

**NORTH AUSTIN
MUNICIPAL UTILITY DISTRICT NO. 1**

YEAR ENDED SEPTEMBER 30, 2024

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

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**NORTH AUSTIN
MUNICIPAL UTILITY DISTRICT NO. 1**

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

**FOR THE YEAR ENDED
SEPTEMBER 30, 2024**

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1

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ANNUAL FILING AFFIDAVIT

STATE OF TEXAS
COUNTY OF TRAVIS

I, Kim Roche-Green of the
(Name of Duly Authorized District Representative)

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
(Name of District)

hereby swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the **15th day of January, 2025** its annual audit report for the fiscal year ended **September 30, 2024** and that copies of the annual audit report have been filed in the District's office, located at:

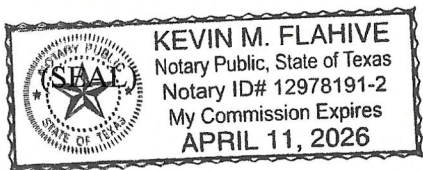
100 Congress Ave., Suite 1300 Austin, TX 78701.
(Address of District's Office)

This filing affidavit and the attached copy of the audit report will be submitted to the Texas Commission on Environmental Quality to satisfy the annual filing requirements of Texas Water Code Section 49.194.

Date: January 15, 2025 By: Kim Roche-Green
(Signature of District Representative)

Kim Roche-Green, Vice President, Board of Directors
(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this 15th day of January, 2025.



Kevin M. Flahive
(Signature of Notary)

My Commission Expires On: April 11, 2026
Notary Public in the State of Texas

FINANCIAL SECTION

Independent Auditor's Report

Board of Directors
North Austin Municipal Utility District No. 1

We have audited the accompanying financial statements of the governmental activities and each major fund of North Austin Municipal Utility District No. 1 (the District) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District as of September 30, 2024, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for

placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Commission on Environmental Quality required supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has 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 Texas Commission on Environmental Quality required supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

West, Davis & Company

Austin, Texas
January 15, 2025

**NORTH AUSTIN
MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

In accordance with Governmental Accounting Standards Board Statement 34 (“GASB 34”), the management of North Austin Municipal Utility District No. 1 (the “District”) offers the following discussion and analysis to provide an overview of the District’s financial activities for the year ended September 30, 2024. Since this information is designed to focus on current year’s activities, resulting changes, and currently known facts, it should be read in conjunction with the District’s financial statements that follow.

FINANCIAL HIGHLIGHTS

- *General Fund:* At the end of the current fiscal year, the nonspendable, assigned and unassigned fund balance was \$32,629,246, an increase of \$1,369,127 from the previous fiscal year. General Fund revenues increased from \$9,580,746 in the previous fiscal year to \$10,297,887 in the current fiscal year primarily due to an increase in the District’s assessed valuation.
- *Debt Service Fund:* Fund balance restricted for debt service increased from \$527,086 in the previous fiscal year to \$566,230 in the current fiscal year. Debt service fund revenues decreased from \$584,253 in the previous fiscal year to \$574,618 in the current fiscal year. The District made bond principal payments of \$400,000 and bond interest payments of \$126,937 during the fiscal year.
- *Capital Projects Fund:* Fund balance restricted for capital projects increased from \$3,247,706 in the previous fiscal year to \$3,356,249 in the current fiscal year. The District expended \$45,206 to fund drainage and other improvements and \$23,095 for repairs and maintenance.
- *Governmental Activities:* On a government-wide basis for governmental activities, the District had revenues net of expenses of \$3,377,894. Net position increased from \$44,022,708 to \$47,400,602.

OVERVIEW OF THE DISTRICT

The District was created, organized and established on November 15, 1983, by the Texas Commission on Environmental Quality. The District operates under Chapters 49 and 54 of the Texas Water Code, as amended. The District was created under the provisions of Article XVI, Section 59, of the Texas Constitution. The creation of the District was confirmed at an election held within the District on February 18, 1984. The District was created for the purpose of providing, operating and maintaining facilities to control storm water, distribute potable water, and providing and operating park and recreational facilities.

The District is located partly in Williamson County and partly in Travis County, Texas.

**NORTH AUSTIN
MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

USING THIS ANNUAL REPORT

This annual report consists of six parts:

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

For purposes of GASB 34, the District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the “Governmental Funds 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 Position and the Statement of Activities.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

The *Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balance* includes a column (titled “Governmental Funds Total”) 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 *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the information presented in the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balance*.

The *Required Supplemental Information* presents a comparison statement between the District’s adopted budget and its actual results.

**NORTH AUSTIN
MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

Summary Statement of Net Position

	Governmental Activities		Change Increase (Decrease)
	2024	2023	
Current and other assets	\$ 37,785,431	\$ 36,170,182	\$ 1,615,249
Capital and non-current assets	14,740,881	13,286,818	1,454,063
Total Assets	52,526,312	49,457,000	3,069,312
Current Liabilities	1,627,825	1,508,176	119,649
Long-term Liabilities	3,497,885	3,926,116	(428,231)
Total Liabilities	5,125,710	5,434,292	(308,582)
Net Investment in Capital Assets	14,174,245	12,208,408	1,965,837
Restricted	563,313	523,056	40,257
Unrestricted	32,663,044	31,291,244	1,371,800
Total Net Position	\$ 47,400,602	\$ 44,022,708	\$ 3,377,894

The District’s combined net position increased by \$3,377,894 to a balance of \$47,400,602 from the previous year balance of \$44,022,708. Some of the District’s assets are accounted for by capital assets or restricted for debt service. The District’s unrestricted net assets, which can be used to finance day-to-day operations, totaled \$32,663,044.

**NORTH AUSTIN
MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Revenues and Expenses:

Summary Statement of Activities

	Governmental Activities		Change Increase (Decrease)
	2024	2023	
Property taxes	\$ 4,119,818	\$ 4,274,474	\$ (154,656)
Water/Wastewater/Garbage	4,248,752	4,312,663	(63,911)
Other	2,687,220	1,733,596	953,624
Total Revenues	11,055,790	10,320,733	735,057
Water/Wastewater/Garbage	3,137,414	3,021,033	116,381
Park and pool expenses	1,256,219	2,022,547	(766,328)
Other	2,526,743	1,789,258	737,485
Debt service	123,361	132,330	(8,969)
Depreciation/amortization	634,159	730,204	(96,045)
Total Expenses	7,677,896	7,695,372	(17,476)
Change in Net Position	3,377,894	2,625,361	752,533
Beginning Net Position	44,022,708	41,397,347	2,625,361
Ending Net Position	\$ 47,400,602	\$ 44,022,708	\$ 3,377,894

Revenues were \$11,055,790 for the fiscal year ended September 30, 2024 while expenses were \$7,677,896. Net position increased by \$3,377,894.

Property tax revenues in the current fiscal year totaled \$4,119,818. Property tax revenue is derived from taxes being levied based upon the assessed value of real and personal property within the District. Property taxes levied for the 2023 tax year (September 30, 2024 fiscal year) were based upon a current assessed value of \$1,837,335,012 and a tax rate of \$0.2246 per \$100 of assessed valuation. Property taxes levied for the 2022 tax year (September 30, 2023 fiscal year) were based upon an adjusted assessed valuation of \$1,812,121,386 and a tax rate of \$0.2355 per \$100 of assessed valuation.

The tax rate levied is determined after the District’s Board of Directors reviews the General Fund budget requirements and the Debt Service fund debt service obligations of the District. The District’s primary revenue sources are property taxes and service account revenues.

**NORTH AUSTIN
MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

ANALYSIS OF GOVERNMENTAL FUNDS

	<u>Governmental Funds by Year</u>	
	2024	2023
Cash and cash equivalents	\$ 37,012,117	\$ 35,419,959
Receivables	768,178	733,580
Other	9,468	31,683
Total Assets	<u>\$ 37,789,763</u>	<u>\$ 36,185,222</u>
Accounts payable and accrued expenses	702,853	615,076
Refundable deposits	490,604	482,987
Other	4,332	15,040
Total Liabilities	<u>1,197,789</u>	<u>1,113,103</u>
Deferred Inflows of Resources	<u>40,249</u>	<u>37,208</u>
Nonspendable	422	11,271
Restricted	3,922,479	3,774,792
Assigned	17,567,772	19,701,565
Unassigned	15,061,052	11,547,283
Total Fund Balance	<u>36,551,725</u>	<u>35,034,911</u>
Total Liabilities and Fund Balances	<u>\$ 37,789,763</u>	<u>\$ 36,185,222</u>

For the fiscal year ended September 30, 2024, the District’s governmental funds reflect a combined fund balance of \$36,551,725.

This fund balance includes a \$1,369,127 increase in the General Fund Balance.

The Debt Service Fund reflects an increase of \$39,144 in fiscal year 2024. The Debt Service Fund remitted bond principal of \$400,000 and bond interest of \$126,937. More detailed information about the District’s debt is presented in the *Notes to the Financial Statements*.

The Capital Project Fund purchases the District’s infrastructure. The Capital Projects Fund had a \$108,543 increase in fund balance for fiscal year 2024. The District expended \$45,206 to fund improvements within the District and \$23,095 for repairs and maintenance.

**NORTH AUSTIN
MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

BUDGETARY HIGHLIGHTS

The *General Fund* pays for daily operating expenditures. The Board of Directors adopted a budget on September 13, 2023. The amended budget included revenues of \$8,878,924 as compared to expenditures of \$11,018,557. When comparing actual to budget, the District had a positive variance of \$3,508,760. More detailed information about the District’s budgetary comparison is presented in the *Required Supplemental Information*.

CAPITAL ASSETS

The District’s governmental activities have invested \$14,740,881 in land and infrastructure. The detail is reflected in the following schedule:

<u>Summary of Capital Assets, net</u>			
	9/30/2024		9/30/2023
Capital Assets:			
Construction in progress	\$ 1,551,461	\$	1,506,255
Common and recreation areas	9,472,032		7,429,016
Water/Wastewater/Drainage	22,771,580		22,771,580
Less: Accumulated Depreciation	(19,054,192)		(18,420,033)
Total Net Capital Assets	\$ 14,740,881	\$	13,286,818

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

LONG TERM DEBT

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

	Bonds
	Payable
Series 2014	\$ 3,900,000

The District owes \$3.9 million to bond holders. The ratio of the District’s long term debt to total 2023 taxable assessed valuation (\$1,837,335,012) is less than 1%. The District’s estimated population, as provided by the District as of September 30, 2024, is 7,656. More detailed information about the District’s long-term debt is presented in the *Notes to the Financial Statements*.

**NORTH AUSTIN
MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The property tax net assessed value for 2025 is approximately \$1.8 billion. The fiscal year 2025 tax rate is \$0.2246 on each \$100 of taxable value. Approximately 88% of the property tax will fund general operating expenses, and approximately 12% of the property tax will be set aside for debt service.

The adopted budget for fiscal year 2025 projects a \$5,840 decrease to the operating fund balance.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District’s finances and to demonstrate the District’s accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 1300, Austin, Texas 78701.

BASIC FINANCIAL STATEMENTS

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - wide Statement of Net Position
<u>ASSETS</u>						
Cash and cash equivalents	\$ 33,082,505	\$ 570,338	\$ 3,359,274	\$ 37,012,117	\$ -	\$ 37,012,117
Receivables	761,727	6,451	-	768,178	-	768,178
Interfund receivable	4,332	-	-	4,332	(4,332)	-
Other current assets	4,714	-	-	4,714	-	4,714
Prepaid expenditures	422	-	-	422	-	422
Capital assets, net of accumulated depreciation -						
Construction in progress	-	-	-	-	1,551,461	1,551,461
Common and recreation areas	-	-	-	-	3,714,817	3,714,817
Water/Wastewater/Drainage Facilities	-	-	-	-	9,474,603	9,474,603
TOTAL ASSETS	\$ 33,853,700	\$ 576,789	\$ 3,359,274	\$ 37,789,763	14,736,549	52,526,312
<u>LIABILITIES</u>						
Accounts payable	\$ 676,274	\$ 2,801	\$ -	\$ 679,075	-	679,075
Accrued interest payable	-	-	-	-	9,368	9,368
Accrued expenditures	23,778	-	-	23,778	-	23,778
Refundable deposits	490,604	-	-	490,604	-	490,604
Interfund payables	-	1,307	3,025	4,332	(4,332)	-
Bonds payable -						
Due within one year	-	-	-	-	425,000	425,000
Due after one year	-	-	-	-	3,497,885	3,497,885
TOTAL LIABILITIES	1,190,656	4,108	3,025	1,197,789	3,927,921	5,125,710
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Property taxes	33,798	6,451	-	40,249	(40,249)	-
TOTAL DEFERRED INFLOWS OF RESOURCES	33,798	6,451	-	40,249	(40,249)	-
<u>FUND BALANCE / NET POSITION</u>						
Fund balances:						
Nonspendable	422	-	-	422	(422)	-
Restricted for debt service	-	566,230	-	566,230	(566,230)	-
Restricted for authorized construction	-	-	3,356,249	3,356,249	(3,356,249)	-
Assigned for budget deficit	5,840	-	-	5,840	(5,840)	-
Assigned for infrastructure	5,964,648	-	-	5,964,648	(5,964,648)	-
Assigned for parks and pool	6,190,099	-	-	6,190,099	(6,190,099)	-
Assigned for community center	1,600,389	-	-	1,600,389	(1,600,389)	-
Assigned for future maintenance	3,806,796	-	-	3,806,796	(3,806,796)	-
Unassigned	15,061,052	-	-	15,061,052	(15,061,052)	-
TOTAL FUND BALANCES	32,629,246	566,230	3,356,249	36,551,725	(36,551,725)	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 33,853,700	\$ 576,789	\$ 3,359,274	\$ 37,789,763		
<u>NET POSITION:</u>						
Net investment in capital assets					14,174,245	14,174,245
Restricted for debt service					563,313	563,313
Unrestricted					32,663,044	32,663,044
TOTAL NET POSITION					\$ 47,400,602	\$ 47,400,602

The accompanying notes are an integral part of this statement.

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
SEPTEMBER 30, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - wide Statement of Activities
REVENUES:						
Property taxes, including penalties	\$ 3,609,053	\$ 507,724	\$ -	\$ 4,116,777	\$ 3,041	\$ 4,119,818
Water/wastewater service, including penalties	3,571,706	-	-	3,571,706	-	3,571,706
Garbage revenue	677,046	-	-	677,046	-	677,046
Interest	1,739,009	66,894	180,244	1,986,147	-	1,986,147
Other	701,073	-	-	701,073	-	701,073
TOTAL REVENUES	10,297,887	574,618	180,244	11,052,749	3,041	11,055,790
EXPENDITURES / EXPENSES:						
Current -						
Water/Wastewater services	2,447,828	-	-	2,447,828	-	2,447,828
Garbage service	689,586	-	-	689,586	-	689,586
Contracted services	1,660,283	7,756	23,095	1,691,134	-	1,691,134
Professional fees	285,566	381	3,400	289,347	-	289,347
Director fees and related expenses	44,203	-	-	44,203	-	44,203
Utilities	52,662	-	-	52,662	-	52,662
Park/pool expenses	1,256,219	-	-	1,256,219	-	1,256,219
Security	283,909	-	-	283,909	-	283,909
Other	165,488	-	-	165,488	-	165,488
Debt service -						
Principal	-	400,000	-	400,000	(400,000)	-
Interest	-	126,937	-	126,937	(3,976)	122,961
Fiscal agent fees	-	400	-	400	-	400
Capital outlay	2,043,016	-	45,206	2,088,222	(2,088,222)	-
Depreciation	-	-	-	-	634,159	634,159
TOTAL EXPENDITURES / EXPENSES	8,928,760	535,474	71,701	9,535,935	(1,858,039)	7,677,896
NET CHANGE IN FUND BALANCES	1,369,127	39,144	108,543	1,516,814	(1,516,814)	-
CHANGE IN NET POSITION					3,377,894	3,377,894
FUND BALANCE / NET POSITION:						
Beginning of the year	31,260,119	527,086	3,247,706	35,034,911	8,987,797	44,022,708
End of the year	\$ 32,629,246	\$ 566,230	\$ 3,356,249	\$ 36,551,725	\$ 10,848,877	\$ 47,400,602

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the District relating to the funds included in the accompanying financial statements conform to generally accepted accounting principles (GAAP) as applied to governmental entities. Generally accepted accounting principles for local governments include those principles prescribed by the *Governmental Accounting Standards Board* (GASB), which constitutes the primary source of GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

Reporting Entity - The District was created, organized and established on November 15, 1983, by the Texas Commission on Environmental Quality under Article XVI, Section 59 of the Texas Constitution and Texas Water Code, Chapter 49. The District is located partly in Williamson County and partly in Travis County. 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 GASB Statement No. 14, 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 as defined in GASB Statement No. 61 which are included in the District's reporting entity.

Basis of Presentation - Government-wide and Fund Financial Statements - These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting.

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

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

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

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

Basis of Presentation - Government-wide and Fund Financial Statements (continued) -

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

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

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

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

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

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

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

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

Basis of Accounting

- **Governmental Funds**

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

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

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

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

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

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

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

Budgets and Budgetary Accounting - A budget was initially adopted on September 13, 2023 for the General Fund on a basis consistent with generally accepted accounting principles. The District's Board of Directors utilizes the budget as a management tool for planning and cost control purposes. All annual appropriations lapse at fiscal year-end.

Pensions - The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that Directors are considered to be “employees” for federal payroll tax purposes only.

Cash and Cash Equivalents – Cash and cash equivalents includes cash on deposit as well as investments with maturities of three months or less. The investments, consisting of obligations in the State Treasurer’s Investment Pool, are recorded at amortized cost.

Capital Assets - Capital assets, which include Administrative Facilities and Equipment, Common and Recreation Areas, Water Production/Distribution System, Wastewater Collection System, Water Quality Ponds and Organizational Costs are reported in the government-wide column in the Statement of Net Position. Public domain ("infrastructure") capital assets including water, wastewater and drainage systems, are capitalized. Items purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded as capital assets at estimated acquisition value at the time received. Interest incurred during construction of capital facilities is not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Common and Recreation Areas	5 - 30
Water Production/Distribution System	10 - 50
Wastewater Collection System	5 - 50
Organizational Costs	5

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

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

Long-Term Debt (continued) -

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Fund Balance – Fund balances in governmental funds are classified using the following hierarchy:

- *Nonspendable*: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.
- *Restricted*: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.
- *Committed*: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.
- *Assigned*: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes.
- *Unassigned*: all other spendable amounts in the General Fund.

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

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

Fair Value Measurements - The District 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

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

- Level 3 are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available

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

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

2. RECONCILIATION OF THE GOVERNMENTAL FUNDS -

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

Fund balances - total governmental funds		\$ 36,551,725
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds -		
Capital assets	\$ 33,795,073	
Less: Accumulated depreciation	<u>(19,054,192)</u>	14,740,881
Revenue is recognized when earned in the government-wide statements, regardless of availability. Governmental funds report deferred revenue for revenues earned but not available		40,249
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds -		
Bonds payable	(3,900,000)	
Unamortized bond premium	(22,885)	
Accrued interest	<u>(9,368)</u>	<u>(3,932,253)</u>
Net position of governmental activities		<u><u>\$ 47,400,602</u></u>

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

Changes in Fund Balances - Governmental Funds		\$ 1,516,814
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report -		
Capital expenditures in period purchased	\$ 2,088,222	
Interest expenditures in year paid	3,976	
Tax revenue when collected	3,041	
Bond principal in year paid	<u>400,000</u>	2,495,239
Governmental funds do not report -		
Depreciation		<u>(634,159)</u>
Change in net position of governmental activities		<u><u>\$ 3,377,894</u></u>

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

3. CASH AND CASH EQUIVALENTS

The investment policies of the District are governed by State statute and an adopted District Investment Policy that includes depository contract provisions and custodial contract provisions. Major provisions of the District's investment policy include: depositories must be FDIC-insured Texas banking institutions; depositories must fully insure or collateralize all demand and time deposits; securities collateralizing time deposits are held by independent third party trustees.

At September 30, 2024, the carrying amount of the District's cash and cash equivalents was \$37,012,117 and the bank balance was \$37,026,413. The bank balance was covered by federal depository insurance and pledged securities.

The District invests in Texpool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Investors manages the daily operations of the pool under a contract with the Comptroller. These investments are stated at amortized cost in accordance with GASB Statement No. 31.

Local Government Investment Cooperative ("LOGIC") is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, of the Texas Government Code, and the Public Funds Investment Act, chapter 2256, of the Texas Government Code. The pool was created in April 1994 through a contract among its participating governmental units, and is governed by a board of directors to provide for the joint investments of participant's public funds and funds under their control. LOGIC's investment policy seeks to invest pooled assets in a manner that will provide for safety of principal, liquidity in accordance with the operating requirements of the participants, and a competitive rate of return by utilizing economies of scale and professional investment expertise. J.P. Morgan Investment Management Inc. serves as investment adviser to LOGIC and is an SEC registered investment adviser.

4. PROPERTY TAXES

Property taxes attach as an enforceable lien on January 1. Taxes are levied on or about October 1, are due on November 1, and are past due the following February 1. The Travis Central Appraisal District and the Williamson Central Appraisal District establish appraisal values in accordance with requirements of the Texas Legislature. The District levies taxes based upon the appraised values. The Travis County Tax Collector and Williamson County Tax Collector bills and collects the District's property taxes. The Board of Directors set current tax rates on September 13, 2023.

The property tax rates, established in accordance with state law, were based on 100% of the net assessed valuation of real property within the District on the 2023 tax roll. The tax rate, based on total taxable assessed valuation of \$1,837,335,012 was \$0.2246 on each \$100 valuation and was allocated \$0.1969 to the General Fund and \$0.0277 to the Debt Service Fund. The maximum allowable maintenance tax of \$1.00 was established by the voters at an election held on April 7, 1984.

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

4. PROPERTY TAXES (continued) -

Property taxes receivable at September 30, 2024, consisted of the following:

	Debt		Total
	General	Service	
	Fund	Fund	
Current year levy	\$ 6,158	\$ 866	\$ 7,024
Prior years' levies	27,640	5,585	33,225
	\$ 33,798	\$ 6,451	\$ 40,249

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

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of interfund accounts, which resulted from the time lag between dates that payments are made between funds, is as follows at September 30, 2024:

	Interfund	
	Receivables	Payables
General Fund -		
Debt Service Fund	\$ 1,307	\$ -
Capital Projects Fund	3,025	-
Debt Service Fund -		
General Fund	-	1,307
Capital Projects Fund -		
General Fund	-	3,025
	\$ 4,332	\$ 4,332

6. RECEIVABLES

The following comprises the receivable balance at year-end:

	General	Debt Service
	Fund	Fund
Service, net of allowance for doubtful accounts of \$1,671	\$ 721,654	\$ -
Taxes	33,798	6,451
Other	6,275	-
	\$ 761,727	\$ 6,451

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

7. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance			Balance
	10/1/2023	Additions	Deletions	9/30/2024
Capital assets:				
Construction in Progress	\$ 1,506,255	\$ 45,206	\$ -	\$ 1,551,461
Common and recreation areas	7,429,016	2,043,016	-	9,472,032
Water/Wastewater/Drainage Facilities	22,771,580	-	-	22,771,580
Total capital assets	31,706,851	2,088,222	-	33,795,073
Less accumulated depreciation for:				
Common and recreation areas	(5,591,414)	(165,801)	-	(5,757,215)
Water/Wastewater/Drainage Facilities	(12,828,619)	(468,358)	-	(13,296,977)
Total accumulated depreciation	(18,420,033)	(634,159)	-	(19,054,192)
Total capital assets, net of accumulated depreciation	\$ 13,286,818	\$ 1,454,063	\$ -	\$ 14,740,881

8. BONDED DEBT

The following is a summary of bond transactions of the District for the year ended September 30, 2024:

	Unlimited Tax and Revenue Bonds
Bonds payable at October 1, 2023	\$ 4,300,000
Bonds retired	(400,000)
Bond premium, net of accumulated amortization	22,885
Bonds payable at September 30, 2024	\$ 3,922,885

Bonds payable at September 30, 2024, were comprised of the following individual issues:

Unlimited Tax Bonds:

\$3,900,000 – 2014 Unlimited Tax Bonds payable serially through the year 2032 at interest rates which range from 2.0% to 3.20%. Bonds maturing on or after August 1, 2021 are callable prior to maturity beginning August 1, 2020, or any date thereafter.

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

8. BONDED DEBT (continued) -

The annual requirements to amortize all bonded debt at September 30, 2024, including interest, are as follows:

Year Ended September 30,	Principal	Interest	Total
2025	\$ 425,000	\$ 116,938	\$ 541,938
2026	425,000	106,313	531,313
2027	450,000	94,625	544,625
2028	475,000	82,250	557,250
2029	500,000	68,000	568,000
2030-2032	1,625,000	104,800	1,729,800
	\$ 3,900,000	\$ 572,926	\$ 4,472,926

Bonds authorized but not issued as of September 30, 2024, are as follows:

Type	Amount
Unlimited Tax Bonds	\$ 48,625,000

\$566,230 is available in the Debt Service Fund to service the bonded debt. The District's bonds are collateralized by the levy of an annual ad valorem tax against all taxable property within the District. The District has no direct borrowings or direct placement debt. The existing outstanding bonds of the District are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount.

9. RISK MANAGEMENT

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

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

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

10. COMMITMENTS AND CONTINGENCIES

In 2013, the District filed petitions with the Texas Commission on Environmental Quality appealing the rates charged by the City of Austin (the “City”) to the District for wholesale water and wastewater services. The petitions alleged that the City’s rates are in excess of the cost of services being provided and are, thus, in violation of Texas law. Since the filing of the petitions, the Texas Legislature transferred jurisdiction of water and wastewater rate appeals to the Public Utility Commission of Texas (the “PUC”). The State Office of Administrative Hearings (“SOAH”) completed a hearing on the merits in February 2015 and issued a Proposal for Decision in favor of the District in July 2015. The SOAH Judges established interim water rates to be charged by the City, lowering rates to what existed prior to the City’s adoption of new rates in 2012, which continue in effect.

In October 2015, the PUC issued an Order lowering the water and wastewater rates for the District. The PUC issued a final order on January 14, 2016. On March 29, 2016, the City filed in Travis County District Court its appeal of the PUC Order. On May 25, 2017, the Judge for the case issued her Final Order, which denied the City’s appeal. The City staff are proposing a new rate increase, which the City must submit to the PUC for approval. The District anticipates participating in another rate hearing, again challenging the City proposed wholesale water and wastewater rates for the District. The District is unable to form a judgment whether it is probable, reasonable or possible that the outcome of this matter will be unfavorable to the District.

11. SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated and disclosed all material subsequent events through January 15, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

**NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
SEPTEMBER 30, 2024**

	<u>Actual</u>	<u>Original Budget</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Property taxes, including penalties	\$ 3,609,053	\$ 3,543,750	\$ 65,303
Water/wastewater service, including penalties	3,571,706	3,598,090	(26,384)
Garbage revenue	677,046	672,084	4,962
Interest	1,739,009	1,000,000	739,009
Other	701,073	65,000	636,073
TOTAL REVENUES	<u>10,297,887</u>	<u>8,878,924</u>	<u>1,418,963</u>
EXPENDITURES/EXPENSES:			
Current:			
Water/Wastewater services	2,447,828	2,267,140	(180,688)
Garbage service	689,586	699,186	9,600
Contracted services	1,660,283	1,400,380	(259,903)
Professional fees	285,566	295,000	9,434
Director fees and related expenses	44,203	55,500	11,297
Utilities	52,662	64,000	11,338
Park/pool expenses	1,256,219	1,438,901	182,682
Security	283,909	267,700	(16,209)
Other	165,488	140,000	(25,488)
Capital outlay	2,043,016	4,390,750	2,347,734
TOTAL EXPENDITURES / EXPENSES	<u>8,928,760</u>	<u>11,018,557</u>	<u>2,089,797</u>
NET CHANGE IN FUND BALANCE	1,369,127	<u>\$ (2,139,633)</u>	<u>\$ 3,508,760</u>
FUND BALANCE:			
Beginning of the year	31,260,119		
End of the year	<u>\$ 32,629,246</u>		

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
SUPPLEMENTARY INFORMATION

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
TSI-1. SERVICES AND RATES
SEPTEMBER 30, 2024

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

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

2. Retail Service Providers

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

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1000 Gallons Over Minimum</u>	<u>Usage Levels</u>
WATER:	\$ 8.00 ⁽¹⁾	1,000	Y	\$ 4.65	1,001 to No Limit
WASTEWATER:	\$ 8.00	1,000	Y	\$ 6.40	1,001 to No Limit
BASE FEE:	\$ 37.00	-		\$ -	

District employs winter averaging for wastewater usage? Yes No

Total charges per 10,000 gallons usage: Water \$ 86.85 Wastewater \$ 65.60

b. Water and Wastewater Retail Connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFC's</u>
Unmetered			1.0	
< 3/4"	2,665	2,653	1.0	2,653
1"	6	6	2.5	15
1 1/2"	4	4	5.0	20
2"	13	13	8.0	104
3"	7	7	15.0	105
4"	5	5	25.0	125
6"			50.0	
8"	4	4	80.0	320
10"			115.0	
Total Water	2,704	2,692	██████████	3,342
Total Wastewater	2,690	2,683	1.0	2,683

⁽¹⁾ - Base Charge of \$37.00 includes 1,000 of water and wastewater service and monthly garbage collection.

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

Gallons pumped into system: 375,250

Gallons billed to customers: 341,488

<u>Water Accountability Ratio</u> (Gallons billed / Gallons Pumped) 91.0%
--

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

Does the District assess standby fees? Yes No

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

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

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

5. Location of District

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

Is the District located entirely within one county? Yes No

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

City(ies) in which district is located: _____

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

Entirely Partly Not at all

ETJ's in which district is located: Austin, Texas

Are Board members appointed by an office outside the district?

Yes No

If Yes, by whom? _____

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
TSI-2. GENERAL FUND EXPENDITURES
SEPTEMBER 30, 2024

Personnel Expenditures (including benefits)	\$ -
Professional Fees:	
Auditing	12,500
Legal	194,362
Engineering	75,995
Financial Advisor	2,709
Purchased Services For Resale:	
Bulk Water and Wastewater Purchases	2,447,828
Garbage Collection	689,586
Contracted Services:	
Bookkeeping	61,750
General Manager	372,465
Appraisal District/Tax Collector	23,147
Other Contracted Services	1,202,921
Utilities	52,662
Administrative Expenditures:	
Directors' Fees	31,003
Office Supplies	-
Insurance	35,446
Other Administrative Expenditures	99,039
Capital Outlay:	
Capitalized Assets	2,043,016
Expenditures not Capitalized	-
Bad Debt	-
Parks and Recreation	1,256,219
Other Expenditures	328,112
TOTAL EXPENDITURES	\$ 8,928,760

Number of persons employed by the District:

Full-Time

Part-Time

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
TSI-3. TEMPORARY INVESTMENTS
SEPTEMBER 30, 2024

NOTE: The District did not have any investments at September 30, 2024.

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
TSI-4. TAXES LEVIED AND RECEIVABLE
SEPTEMBER 30, 2024

	<u>Maintenance Taxes</u>	<u>Debt Service Taxes</u>	
Taxes Receivable, Beginning of Year	\$ 31,125	\$ 6,083	
2023 Original Tax Levy, less abatements	3,617,710	508,941	
Adjustments - current year	94	13	
Adjustments - prior year	(13,774)	(1,944)	
Total to be accounted for	<u>3,635,155</u>	<u>513,093</u>	
Tax collections:			
Current year	3,611,646	508,088	
Prior years	(10,289)	(1,446)	
Total collections	<u>3,601,357</u>	<u>506,642</u>	
Taxes Receivable, End of Year	<u>\$ 33,798</u>	<u>\$ 6,451</u>	
Taxes Receivable, By Years			
2022 and prior	\$ 27,640	\$ 5,585	
2023	<u>6,158</u>	<u>866</u>	
Taxes Receivable, End of Year	<u>\$ 33,798</u>	<u>\$ 6,451</u>	
Property Valuations:	<u>2023</u> (a)	<u>2022</u> (a)	<u>2021</u> (a)
Land and improvements	<u>\$ 1,837,335,012</u>	<u>\$ 1,812,121,386</u>	<u>\$ 1,502,179,723</u>
Total Property Valuations	<u>\$ 1,837,335,012</u>	<u>\$ 1,812,121,386</u>	<u>\$ 1,502,179,723</u>
Tax Rates per \$100 Valuation:			
Debt Service tax rates	\$ 0.0277	\$ 0.0290	\$ 0.0345
Maintenance tax rates	<u>0.1969</u>	<u>0.2065</u>	<u>0.2280</u>
Total Tax Rates per \$100 Valuation:	<u>\$ 0.2246</u>	<u>\$ 0.2355</u>	<u>\$ 0.2625</u>
Adjusted Tax Levy	<u>\$ 4,126,654</u>	<u>\$ 4,267,546</u>	<u>\$ 3,943,222</u>
Percent of Taxes Collected to Taxes Levied **	<u>99.8%</u>	<u>99.9%</u>	<u>99.9%</u>
Maximum Tax Rate Approved by Voters:	<u>\$ 1.00 on 4/7/1984.</u>		

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

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

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS
SEPTEMBER 30, 2024

Fiscal Year Ending	Unlimited Tax Bonds Series 2014			Total - All Series		
	Principal Due 8/1	Interest Due 2/1, 8/1	Total	Principal Due 8/1	Interest Due 2/1, 8/1	Total
2025	\$ 425,000	\$ 116,938	\$ 541,938	\$ 425,000	\$ 116,938	\$ 541,938
2026	425,000	106,313	531,313	425,000	106,313	531,313
2027	450,000	94,625	544,625	450,000	94,625	544,625
2028	475,000	82,250	557,250	475,000	82,250	557,250
2029	500,000	68,000	568,000	500,000	68,000	568,000
2030	525,000	52,000	577,000	525,000	52,000	577,000
2031	550,000	35,200	585,200	550,000	35,200	585,200
2032	550,000	17,600	567,600	550,000	17,600	567,600
	<u>\$ 3,900,000</u>	<u>\$ 572,926</u>	<u>\$ 4,472,926</u>	<u>\$ 3,900,000</u>	<u>\$ 572,926</u>	<u>\$ 4,472,926</u>

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
TSI-6. CHANGES IN LONG-TERM BONDED DEBT
SEPTEMBER 30, 2024

	Bond Issues	
	Series 2014	Total
Interest Rate	2.0% - 3.2%	
Dates Interest Payable	2/1 ; 8/1	
Maturity Dates	8/1/2032	
Bonds Outstanding at Beginning of Current Fiscal Year	\$ 4,300,000	\$ 4,300,000
Bonds Sold During the Current Fiscal Year	-	-
Retirements During the Current Fiscal Year:		
Principal	(400,000)	(400,000)
Refunded	-	-
Bonds Outstanding at End of Current Fiscal Year	\$ 3,900,000	\$ 3,900,000
Interest Paid During the Current Fiscal Year	\$ 126,937	\$ 126,937
Paying Agent's Name & Address:	Bank of Texas	
	Austin, TX	
Bond Authority:	Unlimited Tax Bonds*	Refunding Bonds*
Amount Authorized by Voters:	\$ 73,100,000	\$ -
Amount Issued	24,475,000	-
Remaining To Be Issued	\$ 48,625,000	\$ -
		Park and Recreational Facillities Bonds*
Debt Service Fund Cash and Temporary Investments balances as of September 30, 2024		\$ 570,338
Average Annual Debt Service Payment (Principal & Interest) for the remaining term of all deb		\$ 559,116

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

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
TSI-7. COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND AND DEBT SERVICE FUND - FIVE YEARS
SEPTEMBER 30, 2024

	Amounts				
	2024	2023	2022	2021	2020
GENERAL FUND REVENUES -					
Water/wastewater service, including penalties	\$ 3,571,706	\$ 3,698,512	\$ 4,009,585	\$ 3,857,606	\$ 3,848,112
Garbage revenue	677,046	614,151	611,133	611,110	603,321
Property taxes, including penalties	3,609,053	3,750,669	3,434,464	3,477,674	3,330,386
Interest	1,739,009	1,445,659	219,035	23,234	246,550
Other	701,073	71,755	93,306	68,336	53,593
TOTAL GENERAL FUND REVENUES	10,297,887	9,580,746	8,367,523	8,037,960	8,081,962
GENERAL FUND EXPENDITURES -					
Current:					
Water/wastewater services	2,447,828	2,350,005	2,405,550	2,473,486	2,230,047
Garbage service	689,586	671,028	614,062	595,343	597,033
Contracted services	1,660,283	700,821	626,013	389,874	393,005
Professional fees	285,566	405,959	336,134	369,815	381,801
Director fees and related expenses	44,203	48,036	45,198	52,074	37,684
Utilities	52,662	45,587	37,312	58,172	55,493
Park/pool expenses	1,256,219	2,022,547	862,460	869,548	812,666
Security	283,909	261,697	174,505	174,458	142,273
Other	165,488	163,286	125,213	116,539	106,615
Capital outlay	2,043,016	467,138	537,023	28,815	170,666
TOTAL GENERAL FUND EXPENDITURES	8,928,760	7,136,104	5,763,470	5,128,124	4,927,283
EXCESS (DEFICIENCY) OF GENERAL FUND REVENUES OVER EXPENDITURES	\$ 1,369,127	\$ 2,444,642	\$ 2,604,053	\$ 2,909,836	\$ 3,154,679
DEBT SERVICE FUND REVENUES -					
Property taxes, including penalties	\$ 507,724	\$ 526,710	\$ 519,685	\$ 520,969	\$ 519,766
Interest and other	66,894	57,543	5,135	618	9,791
TOTAL DEBT SERVICE FUND REVENUES	574,618	584,253	524,820	521,587	529,557
DEBT SERVICE FUND EXPENDITURES -					
Bond principal, interest and fiscal charges	527,337	536,338	519,775	501,775	508,575
Other	8,137	3,189	3,291	3,316	3,735
TOTAL DEBT SERVICE FUND EXPENDITURES	535,474	539,527	523,066	505,091	512,310
EXCESS (DEFICIENCY) OF DEBT SERVICE FUND REVENUES OVER EXPENDITURES	\$ 39,144	\$ 44,726	\$ 1,754	\$ 16,496	\$ 17,247
TOTAL ACTIVE RETAIL WATER CONNECTIONS	2,692	2,689	2,605	2,659	2,602
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	2,683	2,683	2,620	2,639	2,617

**Percent of
Fund Total Revenues**

2024	2023	2022	2021	2020
34.7%	38.6%	47.9%	48.0%	47.6%
6.6%	6.4%	7.3%	7.6%	7.5%
35.0%	39.1%	41.0%	43.3%	41.2%
16.9%	15.1%	2.6%	0.3%	3.1%
6.9%	0.8%	1.2%	0.8%	0.6%
100.0%	100.0%	100.0%	100.0%	100.0%
23.8%	24.5%	28.7%	30.8%	27.6%
6.7%	7.0%	7.3%	7.4%	7.4%
16.1%	7.3%	7.5%	4.9%	4.9%
2.8%	4.2%	4.0%	4.6%	4.7%
0.4%	0.5%	0.5%	0.6%	0.5%
0.5%	0.5%	0.4%	0.7%	0.7%
12.2%	21.1%	10.3%	10.8%	10.1%
2.8%	2.7%	2.1%	2.2%	1.8%
1.6%	1.7%	1.5%	1.4%	1.3%
19.8%	4.9%	6.4%	0.4%	2.1%
86.7%	74.4%	68.7%	63.8%	61.1%
13.3%	25.6%	31.3%	36.2%	38.9%
88.4%	90.2%	99.0%	99.9%	98.2%
11.6%	9.8%	1.0%	0.1%	1.8%
100.0%	100%	100%	100%	100%
91.9%	91.9%	99.1%	96.3%	96.1%
1.4%	0.5%	0.6%	0.6%	0.7%
93.2%	92.4%	99.7%	96.9%	96.8%
6.8%	7.6%	0.3%	3.1%	3.2%

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
TSI-8. BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2024

Complete District Mailing Address: 100 Congress Ave., Ste. 1300, Austin, TX 78701

District Business Telephone Number: (512) 435-2300

Submission Date of the most recent District Registration Form TWC Sections 36.054 & 49.054): November 21, 2022

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

Name and Address:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid * 9/30/2024	Expense Reimbursements 9/30/2024	Title at Year End
<i>Board Members:</i>				
DONALD G. CONKLIN	(Elected) 11/8/2022 - 11/3/2026	\$ 7,200	\$ 1,273	President
JO JONES	(Elected) 11/3/2020 - 11/5/2024	\$ -	\$ 736	Vice-President
DIANA CHRISTIANO	(Elected) 11/8/2022 - 11/3/2026	\$ 7,200	\$ 979	Secretary
KIM GREEN	(Elected) 11/3/2020 - 11/5/2024	\$ 7,200	\$ 1,279	Treasurer
RACHEL BEAULIEU	(Elected) 11/3/2020 - 11/5/2024	\$ 7,200	\$ 165	Assistant Secretary/ Treasurer
<i>Consultants:</i>				
Armbrust & Brown, PLLC	4/1997	\$ 192,921	\$ -	Attorney
Murfee Engineering Company, Inc.	3/1987	\$ 162,078	\$ -	Engineer
Premier Recreation Management Services	12/1/2016	\$ 439,688	\$ -	Pool/Community Center Operations
Texascapes, Inc.	2/1992	\$ 347,149	\$ -	Landscape Maintenance
Bott & Douthitt, PLLC	10/2012	\$ 61,750	\$ -	District Accountant
Crossroads Utility Services, Inc.	6/2010	\$ 687,267	\$ -	General Manager
West, Davis & Company	8/2013	\$ 12,500	\$ -	Auditor
Williamson County Tax Collector	10/2014	\$ 2,067	\$ -	Tax Collector

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

OTHER INFORMATION

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
OSI-1. PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2024

Taxpayer	Type of Property	Tax Roll Year		
		2024	2023	2022
NW Austin Office Partners LLC	N/A	\$ 105,980,677	\$ 109,605,157	\$ 117,297,177
SFT INS (TX) LLC	N/A	74,011,150	86,338,914	82,720,073
Continental 516 Fund LLC	N/A	72,486,141	82,629,973	72,423,124
Fund Amber Oaks LLC	N/A	69,752,199	71,000,000	64,867,787
KV Oakville Apartments LP	N/A	67,702,581	72,010,267	67,458,400
Fund Amber Oaks Phase 2 LLC	N/A	52,891,071	54,274,300	48,764,433
Artisan I LLC & Artisan II LLC	N/A	39,636,585	44,665,025	47,168,930
TLO TX3 Investments LLC	N/A	26,528,404	25,500,000	25,796,099
6301 W Parmer Ltd	N/A	20,027,842	19,126,669	19,419,885
Greens Austin LLC	N/A	16,571,455	17,632,796	15,879,095
Total		\$ 545,588,105	\$ 582,783,101	\$ 561,795,003
Percent of Assessed Valuation		30%	32%	31%
KV Oakville Apartments LP				

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
OSI-2. ASSESSED VALUE BY CLASSIFICATION
SEPTEMBER 30, 2024

Type of Property	Tax Roll Year					
	2024		2023		2022	
	Amount	%	Amount	%	Amount	%
Real Residential Single Family	\$ 1,388,905,206	76.2%	\$ 1,344,744,809	73.2%	\$ 1,647,765,708	90.9%
Multi-Family Residential	341,862,086	18.8%	368,945,509	20.1%	347,460,966	19.2%
Vacant Platted Lots/Tracts	11,753,288	0.6%	11,753,888	0.6%	8,320,411	0.5%
Real Commercial	269,755,584	14.8%	285,216,660	15.5%	285,178,204	15.7%
Utilities	3,771,602	0.2%	3,403,265	0.2%	2,827,980	0.2%
Tangible Personal Business	42,881,415	2.4%	45,170,443	2.5%	41,201,053	2.3%
Exempt	88,508,246	4.9%	95,157,962	5.2%	88,039,860	4.9%
Adjustments & Exemptions	(325,545,272)	-17.9%	(317,057,524)	-17.3%	(608,672,796)	-33.6%
Total	\$ 1,821,892,155	100.0%	\$ 1,837,335,012	100.0%	\$ 1,812,121,386	100.0%