an approximate \$134,000 decrease in fund balance of the General Fund. When compared to the 2021 budget, revenues are expected to remain consistent, and expenditures are expected to increase by approximately 1%.

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 c/o McGinnis Lochridge, 1111 W 6th St, Ste. 400, Austin, TX 78703.

The Meadows at Chandler Creek Municipal Utility District

Statement of Net Position and Governmental Funds Balance Sheet September 30, 2021

	General Fund	Debt Service Fund	Total Governmental Funds	Adjustments (Note 2)	Statement of Net Position
Assets:					
Cash	\$ 97,005	-	97,005	-	97,005
Temporary investments	1,157,310	292,118	1,449,428	-	1,449,428
Accounts receivable:					
Property tax receivable	2,397	1,708	4,105	-	4,105
Other receivables	8,190	53	8,243	-	8,243
Prepays	6,635	-	6,635	-	6,635
Due from other funds	775	-	775	(775)	-
Capital assets (net of accumulated depreciation):					
Land	-	-	-	411,060	411,060
Infrastructure	-	-	-	7,016,861	7,016,861
Park improvements	-	-	-	1,403,737	1,403,737
Total assets	<u>\$ 1,272,312</u>	<u>293,879</u>	<u>1,566,191</u>	<u>8,830,883</u>	<u>10,397,074</u>
Liabilities:					
Accounts payable	\$ 50,299	-	50,299	-	50,299
Refundable deposits	22,436	-	22,436	-	22,436
Due to other funds	-	775	775	(775)	-
Bond interest payable	-	-	-	5,791	5,791
Long-term liabilities:					
Due within one year	-	-	-	635,000	635,000
Due after one year	-	-	-	645,000	645,000
Total liabilities	<u>72,735</u>	<u>775</u>	<u>73,510</u>	<u>1,285,016</u>	<u>1,358,526</u>
Deferred Inflows of Resources-					
Property taxes	<u>2,397</u>	<u>1,708</u>	<u>4,105</u>	<u>(4,105)</u>	<u>-</u>
Total deferred inflows of resources	<u>2,397</u>	<u>1,708</u>	<u>4,105</u>	<u>(4,105)</u>	<u>-</u>
Fund Balances/Net Position:					
Fund balances:					
Nonspendable	6,635	-	6,635	(6,635)	-
Restricted for debt service	-	291,396	291,396	(291,396)	-
Assigned-					
Subsequent year's budget deficit	134,032	-	134,032	(134,032)	-
Unassigned	<u>1,056,513</u>	<u>-</u>	<u>1,056,513</u>	<u>(1,056,513)</u>	<u>-</u>
Total fund balances	<u>1,197,180</u>	<u>291,396</u>	<u>1,488,576</u>	<u>(1,488,576)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,272,312</u>	<u>293,879</u>	<u>1,566,191</u>		
Net position:					
Net investment in capital assets				\$ 7,551,658	7,551,658
Restricted for debt service				287,313	287,313
Unrestricted				<u>1,199,577</u>	<u>1,199,577</u>
Total net position				<u>\$ 9,038,548</u>	<u>9,038,548</u>

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

The Meadows at Chandler Creek Municipal Utility District

Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances Year Ended September 30, 2021

	General Fund	Debt Service Fund	Total Governmental Funds	Adjustments (Note 2)	Statement of Activities
Expenditures/expenses:					
Service operations:					
Water and wastewater services	\$ 1,337,053	-	1,337,053	-	1,337,053
Landscaping, clearing and irrigation	148,243	-	148,243	-	148,243
Contracted services	122,126	-	122,126	-	122,126
Engineering fees	86,767	-	86,767	-	86,767
Legal fees	63,701	-	63,701	-	63,701
Park repairs and maintenance	158,349	-	158,349	-	158,349
Utilities	39,727	-	39,727	-	39,727
Directors' fees	25,210	-	25,210	-	25,210
Travel and conference registration	12,806	-	12,806	-	12,806
Audit fees	13,000	-	13,000	-	13,000
Insurance	11,224	-	11,224	-	11,224
Tax assessor/collector fees	5,020	3,585	8,605	-	8,605
TCEQ fees	6,878	-	6,878	-	6,878
Fiscal agent fees	2,500	301	2,801	-	2,801
Other	11,565	-	11,565	-	11,565
Debt service:					
Principal payments	-	605,000	605,000	(605,000)	-
Interest	-	42,800	42,800	(2,719)	40,081
Capital outlay	124,606	-	124,606	(124,606)	-
Depreciation	-	-	-	408,116	408,116
Total expenditures/expenses	2,168,775	651,686	2,820,461	(324,209)	2,496,252
Revenues:					
Program revenues-					
Water and wastewater services	1,337,053	-	1,337,053	-	1,337,053
Total program revenues	1,337,053	-	1,337,053	-	1,337,053
Net program expense					(1,159,199)
General revenues:					
Property taxes, including penalties and interest	846,077	604,333	1,450,410	(506)	1,449,904
Interest and other revenue	2,193	273	2,466	-	2,466
Total general revenues	848,270	604,606	1,452,876	(506)	1,452,370
Total revenues	2,185,323	604,606	2,789,929	(506)	2,789,423
Excess (deficiency) of revenues over (under) expenditures	16,548	(47,080)	(30,532)	30,532	-
Change in net position	-	-	-	293,171	293,171
Fund balances/net position:					
Beginning of year	1,180,632	338,476	1,519,108	7,226,269	8,745,377
End of year	\$ 1,197,180	291,396	1,488,576	7,549,972	9,038,548

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

The Meadows at Chandler Creek Municipal Utility District

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund Year Ended September 30, 2021

	Original and Final Budget	Actual	Variance
Revenues:			
Water and wastewater services	\$ 1,385,000	1,337,053	(47,947)
Property taxes, including penalties and interest	843,776	846,077	2,301
Interest and other revenue	1,000	2,193	1,193
Total revenues	<u>2,229,776</u>	<u>2,185,323</u>	<u>(44,453)</u>
Expenditures:			
Service operations:			
Water and wastewater services	1,385,000	1,337,053	47,947
Landscaping, clearing and irrigation	131,250	148,243	(16,993)
Contracted services	129,150	122,126	7,024
Engineering fees	80,000	86,767	(6,767)
Legal fees	78,000	63,701	14,299
Park repairs and maintenance	208,000	158,349	49,651
Utilities	41,625	39,727	1,898
Directors' fees	42,005	25,210	16,795
Travel and conference registration	17,000	12,806	4,194
Audit fees	13,000	13,000	-
Insurance	11,500	11,224	276
Tax assessor/collector fees	5,500	5,020	480
TCEQ fees	7,000	6,878	122
Fiscal agent fees	2,500	2,500	-
Other	18,050	11,565	6,485
Capital outlay	160,000	124,606	35,394
Total expenditures	<u>2,329,580</u>	<u>2,168,775</u>	<u>160,805</u>
Excess (deficiency) of revenues over (under) expenditures	(99,804)	16,548	116,352
Fund balance:			
Beginning of year	<u>1,180,632</u>	<u>1,180,632</u>	<u>-</u>
End of year	<u>\$ 1,080,828</u>	<u>1,197,180</u>	<u>116,352</u>

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

The Meadows at Chandler Creek Municipal Utility District

Notes to Basic Financial Statements Year Ended September 30, 2021

1. Summary of Significant Accounting Policies

The Meadows at Chandler Creek Municipal Utility District (the “District”) was created, organized and established on May 14, 1985, by the Texas Commission on Environmental Quality pursuant to Chapter 54 of the Texas Water Code.

The reporting entity of the District encompasses those activities and functions over which the District’s elected officials exercise significant oversight or control. The District is governed by a five member Board of Directors (the “Board”) which has been elected by District residents or appointed by the Board. The District is not included in any other governmental “reporting entity” as defined by the Governmental Accounting Standards Board (“GASB”), since 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 included in the District’s reporting entity.

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 “Total 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.

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 the degree to which the expenses are offset by program revenues. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the District. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

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 program 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 sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Major revenue sources considered susceptible to accrual include interest income. No accrual for property taxes to be collected within sixty days of year end has been made as such amounts are deemed immaterial; delinquent property taxes at year end are reported as deferred inflows of resources.

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 unassigned fund balance is 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.

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

Budgets and Budgetary Accounting

Formal budgetary integration is employed as a management control device for the General Fund. The budget is proposed by the District Manager for the fiscal year commencing the following October 1, and is adopted on the modified accrual basis, which is consistent with generally accepted accounting principles.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Investments - Temporary investments throughout the year consisted of investments in an external local government investment pool and a certificate of deposit. The external local government investment pool is recognized at amortized cost as permitted by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The District is entitled to invest any and all of its funds in certificates of deposit, direct debt securities of the United States of America or the State of Texas, certain Federal agency securities and other types of municipal bonds, fully collateralized repurchase agreements, commercial paper and local government investment pools. The District's investment policies and types of investments are governed by Section 2256 of the Government Code ("Public Fund Investments Act"). The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets in both the government-wide and fund financial statements. Prepaid assets are charged to expenditures when consumed.

Capital Assets - Capital assets, which include land, infrastructure (water and wastewater facilities purchased, constructed, or donated), park improvements, and other capital assets, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of at least \$5,000. Such assets are recorded at historical cost, if purchased, or estimated acquisition value at the date of donation, if donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Capital assets (excluding land) are depreciated using the straight line method over the following estimated useful lives: infrastructure - fifty years, park improvements - ten years, and other capital assets - ten to fifteen years.

Long-Term Debt - In the government-wide financial statements, long-term debt is reported as a liability in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the period incurred.

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 received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures in the period incurred.

Ad Valorem Property Taxes - Property taxes, penalties and interest are reported as revenue in the fiscal year in which they become available to finance expenditures of the District. Allowances for uncollectibles are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Fund Equity - The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. See Note 10 for additional information on those fund balance classifications.

Deferred Outflows and Inflows of Resources - The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.

The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

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

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

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

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

Use of Estimates - The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, 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.

Recently Issued Accounting Pronouncements

In June 2017, the GASB issued GASB Statement No. 87, *Leases*, effective for fiscal years beginning after June 15, 2021. The objective of GASB Statement No. 87 is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. Management is evaluating the effects that the full implementation of GASB Statement No. 87 will have on its financial statements for the year ended September 30, 2022.

2. Reconciliation of Government-Wide and Fund Financial Statements

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

Governmental funds total fund balance	\$ 1,488,576
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,831,658
Deferred tax revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds.	4,105
The following liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(1,280,000)
Bond interest payable	(5,791)
Total net position	<u>\$ 9,038,548</u>

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

Deficiency of revenues under expenditures	\$ (30,532)
Governmental funds report capital outlays as expenditures.	
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:	
Capital outlay	124,606
Depreciation expense	(408,116)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred tax revenue	(506)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Repayment of bond principal	605,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in bond interest payable	<u>2,719</u>
Change in net position	<u>\$ 293,171</u>

3. Cash and Temporary Investments

The District's deposits are required to be secured in the manner provided by law for the security of the funds. At September 30, 2021, such deposits were entirely covered by Federal Deposit Insurance Corporation ("FDIC") insurance or secured by collateral pledged by the depository.

The Public Funds Investment Act authorizes the District to invest in funds under a written investment policy. The District's deposits and investments are invested pursuant to the investment policy, which is approved annually by the Board. The primary objectives of the District's investment strategy, in order of priority, are safety, liquidity, and yield.

The District is entitled to invest in obligations of the United States, the State of Texas, and certificates of deposit of state or national banks domiciled in Texas that are insured by the FDIC. The District's investment policy is in accordance with the Public Funds Investment Act. Authorized investments of the Public Funds Investment Act include obligations of, or guaranteed by, governmental entities, certificates of deposit, fully collateralized repurchase agreements, prime domestic bankers' acceptances, commercial paper with a stated maturity of 270 days or less from the date of its issuance, no-load money market mutual funds regulated by the United States Securities and Exchange Commission, guaranteed investment contracts, and eligible public funds investment pools. The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policies.

Temporary investments held at September 30, 2021 consisted of the following:

Type	Fair Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
Public funds investment pool - TexPool	\$ 1,449,428	1	AAAm
Total	<u>\$ 1,449,428</u>		

At September 30, 2021, the District held investments in one external local governmental investment pool, Texas Local Governmental Investment Pool (“TexPool”). Although TexPool is not registered with the SEC as an investment company, it operates in a manner consistent with the SEC’s Rule 2a-7 of the Investment Company Act of 1940. These investments are reported by the District at amortized cost under GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

TexPool is overseen by the Texas State Comptroller of Public Accounts, who is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate TexPool. TexPool also has an advisory board to advise on TexPool’s investment policy. This board is made up equally of participants and nonparticipants who do not have a business relationship with TexPool. Federated Investors manage daily operations of TexPool under a contract with the Comptroller and is the investment manager for the pool. TexPool’s investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

In accordance with GASB Statement No. 79, the external local government investment pool does not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. This pool does not impose any liquidity fees or redemption gates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At September 30, 2021, investments were included in an external local governmental investment pool with ratings from Standard and Poor’s in compliance with the District’s investment policy.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. Information regarding investments in any one issuer that represents five percent or more of the District’s total investments must be disclosed under GASB Statement No. 40, excluding investments issued or explicitly guaranteed by the U.S. government.

Interest Rate Risk - The District considers the holdings in the external local governmental investment pool to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholders, unless there has been a significant change in value.

4. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds.” The composition of interfund balances as of September 30, 2021, is as follows:

Receivable Fund	Payable Fund	Amount
General	Debt Service	\$ 775

5. Capital Assets

Capital assets activity for the year ended September 30, 2021, was as follows:

	Balance September 30, 2020	Additions	Retirements and Transfers	Balance September 30, 2021
Capital assets not being depreciated:				
Land	\$ 411,060	-	-	411,060
Construction in progress	363,869	124,606	(488,475)	-
Total capital assets not being depreciated	774,929	124,606	(488,475)	411,060
Capital assets being depreciated:				
Water and wastewater facilities	12,807,082	-	-	12,807,082
Park improvements	1,798,888	-	488,475	2,287,363
Other capital assets	355,430	-	-	355,430
Total capital assets being depreciated	14,961,400	-	488,475	15,449,875
Less accumulated depreciation for:				
Water and wastewater facilities	(5,507,391)	(282,830)	-	(5,790,221)
Park improvements	(758,340)	(125,286)	-	(883,626)
Other capital assets	(355,430)	-	-	(355,430)
Total accumulated depreciation	(6,621,161)	(408,116)	-	(7,029,277)
Total capital assets being depreciated, net	8,340,239	(408,116)	488,475	8,420,598
Capital assets, net	\$ 9,115,168	(283,510)	-	8,831,658

6. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2021:

	Balance September 30, 2020	Additions	Reductions	Balance September 30, 2021
Series 2005	\$ 280,000	-	(90,000)	190,000
Series 2012	1,605,000	-	(515,000)	1,090,000
Total	\$ 1,885,000	-	(605,000)	1,280,000

Bonds payable at September 30, 2021, is comprised of the following:

Series	Description	Matures Through	Interest Rate %	Balance September 30, 2021	Due Within One Year
2005	Unlimited Tax and Revenue Refunding Bonds	2023	2.65% - 4.60%	\$ 190,000	\$ 90,000
2012	Unlimited Tax Refunding Bonds	2023	0.80% - 2.39%	1,090,000	545,000
				<u>\$ 1,280,000</u>	<u>\$ 635,000</u>

Debt service requirements to maturity for the District's bonds are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 635,000	26,186	661,186
2023	645,000	8,813	653,813
Total	\$ 1,280,000	34,999	1,314,999

The bonds are payable from the proceeds of a continuing, direct, and ad valorem tax levied upon all property within the District subject to taxation without limitation as to rate or amount, and are further payable from and secured by a lien on, and pledge of, the net revenues to be received from the operation of the District's waterworks and sewer system. The bonds are obligations solely of the District and are not obligations of the City of Round Rock, Texas (the "City"); Williamson County, Texas; the State of Texas; or any other entity other than the District.

At September 30, 2021, there were \$1,835,000 of bonds authorized by voters of the District but unissued.

7. Property Taxes

The Texas Water Code authorizes the District to levy a tax each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located within its boundaries. Assessed values are established annually by the Williamson Central Appraisal District. District property tax revenues are recognized when levied to the extent that they are collected and become available to finance expenditures of the District in the current fiscal period. The balance is reported as deferred inflows of resources. Taxes receivable are due January 1 and are delinquent if received after January 31 and are subject to penalty and interest charges.

In September 2020, the District levied a tax rate of \$0.3600 per \$100 of assessed valuation to finance the operating expenditures and debt service requirements of the District. The maintenance tax rate and the debt service tax rate were \$0.2100 and \$0.1500, respectively. The total 2020 tax levy was \$1,450,090 based on a taxable valuation of \$393,794,126.

8. Commitments and Contingent Liabilities

Under a water and wastewater rate settlement agreement dated September 22, 1991 with the City, the City agreed to set and charge the District water and wastewater rates at the same rates as the City charges its retail customers inside the city limits of Round Rock. The City agreed to collect water and wastewater revenue from the customers of the District, and shall bear all responsibility to operate, manage, maintain and repair, at the City's expense, all of the District's facilities. The City also agreed not to charge the District any other fees that it does not charge its customers in the normal course of operation.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the world. While the disruption is expected to be temporary, there is uncertainty around the severity and duration. Due to the nature of the District's services, the pandemic may negatively impact the District's business, results of operations, and financial position; however, the related financial impact cannot be reasonably estimated at this time. The District is actively managing its operations to maintain its cash flow and management believes that the District has adequate liquidity.

9. Risk Management

The District's risk management program includes coverage through third party insurance providers for director and officer liability, public official position liability and general liability. Losses in excess of the various deductible levels are covered through traditional indemnity coverage. No claims were filed during the previous two years.

10. Fund Balances

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

Nonspendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned - For the General Fund, the Board may appropriate amounts that are to be used for a specific purpose. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

The detail of the fund balances is included in the Governmental Funds Balance Sheet on page 9. Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has the authority to assign fund balance for a specific purpose.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

The Meadows at Chandler Creek Municipal Utility District

Index of Supplemental Schedules Required by the Texas Commission on Environmental Quality Year Ended September 30, 2021

Schedule Included			
<u>Yes</u>	<u>No</u>		
<u>X</u>	<u> </u>	TSI-0	Notes Required by the Water District Accounting Manual
<u>X</u>	<u> </u>	TSI-1	Schedule of Services and Rates
<u>X</u>	<u> </u>	TSI-2	Schedule of General Fund Expenditures
<u>X</u>	<u> </u>	TSI-3	Schedule of Temporary Investments
<u>X</u>	<u> </u>	TSI-4	Analysis of Taxes Levied and Receivable
<u>X</u>	<u> </u>	TSI-5	Long-Term Debt Service Requirements by Years
<u>X</u>	<u> </u>	TSI-6	Analysis of Changes in Long-Term Bonded Debt
<u>X</u>	<u> </u>	TSI-7	Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund Five Years Ended September 30, 2021
<u>X</u>	<u> </u>	TSI-8	Board Members, Key Personnel and Consultants

The Meadows at Chandler Creek Municipal Utility District

TSI-0 Notes Required by the Water District Accounting Manual Year Ended September 30, 2021

The notes which follow are not necessarily required for fair presentation of the audited financial statements of the District which are contained in the preceding section of this report. They are presented in conformity with requirements of the Texas Commission on Environmental Quality to assure disclosure of specifically required facts.

(A) Creation of District

See Note 1 to basic financial statements.

(B) Contingent Liabilities

See Note 8 to basic financial statements.

(C) Pension Coverage

Not applicable.

(D) Pledge of Revenues

See Note 6 to basic financial statements.

(E) Compliance with Debt Service Requirements

See Note 6 to basic financial statements.

(F) Redemption of Bonds

See Note 6 to basic financial statements.

The Meadows at Chandler Creek Municipal Utility District

TSI-1 Schedule of Services and Rates Year Ended September 30, 2021

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 checked="" type="checkbox"/> Parks/Recreation | <input type="checkbox"/> Fire Protection | <input checked="" type="checkbox"/> Security |
| <input type="checkbox"/> Solid Waste/Garbage | <input type="checkbox"/> Flood Control | <input type="checkbox"/> Roads |
- Participates in joint venture, regional system and or wastewater service
 (other than emergency interconnect)
 Other (specify): Electricity for street lights
-

2. Retail Service Providers:

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

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons Over Minimum Use	Usage Levels
Water	\$ 16.52	-	Y	\$ 2.56	0 to 15,000
				3.20	15,001 to 21,000
				3.85	21,001 to 27,000
				5.77	27,001 and above
Wastewater	\$ 13.27	-	Y	\$ 3.39	No limit
Surcharge	\$ None			\$	

District employs winter averaging for wastewater usage? Yes No

Total charges per 10,000 gallons usage: Water: \$ 42.12 Wastewater: \$ 47.17

(continued)

The Meadows at Chandler Creek Municipal Utility District

TSI-1 Schedule of Services and Rates (continued) Year Ended September 30, 2021

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered	-	-	x 1.0	-
<=3/4"	1,562	1,562	x 1.0	1,562
3/4"	16	16	x 1.0	16
1"	10	10	x 2.5	25
1 1/2"	5	5	x 5.0	25
2"	4	4	x 8.0	32
3"	1	1	x 15.0	15
4"	1	1	x 25.0	25
6"	2	2	x 50.0	100
8"	-	-	x 80.0	-
10"	-	-	x 115.0	-
Total Water	1,601	1,601		1,800
Total Wastewater	1,601	1,601	x 1.0	1,800

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

Gallons pumped into system:	146,393,000	Water Accountability Ratio: (Gallons billed/Gallons pumped)
Gallons billed to customers:	146,393,000	

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

Does the District have Debt Service standby fees? Yes No

If yes, Date of the most recent Commission Order: N/A

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

If yes, Date of the most recent Commission Order: N/A

(continued)

The Meadows at Chandler Creek Municipal Utility District

TSI-1 Schedule of Services and Rates (continued)

Year Ended September 30, 2021

5. Location of District:

County(ies) in which district is located:

Williamson

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:

N/A

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

Entirely

Partly

Not at all

ETJ's in which district is located:

Round Rock

Are Board members appointed by an office outside the District?

Yes

No

If yes, by whom?

N/A

The Meadows at Chandler Creek Municipal Utility District

TSI-2 Schedule of General Fund Expenditures Year Ended September 30, 2021

Personnel expenditures (including benefits)	\$	-
Professional fees:		
Auditing		13,000
Legal		63,701
Engineering		86,767
Financial advisor		2,500
Purchased services for resale-		
Bulk water and wastewater purchases		1,337,053
Contracted services:		
Bookkeeping		-
General manager		60,000
Tax collector		5,020
Other contracted services		62,126
Utilities		39,727
Repairs and maintenance		-
Administrative expenditures:		
Directors' fees		25,210
Office supplies		-
Insurance		11,224
Other administrative expenses		-
Capital outlay:		
Capitalized assets		124,606
Expenditures not capitalized		-
Tap connection expenditures		-
Solid waste disposal		2,265
Parks and recreation		306,592
Other expenditures		28,984
Total expenditures	\$	<u>2,168,775</u>

Number of persons employed by the District: 0 Full-Time 5 Part-Time
(Does not include independent contractors or consultants)

The Meadows at Chandler Creek Municipal Utility District

TSI-3 Schedule of Temporary Investments Year Ended September 30, 2021

Type of Investment	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at September 30, 2021	Accrued Interest Receivable at September 30, 2021
General Fund					
TexPool	8111800002	Various	N/A	\$ 1,157,310	-
Total General Fund				1,157,310	-
Debt Service Fund					
TexPool	8111800001	Various	N/A	292,117	-
TexPool Tax Account	8111800005	Various	N/A	1	-
Total Debt Service Fund				292,118	-
Total - all funds				\$ 1,449,428	-

The Meadows at Chandler Creek Municipal Utility District

TSI-4 Analysis of Taxes Levied and Receivable Year Ended September 30, 2021

	Maintenance Taxes	Debt Service Taxes		
Taxes receivable, September 30, 2020	\$ 2,693	\$ 1,918		
2020 Tax roll	845,886	604,204		
Adjustments	(1,085)	(779)		
Total to be accounted for	<u>847,494</u>	<u>605,343</u>		
Tax collections:				
Current year	844,435	603,167		
Prior years	662	468		
Total collections	<u>845,097</u>	<u>603,635</u>		
Taxes receivable, September 30, 2021	<u>\$ 2,397</u>	<u>\$ 1,708</u>		
Taxes receivable, by years				
2020	\$ 1,451	\$ 1,036		
2019	911	650		
2018	-	-		
2017	-	-		
2016 and earlier	35	22		
Taxes receivable, September 30, 2021	<u>\$ 2,397</u>	<u>\$ 1,708</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Property valuations-				
Land improvements and personal property	\$ 393,794,126	\$ 392,483,005	\$ 371,088,342	\$ 344,665,372
Tax rates per \$100 valuation:				
Maintenance tax rates	\$ 0.2100	\$ 0.2100	\$ 0.2100	\$ 0.2314
Debt service tax rates	0.1500	0.1500	0.1600	0.1700
Total tax rates per \$100 valuation	<u>\$ 0.3600</u>	<u>\$ 0.3600</u>	<u>\$ 0.3700</u>	<u>\$ 0.4014</u>
Original tax levy	<u>\$ 1,450,090</u>	<u>\$ 1,432,737</u>	<u>\$ 1,392,271</u>	<u>\$ 1,410,890</u>
Percent of taxes collected to taxes levied	<u>99.8%</u>	<u>99.9%</u>	<u>100.0%</u>	<u>100.0%</u>

The Meadows at Chandler Creek Municipal Utility District

TSI-5 Long-Term Debt Service Requirements by Years Year Ended September 30, 2021

Due During Fiscal Years Ending 9/30	Combination Unlimited Tax and Revenue Refunding Bonds, Series 2005			Unlimited Tax Refunding Bonds, Series 2012			Annual Requirements For All Series		
	Principal Due 2/1	Interest Due 2/1, 8/1	Total	Principal Due 2/1	Interest Due 2/1, 8/1	Total	Principal Due 2/1	Interest Due 2/1, 8/1	Total
2022	\$ 90,000	6,648	96,648	545,000	19,538	564,538	635,000	26,186	661,186
2023	100,000	2,300	102,300	545,000	6,513	551,513	645,000	8,813	653,813
Total	<u>\$ 190,000</u>	<u>8,948</u>	<u>198,948</u>	<u>1,090,000</u>	<u>26,051</u>	<u>1,116,051</u>	<u>1,280,000</u>	<u>34,999</u>	<u>1,314,999</u>

The Meadows at Chandler Creek Municipal Utility District

TSI-6 Analysis of Changes in Long-Term Bonded Debt Year Ended September 30, 2021

	Series 2005	Series 2012	Totals
Interest rate	2.65% to 4.60%	0.80% to 2.39%	
Dates interest payable	2/1 ; 8/1	2/1 ; 8/1	
Maturity date	2/1/2023	2/1/2023	
Bonds outstanding, beginning of year	\$ 280,000	\$ 1,605,000	\$ 1,885,000
Bonds issued during the current year	-	-	-
Bonds retired during the current year	(90,000)	(515,000)	(605,000)
Bonds outstanding, end of year	<u>\$ 190,000</u>	<u>\$ 1,090,000</u>	<u>\$ 1,280,000</u>
Interest paid during the current year	<u>\$ 10,698</u>	<u>\$ 32,102</u>	<u>\$ 42,800</u>
Paying Agent's Name & Address:			
Series 2005-	Southside Bank, Tyler Texas 75710		
Series 2012-	The Independent Banker's Bank, Dallas, Texas 75356		
Bond Authority:	Tax Bonds	Other Bonds	Refunding Bonds
Bond authorized by voters	\$ 13,000,000	-	- (1)
Amount issued	<u>11,165,000</u>	<u>-</u>	<u>7,219,998</u>
Remaining to be issued	<u>\$ 1,835,000</u>	<u>-</u>	<u>-</u>
Debt Service Fund cash and temporary investments balances as of September 30, 2021	<u>\$ 292,118</u>		
Average annual debt service payment (principal & interest) for remaining term of all debt	<u>\$ 657,500</u>		

(1) Voter approval of refunding bonds is not required pursuant to Texas Water Code, Sec. 49.106.

The Meadows at Chandler Creek Municipal Utility District

TSI-7 Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund Five Years Ended September 30, 2021

	Amounts					Percent of Fund				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
General Fund										
Revenues:										
Water and wastewater services	\$ 1,337,053	1,406,590	1,315,159	1,357,142	1,294,990	61.2 %	62.3	61.4	61.8	62.8
Property taxes, including penalties and interest	846,077	835,622	791,236	813,323	757,990	38.7	37.0	36.9	37.0	36.7
Interest and other revenue	2,193	14,731	35,481	26,626	10,089	0.1	0.7	1.7	1.2	0.5
Total revenues	<u>2,185,323</u>	<u>2,256,943</u>	<u>2,141,876</u>	<u>2,197,091</u>	<u>2,063,069</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Expenditures:										
Current:										
Water and wastewater services	1,337,053	1,406,590	1,315,159	1,357,142	1,294,990	61.2	62.3	61.6	61.9	62.6
Landscaping, clearing and irrigation	148,243	116,481	112,477	100,890	96,364	6.8	5.2	5.3	4.6	4.7
Contracted services	122,126	107,320	103,261	100,280	102,191	5.6	4.8	4.8	4.6	5.0
Engineering fees	86,767	58,970	79,055	58,466	57,022	4.0	2.6	3.7	2.7	2.8
Legal fees	63,701	76,462	72,234	47,596	39,052	2.9	3.4	3.4	2.2	1.9
Park repairs and maintenance	158,349	132,812	101,959	139,152	41,642	7.2	5.9	4.8	6.3	2.0
Utilities	39,727	40,195	36,673	41,148	38,997	1.8	1.8	1.7	1.9	1.9
Directors' fees	25,210	22,835	22,336	23,157	23,324	1.2	1.0	1.0	1.1	1.1
Travel and conference registration	12,806	3,681	12,855	15,584	13,574	0.6	0.2	0.6	0.7	0.7
Audit fees	13,000	12,500	12,500	12,000	12,000	0.6	0.6	0.6	0.5	0.6
Insurance	11,224	11,044	11,124	9,894	9,734	0.5	0.5	0.5	0.5	0.5
Tax assessor/collector fees	5,020	4,958	4,979	5,342	5,279	0.2	0.2	0.2	0.2	0.3
TCEQ fees	6,878	6,873	6,739	6,499	6,443	0.3	0.3	0.3	0.3	0.3
Fiscal agent fees	2,500	2,500	2,500	2,500	2,500	0.1	0.1	0.1	0.1	0.1
Other	11,565	53,672	68,483	78,013	55,098	0.5	2.4	3.2	3.6	2.7
Capital outlay	124,606	278,379	158,395	124,424	90,144	5.7	12.3	7.2	5.4	4.3
Total expenditures	<u>2,168,775</u>	<u>2,335,272</u>	<u>2,120,729</u>	<u>2,122,087</u>	<u>1,888,354</u>	<u>99.2</u>	<u>103.6</u>	<u>99.0</u>	<u>96.6</u>	<u>91.5</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 16,548</u>	<u>(78,329)</u>	<u>21,147</u>	<u>75,004</u>	<u>174,715</u>	<u>0.8 %</u>	<u>(3.6)</u>	<u>1.0</u>	<u>3.4</u>	<u>8.5</u>
Debt Service Fund										
Revenues:										
General revenues:										
Property taxes, including penalties and interest	\$ 604,333	596,940	602,811	597,624	612,971	99.9 %	99.2	98.1	98.6	99.4
Interest and other revenue	273	4,915	11,955	8,490	3,859	0.1	0.8	1.9	1.4	0.6
Total revenues	<u>604,606</u>	<u>601,855</u>	<u>614,766</u>	<u>606,114</u>	<u>616,830</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Expenditures:										
Principal	605,000	590,000	570,000	535,000	510,000	100.1	98.0	92.7	88.3	82.7
Interest and fees	42,800	58,811	74,528	89,375	103,296	7.1	9.8	12.1	14.7	16.7
Other	3,886	4,279	4,037	4,225	4,570	0.6	0.7	0.7	0.7	0.7
Total expenditures	<u>651,686</u>	<u>653,090</u>	<u>648,565</u>	<u>628,600</u>	<u>617,866</u>	<u>107.8</u>	<u>108.5</u>	<u>105.5</u>	<u>103.7</u>	<u>100.1</u>
Deficit of revenues under expenditures	<u>\$ (47,080)</u>	<u>(51,235)</u>	<u>(33,799)</u>	<u>(22,486)</u>	<u>(1,036)</u>	<u>(7.8) %</u>	<u>(8.5)</u>	<u>(5.5)</u>	<u>(3.7)</u>	<u>(0.1)</u>
Total active retail water connections	<u>1,601</u>	<u>1,582</u>	<u>1,584</u>	<u>1,559</u>	<u>1,534</u>					
Total active retail wastewater connections	<u>1,601</u>	<u>1,582</u>	<u>1,584</u>	<u>1,534</u>	<u>1,542</u>					

The Meadows at Chandler Creek Municipal Utility District

TSI-8 Board Members, Key Personnel and Consultants Year Ended September 30, 2021

Complete District Mailing Address: c/o McGinnis Lochridge 1111 W. 6th Street, Ste. 400
Austin, Texas 78703

District Business Telephone Number: (512) 495-6008

Submission date of the most recent District Registration Form: October 21, 2021
(TWC Sections 36.054 and 49.054)

Limit on fees of office that a director may receive during a fiscal year: \$7,200
(Set by Board Resolution - TWC Sections 49.060)

Name	Term of Office Elected & Expires or Date Hired	Expense		Title at 9/30/2021
		Fees 9/30/2021	Reimbursements 9/30/2021	
<u>Board Members:</u>				
Walter Berry	Elected 5/18-5/22	\$ 6,600	\$ -	President
Robert Wohlford	Elected 5/18-5/22	6,600	3,020	Vice President
Adrian Bustillos	Elected 5/18-5/22	2,250	-	Secretary
Shelly Janda	Elected 5/20-5/24	-	2,452	Treasurer
Cassandra Brown	Elected 5/20-5/24	3,750	4,793	Asst. Secretary

Note: No director is disqualified from serving on this board under the Texas Water Code.

(continued)

The Meadows at Chandler Creek Municipal Utility District

TSI-8 Board Members, Key Personnel and Consultants (continued) Year Ended September 30, 2021

<u>Name</u>	<u>Date Hired</u>	<u>Fees and Expense Reimbursements 9/30/2021</u>	<u>Title at Year End</u>
<u>Consultants:</u>			
Inframark, LLC	2004	\$ 107,258	District Manager
McGinnis Lochridge	1987	63,292	Attorney
Gray Engineering, Inc.	2008	126,233	Engineer
Maxwell Locke & Ritter LLP	2011	13,000	Auditor
Williamson Central Appraisal District	2004	8,168	Tax Appraiser

The Meadows at Chandler Creek Municipal Utility District

OSI-1 Principal Taxpayers September 30, 2021

Taxpayer	Type of Property	Tax Roll Year	
		2021	2020
Chandler Creek Partners, LLC	Land & Improvements	\$ 31,463,520	\$ 24,798,400
Chandler Creek Cottages, Ltd.	Land & Improvements	5,772,708	5,446,070
Oncor Electric Delivery Company	Land & Improvements	4,365,405	3,630,545
AW Grimes Commercial and Residential Condominiums LLC	Land & Improvements	3,053,920	1,191,800
Paver Family Enterprises, LP	Land & Improvements	2,908,780	2,796,382
Round Top State Bank	Land & Improvements	2,681,796	2,505,000
QT South LLC	Land & Improvements	1,353,592	-
Khatoon Investment Inc	Land & Improvements	1,350,197	1,370,916
CC-Commercial LLC	Land & Improvements	1,233,791	2,071,770
Steven A. Rosato	Land & Improvements	853,683	730,402
Perception Investments LLC	Land & Improvements	-	730,280
Total		<u>\$ 55,037,392</u>	<u>\$ 45,271,565</u>
Percent of Assessed Valuation		<u>11.1%</u>	<u>10.9%</u>

The Meadows at Chandler Creek Municipal Utility District

OSI-2 Assessed Value by Classification September 30, 2021

Type of Property	Tax Roll Years			
	2021		2020	
	Amount	%	Amount	%
Single Family	\$ 422,708,514	85.6%	\$ 350,263,004	84.5%
Multi Family	31,463,520	6.4%	28,651,391	7.0%
Vacant Platted Lots/Tracts	1,302,591	0.3%	3,347,144	0.8%
Commercial and Industrial	17,070,693	3.5%	12,082,725	2.9%
Utilities	4,966,868	1.0%	4,443,642	1.1%
Business	811,081	0.2%	516,990	0.1%
Inventory	-	0.0%	-	0.0%
Exempt	15,707,532	3.2%	15,183,061	3.7%
Total	\$ 494,030,799	100%	\$ 414,487,957	100%