RESOLUTION NO. 26-0122-01

RESOLUTION OF BRUSHY CREEK MUNICIPAL UTILITY DISTRICT APPROVING FISCAL YEAR 2025 FINANCIAL AUDIT REPORT

Whereas, Brushy Creek Municipal Utility District (the "*District*") is a conservation and reclamation district, a body corporate and politic and governmental agency of the State of Texas, created under Article XVI, Sec. 59 of the Texas Constitution by order of the Texas Water Commission, now the Texas Commission on Environmental Quality ("*TCEQ*"), and the District operates under Chapters 49 and 54 of the Texas Water Code, as amended; and

Whereas, Sections 49.191 – 49.194 of the Texas Water Code require each district to have the district's fiscal accounts and records audited annually, to keep full and itemized accounts of district funds, and to file the audit report with the Executive Director of TCEQ within 135 days after the close of each fiscal year; and

Whereas, the Board of Directors of the District desires to approve the Fiscal Year 2025 Financial Audit Report (the "*Audit Report*") in the form attached hereto, including the financial statements included therein, and to authorize and direct that a copy of the Audit Report be timely filed with TCEQ.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BRUSHY CREEK MUNICIPAL UTILITY DISTRICT THAT:

Section 1. The matters and facts recited in the preamble to this Resolution are found to be true and correct and the same are incorporated herein as a part of this Resolution.

Section 2. The Board of Directors of the District hereby approves the Audit Report in the form attached hereto, including the financial statements and supplemental information included therein.

Section 3. The Board of Directors hereby directs the General Manager and Accounting Manager to timely file a copy of the Audit Report with TCEQ and to provide a copy of the Audit Report to the District's Financial Advisor so that the report may be filed with EMMA or other information repositories in accordance with the requirements of any outstanding bond and reporting obligations of the District.

Section 6. The President and Secretary of the Board are hereby authorized and directed to execute this Resolution. After this Resolution is executed, a copy of this Resolution shall be filed in the permanent records of the District.

PASSED AND APPROVED this 22 day of January, 2026.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

Exhibit
Fiscal Year 2025 Financial Audit Report

ML&R

Brushy Creek Municipal Utility District

Financial Statements and Supplemental Information as of and for the Year Ended September 30, 2025 and Independent Auditors' Report

MAXWELL LOCKE & RITTER LLP | Accounting & Advisory

AUSTIN 401 Congress Avenue, Suite 2000, Austin, TX 78701

ROUND ROCK 411 West Main Street, Suite 300, Round Rock, TX 78664

MLRPC.COM

Brushy Creek Municipal Utility District

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Annual Filing Affidavit

The State of Texas

County of Williamson

I, Michael Tucker
(Name of Duly Authorized District Representative)

of the Brushy 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 22 day of January, 20 26, its annual audit report for the fiscal year ended September 30, 2025 and that copies of the annual audit report have been filed in the District office, located at 16318 Great Oaks Drive, Round Rock, Texas 78681.

The annual filing affidavit and the attached copy of the annual 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.

Date: January 22, 20 26. By: _____
(Signature of District Representative)

Michael Tucker, President
(Typed Name and Title of above District Representative)

Sworn to and subscribed to before me this 22 day of January, 20 26.

_____
(Signature of Notary)

(SEAL) Chelsea Jolene Lockhart
My Commission Expires
5/1/2028
Notary ID 132461343

Chelsea Lockhart
(Printed Name of Notary)

My Commission Expires On: 5/1/2028
Notary Public in and for the State of Texas.

Independent Auditors' Report

To the Board of Directors of
Brushy Creek Municipal Utility District:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Brushy Creek Municipal Utility District (the "District"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 and *Government 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 and *Government 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, the schedule of changes in net pension liability (asset) and related ratios, the schedule of district contributions to TCDRS, and the notes to the required supplementary 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 supplemental information required by the Texas Commission on Environmental Quality (the "TCEQ") and the schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 supplemental information required by the TCEQ and the schedule of expenditures of federal awards 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 financial report. The other information comprises the other information listed in the table of contents but does not include the basic financial statements and our auditors' 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Maxwell Locke & Ritter LLP

Austin, Texas
January 22, 2026

In accordance with Governmental Accounting Standards Board Statement No. 34 ("GASB 34"), the management of Brushy Creek Municipal Utility District (the "District") offers the following narrative on the financial performance of the District as of and for the year ended September 30, 2025. Please read it in connection with the District's financial statements that follow.

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 "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*

The report also includes required supplementary information, supplemental information, other supplemental information, and reporting required by *Government Auditing Standards* and the Uniform Guidance.

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 final 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*.

Required supplementary information related to the District's participation in the Texas County and District Retirement System pension plan, schedules required by the Texas Commission on Environmental Quality, other supplemental information, and reporting required by *Government Auditing Standards* and the Uniform Guidance are presented immediately following the *Notes to Basic Financial Statements*.

Comparative Financial Statements

Statement of Net Position

	Governmental Activities		
	2025	2024	% Change
Current and other assets	$ 44,894,892	$ 42,722,041	5%
Capital assets, net	52,462,002	48,424,635	8%
Total assets	97,356,894	91,146,676	7%
Deferred outflows of resources	589,703	702,659	(16%)
Current liabilities	7,711,215	6,800,612	13%
Long-term liabilities	16,124,394	20,442,152	(21%)
Total liabilities	23,835,609	27,242,764	(13%)
Deferred inflows of resources	984,138	976,681	1%
Net investment in capital assets	34,275,337	26,860,950	28%
Restricted	4,001,770	3,993,894	<1%
Unrestricted	34,849,743	32,775,046	6%
Total net position	$ 73,126,850	$ 63,629,890	15%

The District's total assets were approximately $97.4 million as of September 30, 2025. Of this amount, approximately $52.5 million is accounted for by capital assets. The District had outstanding liabilities of approximately $23.8 million of which $19.6 million represent bonds payable.

Statement of Activities

	Governmental Activities		
	2025	2024	% Change
Water, wastewater and garbage	$ 9,199,132	$ 8,902,450	3%
Property taxes	12,828,034	13,076,526	(2%)
Parks and recreation fees	2,519,471	2,616,917	(4%)
Investment earnings	1,662,718	2,205,910	(25%)
Grant revenue	3,079,130	321,461	858%
Other	1,645,386	469,624	250%
Total Revenues	30,933,871	27,592,888	12%
Water, wastewater and garbage	3,473,193	3,475,089	(<1%)
Salary and related expenditures	7,869,369	7,158,783	10%
Administrative	380,655	422,933	(10%)
Repairs and maintenance	1,536,247	1,120,808	37%
Utilities	703,931	660,444	7%
Professional fees	690,280	705,070	(2%)
Contracted services	1,068,070	966,505	11%
Other	1,491,118	1,207,859	23%
Debt service	500,615	611,200	(18%)
Depreciation	3,723,433	3,786,201	(2%)
Total Expenses	21,436,911	20,114,892	7%
Change in net position	9,496,960	7,477,996	27%
Beginning net position	63,629,890	56,151,894	13%
Ending net position	$ 73,126,850	$ 63,629,890	15%

Sources of Revenue	Percentage
Property taxes	42%
Water, wastewater, and garbage	30%
Grant revenue	10%
Parks and recreation fees	8%
Investment earnings	5%
Other	5%

The District's net property tax assessed values increased by approximately $129.4 million or 4% from approximately $2.93 billion to approximately $3.05 billion for District-wide and increased approximately $50.5 million or 7% from approximately $723.9 million to approximately $774.4 million for the Defined Area. The tax rate is set after reviewing operations and maintenance requirements, interest and sinking fund requirements, and proposed water and wastewater rates. The District-wide rate decreased from $0.419543 to $0.401653 per $100 of assessed value while the Defined Area decreased from $0.115 to $0.100 per $100 of assessed value.

Operating revenues increased by approximately $3.3 million to approximately $30.9 million for the fiscal year ended September 30, 2025. Water, wastewater and garbage provided approximately $9.2 million, and property taxes generated approximately $12.8 million in revenues. Total expenses increased approximately $1.3 million to approximately $21.4 million for the fiscal year ended September 30, 2025. Net position increased approximately $9.5 million and $7.5 million for fiscal years ended September 30, 2025 and 2024, respectively.

Analysis of Governmental Funds

Governmental Funds by Year

	2025	2024
Cash	$ 1,881,568	$ 850,817
Investments	39,396,549	38,651,838
Receivables	1,653,346	1,634,737
Due from other funds	238,251	57,352
Prepaids and other assets	131,470	95,613
Total assets	$ 43,301,184	$ 41,290,357
Accounts payable	$ 1,576,510	$ 1,256,157
Customer deposits	696,321	689,266
Other liabilities	499,913	457,504
Due to other funds	238,251	57,352
Unearned revenue	101,911	186,258
Retainage payable	500,320	32,146
Total liabilities	3,613,226	2,678,683
Deferred inflows of resources	151,988	178,195
Nonspendable	131,470	95,613
Restricted	5,868,169	6,590,084
Committed	480,866	2,612,500
Assigned	12,775,193	13,745,810
Unassigned	20,280,272	15,389,472
Total fund balances	39,535,970	38,433,479
Total liabilities, deferred inflows of resources, and fund balances	$ 43,301,184	$ 41,290,357

The *General Fund* pays for daily operating expenditures. When comparing actual to final budget, actual revenues were more than the final budgeted revenues primarily due to other revenues and investment earnings being higher than budgeted. Expenditures were less than budgeted primarily due to less capital outlay expenditures than budgeted. More detailed information about the District's budgetary comparison is presented in the *Basic Financial Statements*.

The Board of Directors (the "Board") committed $480,866 and assigned $12,775,193 of General Fund fund balance for specific future projects, of which most are expected to occur after fiscal year 2025. This is a $3.1 million decrease from the amount of projects committed and assigned for specific future projects at the end of fiscal year 2024. Included in the assigned fund balance is $9,626,934 that is reported as *Subsequent fiscal year budget deficit* which represents management's commitment to utilize funds set aside in prior years for the next fiscal cycle.

The Board has approved a resolution for a six-month operating reserve and a revenue protection reserve, which are reported within unassigned fund balance at year-end. Unassigned fund balance is comprised of the following as of September 30, 2025:

Unassigned Fund Balance:	
Operating reserve	$ 10,914,184
Revenue protection reserve	4,307,051
Remaining unassigned fund balance	5,059,037
Total unassigned fund balance	$ 20,280,272

The *Debt Service Fund* remitted bond principal of approximately $3.4 million and interest of approximately $0.6 million during the year ended September 30, 2025. More detailed information about the District's debt is presented in the *Notes to Basic Financial Statements*.

The *Capital Projects Fund* primarily purchases the District's infrastructure. There was approximately $0.9 million in expenditures for the year ended September 30, 2025.

Capital Assets and Long-Term Debt Activity

Capital Assets

	2025	2024
Land	$ 2,676,333	$ 2,676,333
Construction in progress	9,163,539	1,996,709
Water, wastewater, and drainage systems	87,424,226	87,424,226
Easements and rights-of-way	883,890	883,890
Buildings and improvements	14,280,225	14,381,422
Furniture and office equipment	3,740,460	3,475,345
Parks and recreational amenities	13,203,897	13,178,994
Vehicles and equipment	1,139,262	968,474
Subtotal	132,511,832	124,985,393
Accumulated depreciation	(80,049,830)	(76,560,758)
Total	$ 52,462,002	$ 48,424,635

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

Long-Term Debt Activity

	2025	2024
Current portion	$ 4,130,000	$ 3,915,000
Long term portion	15,455,000	19,585,000
Total	$ 19,585,000	$ 23,500,000

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

The adopted budget for fiscal year 2026 projects a decrease in revenue of approximately $2.6 million compared to the fiscal year 2025 final operating budget and a decrease in expenditures of approximately $3.3 million from the fiscal year 2025 final operating budget.

The amount of assessed value of property within the District-wide area for the 2025 tax year (September 30, 2026 fiscal year) is approximately $3.2 billion and the tax rate levied was $0.386837 per $100 of assessed valuation consisting of $0.301837 per $100 of assessed valuation for maintenance and operations and $0.085000 per $100 of assessed valuation for debt service. The amount of assessed value of property within the Defined Area for the 2025 tax year is approximately $828 million and the tax rate levied was $0.090000 per $100 of assessed valuation.

Brazos River Authority

The Williamson County Regional Raw Water Line (WCRRWL) is undergoing a comprehensive inspection and preliminary Phase III pump engineering design to prepare for the installation of the final phase of pumps (Phase 3) that will bring the system up to its ultimate capacity. The design phase is anticipated to be completed by the end of 2026. The total project cost is estimated at approximately $68.7 million with the District responsible for 6.54% of the ultimate costs. This project's construction phase will be funded by debt to be issued at a later date.

Texas Property Tax Reform and Transparency Act of 2019

The Texas Property Tax Reform and Transparency Act of 2019 and its effect on property taxes impacted the District as it became subject to a Voter Approval Tax rate limitation of 3.5% (for maintenance and operations tax), similar to cities and other taxing units. The prior voter approval rate, previously known as the rollback rate, was set at 8%. If the 3.5% is exceeded, the District must hold a mandatory election whereas under the old law, a petition was required.

American Rescue Plan Act Funding

During 2022, the District and Williamson County entered into a subrecipient agreement related to funding received by Williamson County from the American Rescue Plan Act. The subrecipient agreement provides for funding of water projects with a maximum funding amount to the District of $4,000,000. The eligible projects were 1) Clean Water: Centralized Wastewater Collection and Conveyance; 2) Drinking Water: Treatment; and 3) Drinking Water: Source. The District is responsible for funding the entire design cost and any and all construction project costs in excess of $4,000,000. The District has entered into contracts for construction before December 31, 2024 as required by the subrecipient agreement. The District did incur costs subject to reimbursement from the subrecipient agreement that exceeded the threshold to require a Single Audit for the year ended September 30, 2025, and a Single Audit was performed over the program funded by the subrecipient agreement. It is currently unknown whether the District will exceed the Single Audit threshold for the year ended September 30, 2026.

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 Brushy Creek Municipal Utility District, 16318 Great Oaks Drive, Round Rock, Texas 78681 or PublicInformation@bcmud.org.

Brushy Creek Municipal Utility District

Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Note 3)	Statement of Net Position
Assets:						
Cash and investments:						
Cash	$ 1,881,568	-	-	1,881,568	-	1,881,568
Investments	34,244,648	2,488,912	1,946,942	38,680,502	-	38,680,502
Receivables:						
Service accounts, net of allowance for uncollectible accounts of $34,608	1,015,932	-	-	1,015,932	-	1,015,932
Taxes	108,049	43,939	-	151,988	-	151,988
Leases:						
Due within one year	-	-	-	-	63,946	63,946
Due after one year	-	-	-	-	964,810	964,810
Grant	334,537	-	-	334,537	-	334,537
Other	150,889	-	-	150,889	-	150,889
Due from other funds	238,251	-	-	238,251	(238,251)	-
Prepaid items	131,470	-	-	131,470	10,873	142,343
Investments held for customer deposits	716,047	-	-	716,047	-	716,047
Capital assets (net of accumulated depreciation):						
Land	-	-	-	-	2,676,333	2,676,333
Construction in progress	-	-	-	-	9,163,539	9,163,539
Water, wastewater and drainage systems	-	-	-	-	22,688,246	22,688,246
Buildings and improvements	-	-	-	-	9,994,273	9,994,273
Furniture and office equipment	-	-	-	-	1,456,887	1,456,887
Park and recreational amenities	-	-	-	-	6,149,053	6,149,053
Vehicles and equipment	-	-	-	-	333,671	333,671
Net pension asset	-	-	-	-	792,330	792,330
Total assets	$ 38,821,391	2,532,851	1,946,942	43,301,184	54,055,710	97,356,894
Deferred outflows of resources:						
Deferred charges on bond refundings	-	-	-	-	220,804	220,804
Pension contributions after measurement date	-	-	-	-	335,121	335,121
Deferred outflows related to pension asset	-	-	-	-	33,778	33,778
Total deferred outflows of resources	-	-	-	-	589,703	589,703
Total assets and deferred outflows of resources	$ 38,821,391	2,532,851	1,946,942	43,301,184	54,645,413	97,946,597

(continued)

Brushy Creek Municipal Utility District

Statement of Net Position and Governmental Funds Balance Sheet (Continued)
September 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Note 3)	Statement of Net Position
Liabilities:						
Accounts payable	$ 1,576,510	-	-	1,576,510	-	1,576,510
Retainage payable	500,320	-	-	500,320	-	500,320
Customer deposits	696,321	-	-	696,321	-	696,321
Payroll accruals	416,140	-	-	416,140	-	416,140
Other liabilities	83,773	-	-	83,773	-	83,773
Due to other funds	-	1,264	236,987	238,251	(238,251)	-
Unearned revenue	101,911	-	-	101,911	-	101,911
Bond interest payable	-	-	-	-	200,383	200,383
Long-term liabilities:						
Due within one year	-	-	-	-	4,135,857	4,135,857
Due after one year	-	-	-	-	16,124,394	16,124,394
Total liabilities	3,374,975	1,264	236,987	3,613,226	20,222,383	23,835,609
Deferred inflows of resources:						
Property taxes	108,049	43,939	-	151,988	(151,988)	-
Deferred inflows related to pension asset	-	-	-	-	87,422	87,422
Lease revenues	-	-	-	-	896,716	896,716
Total deferred inflows of resources	108,049	43,939	-	151,988	832,150	984,138
Fund balances/net position:						
Fund balances:						
Nonspendable-						
Prepaid items	131,470	-	-	131,470	(131,470)	-
Restricted for:						
Debt service	575,000	2,487,648	-	3,062,648	(3,062,648)	-
Capital projects	-	-	1,709,955	1,709,955	(1,709,955)	-
Park capital fees	1,095,566	-	-	1,095,566	(1,095,566)	-
Committed for-						
Repair and replacement of capital assets	480,866	-	-	480,866	(480,866)	-
Assigned for:						
Repair and replacement of capital assets	3,148,259	-	-	3,148,259	(3,148,259)	-
Subsequent fiscal year budget deficit (See Note 11)	9,626,934	-	-	9,626,934	(9,626,934)	-
Unassigned	20,280,272	-	-	20,280,272	(20,280,272)	-
Total fund balances	35,338,367	2,487,648	1,709,955	39,535,970	(39,535,970)	-
Total liabilities, deferred inflows of resources and fund balances	$ 38,821,391	2,532,851	1,946,942	43,301,184		
Net position:						
Net investment in capital assets					34,275,337	34,275,337
Restricted for debt service					2,906,204	2,906,204
Restricted for park capital fees					1,095,566	1,095,566
Unrestricted					34,849,743	34,849,743
Total net position					$ 73,126,850	73,126,850

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

Brushy Creek Municipal Utility District

Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Note 3)	Statement of Activities
Revenues:						
Program revenues:						
Water and wastewater services	$ 7,595,062	-	-	7,595,062	-	7,595,062
Parks and recreation fees*	2,519,471	-	-	2,519,471	-	2,519,471
Garbage collection	1,604,070	-	-	1,604,070	-	1,604,070
Capital recovery fees	-	-	91,452	91,452	-	91,452
Parks maintenance fees	356,812	-	-	356,812	-	356,812
Stormwater drainage fees	169,798	-	-	169,798	-	169,798
Emergency management and hazard mitigation fees	29,735	-	-	29,735	-	29,735
Inspection fees	29,090	-	-	29,090	-	29,090
Tap and other connection fees	35,799	-	-	35,799	-	35,799
General revenues:						
Property taxes, including penalties and interest	9,077,485	3,776,756	-	12,854,241	(26,207)	12,828,034
Investment earnings	1,295,745	260,532	106,441	1,662,718	-	1,662,718
Rental income	100,674	-	-	100,674	23,698	124,372
Grant revenue	3,079,130	-	-	3,079,130	-	3,079,130
Other**	808,328	-	-	808,328	-	808,328
Total revenues	26,701,199	4,037,288	197,893	30,936,380	(2,509)	30,933,871
Expenditures/Expenses:						
Service operations:						
Salary and benefits	8,080,460	-	-	8,080,460	(246,300)	7,834,160
Water and wastewater purchases	1,585,674	-	589,025	2,174,699	-	2,174,699
Garbage fees	1,298,494	-	-	1,298,494	-	1,298,494
Repairs and maintenance	1,536,247	-	-	1,536,247	-	1,536,247
Administrative	380,655	-	-	380,655	-	380,655
Utilities	703,931	-	-	703,931	-	703,931
Contracted services	1,060,070	8,000	-	1,068,070	-	1,068,070
Legal fees	184,714	-	-	184,714	-	184,714
Insurance	196,429	-	-	196,429	-	196,429
Engineering fees	258,213	-	-	258,213	-	258,213
Tax appraisal/collection fees	-	80,195	-	80,195	-	80,195
Audit fees	60,747	-	-	60,747	-	60,747
Financial advisor	20,000	-	-	20,000	-	20,000
Director's fees	35,209	-	-	35,209	-	35,209
Security fees	166,606	-	-	166,606	-	166,606
Other	1,214,494	-	-	1,214,494	-	1,214,494
Capital outlay	7,446,148	-	314,652	7,760,800	(7,760,800)	-
Debt service:						
Principal payments	490,000	3,425,000	-	3,915,000	(3,915,000)	-
Interest and fiscal charges	82,188	616,738	-	698,926	(198,311)	500,615
Depreciation	-	-	-	-	3,723,433	3,723,433
Total expenditures/expenses	24,800,279	4,129,933	903,677	29,833,889	(8,396,978)	21,436,911
Excess (deficiency) of revenues over (under) expenditures	1,900,920	(92,645)	(705,784)	1,102,491	(1,102,491)	-
Change in net position	-	-	-	-	9,496,960	9,496,960
Fund balances/net position:						
Beginning of year	33,437,447	2,580,293	2,415,739	38,433,479	25,196,411	63,629,890
End of year	$ 35,338,367	2,487,648	1,709,955	39,535,970	33,590,880	73,126,850

* Parks and recreation fees includes income from rental of pool, recreation and park facilities.

** Other revenue includes a one-time payment from Williamson County for $701,600 related to a subdivision sign replacement.

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

Brushy Creek Municipal Utility District

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund
Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Program revenues:				
Water and wastewater services	$ 7,738,020	7,738,020	7,595,062	(142,958)
Parks and recreation fees	2,364,350	2,364,350	2,519,471	155,121
Garbage collection	1,606,000	1,606,000	1,604,070	(1,930)
Parks maintenance fees	360,828	360,828	356,812	(4,016)
Stormwater drainage fees	175,250	175,250	169,798	(5,452)
Emergency management and hazard mitigation fees	29,655	29,655	29,735	80
Inspection fees	25,000	25,000	29,090	4,090
Tap and other connection fees	1,000	1,000	35,799	34,799
General revenues:				
Property taxes, including penalties and interest	9,112,459	9,112,459	9,077,485	(34,974)
Investment earnings	277,600	277,600	1,295,745	1,018,145
Rental income	100,425	100,425	100,674	249
Grant revenue	4,300,000	4,300,000	3,079,130	(1,220,870)
Other	37,781	37,781	808,328	770,547
Total revenues	26,128,368	26,128,368	26,701,199	572,831
Expenditures:				
Service operations:				
Salary and benefits	8,689,237	8,778,268	8,080,460	697,808
Water and wastewater purchases	1,865,711	1,865,711	1,585,674	280,037
Garbage fees	1,317,000	1,317,000	1,298,494	18,506
Repairs and maintenance	1,536,800	1,948,274	1,536,247	412,027
Administrative	406,690	406,690	380,655	26,035
Utilities	741,100	741,100	703,931	37,169
Contracted services	1,285,350	1,164,313	1,060,070	104,243
Legal fees	325,000	325,000	184,714	140,286
Insurance	198,000	198,000	196,429	1,571
Engineering fees	489,156	489,156	258,213	230,943
Audit fees	86,000	86,000	60,747	25,253
Financial advisor	20,000	20,000	20,000	-
Director's fees	36,000	36,000	35,209	791
Security fees	169,970	169,970	166,606	3,364
Other*	2,007,914	2,057,406	1,214,494	842,912
Capital outlay	14,431,199	15,490,316	7,446,148	8,044,168
Debt service:				
Principal payments	490,000	490,000	490,000	-
Interest and fiscal charges	82,188	82,188	82,188	-
Total expenditures	34,177,315	35,665,392	24,800,279	10,865,113
Excess (deficiency) of revenues over (under) expenditures	(8,048,947)	(9,537,024)	1,900,920	11,437,944
Fund balances:				
Beginning of year	33,437,447	33,437,447	33,437,447	-
End of year	$ 25,388,500	23,900,423	35,338,367	11,437,944

* Includes expenditures related to community activities, recruiting, cell/phone/cable, postage, and printing as well as other miscellaneous expenditures

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

1. Creation of District

Brushy Creek Municipal Utility District (the "District"), formerly known as Williamson County Municipal Utility District No. 2, was created, organized and established on October 27, 1977, pursuant to the provisions of 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 a political subdivision of the State of Texas and 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 which are included in the District's reporting entity.

2. Summary of Significant Accounting Policies

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 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. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. 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. However, debt service expenditures are recorded only when payment is due.

Major revenue sources considered susceptible to accrual include interest income. No accrual for property taxes 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.
>
> The Capital Projects Fund is used to account for financial resources restricted for or committed to authorized construction and other capital asset acquisitions.

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the Board. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended.

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

Investments - Investments throughout the year consisted of investments in external local government investment pools, commercial paper, U.S. government agency securities, and U.S. Treasuries. The external local government investment pools are recognized at amortized cost as permitted by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The District's deposits and investments are invested pursuant to the investment policy, which is approved annually by the Board. The District's investment policies and types of investments are governed by Section 2256 of the Texas Government Code ("Public Funds Investment Act"). The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policy. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments.

Accounts Receivable - The District provides for uncollectible accounts receivable using the allowance method of accounting for bad debts. Under this method of accounting, a provision for uncollectible accounts is charged to earnings. The allowance account is increased or decreased based on past collection history and management's evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance account, and recoveries of previously charged off accounts are added to the allowance. As of September 30, 2025, the allowance for uncollectible accounts totaled $34,608.

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

Capital Assets - Capital assets, which include land, construction in progress, water, wastewater, and drainage systems, easements and rights-of-way, buildings and improvements, furniture and office equipment, park and recreational amenities, and vehicles and equipment, 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 $10,000 and a useful life of at least two years. 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 asset additions, improvements and preservation costs that extend the useful life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs, if any, are capitalized as part of the asset.

Capital assets (other than land and construction in progress) are depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Water, wastewater, and drainage systems	7-50
Easements and rights-of-way	40
Buildings and improvements	10-40
Furniture and office equipment	5-10
Park and recreational amenities	5-22
Vehicles and equipment	5-7

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, including bond insurance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond insurance costs are reported as assets and amortized over the term of the related debt.

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, including bond insurance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences - Accrued paid time off is earned by each full-time employee at a rate of between 13.30 and 17.97 hours per month depending on length of employment. The District's policy allows for a maximum carry-over from the previous fiscal year. The full amount of accrued paid time off, subject to the maximum accrual limits, is paid upon discontinuance of employment with the District.

Pensions - The fiduciary net position of the Texas County and District Retirement System ("TCDRS") has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCDRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Leases - The District is a lessor for noncancellable leases of land. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term and the lease receivable is reduced by the principal portion of lease payments when received. The deferred inflow of resources is initially measured at the initial amount of the lease receivable and is recognized as revenue over the life of the lease term.

The key estimates and judgments related to leases include how the District determines the discount rate used to discount the expected lease receipts to present value, lease term, and lease receipts. The District uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease and lease receipts included in the measurement of the lease receivable are comprised of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Ad Valorem Property Taxes - Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectibles within the General and Debt Service Funds 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.

Deferred Outflows and Deferred 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. See Note 7 and Note 12 for additional information on deferred outflows of resources.

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 11 for additional information on those fund balance classifications.

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 Pronouncement

In May 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for fiscal years beginning after June 15, 2025. The objective of GASB Statement No. 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an entity's accountability. GASB Statement No. 103 impacts the following areas: (1) Management's discussion and analysis - information is limited to topics discussed in five sections which include a) overview of the financial statements, b) financial summary, c) detailed analysis, d) significant capital asset and long-term financial activity, and e) currently known facts, decisions, or conditions. Information included in the detailed analysis should explain why balances and results of operations changed; (2) Unusual or infrequent items - these items are limited to transactions that are either unusual in nature or infrequent in occurrence and are displayed as the last presented flow of resources prior to the net change in resource flows; (3) Proprietary funds - the statement of revenues, expenses, and changes in net position is now required to separately report noncapital subsidies and present a subtotal for operating income (loss) and noncapital subsidies before reporting nonoperating revenues and expenses. It also defines what constitutes a subsidy; (4) Major component unit information - each major component unit is required to be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements; (5) Budgetary comparison information - this is now required to be presented as required supplemental information and also must present variances between original and final budget amounts and variances between final budget and actual amounts. Management is evaluating the effects that the full implementation of GASB Statement No. 103 will have on its financial statements for the year ended September 30, 2026.

3. 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	$ 39,535,970
Prepaid bond insurance costs are recorded as expenditures in the funds, but are amortized over the life of the related bonds in the statement of net position.	10,873
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	52,462,002
Net pension asset is not recoverable in the current period and, therefore, is not reported in the funds.	792,330
Leases receivable are not available financial resources and, therefore, are not reported in the funds.	1,028,756
Deferred tax revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds.	151,988
Deferred lease revenue is not available to pay for current period expenditures and, therefore, is not reported in the funds.	(896,716)
The following liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable and revenue note, including premiums and discounts	(20,117,424)
Less: Deferred charges on bond refundings	220,804
Bond interest payable	(200,383)
Vacation payable	(142,827)
The following deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:	
Pension contributions after measurement date	335,121
Deferred outflows related to pension asset	33,778
Deferred inflows related to pension asset	(87,422)
Total net position	$ 73,126,850

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

Change in fund balances	$ 1,102,491
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	7,760,800
Depreciation expense	(3,723,433)
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	(26,207)
Change in deferred lease revenue	23,698
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position-	
Repayment of bond and revenue note principal	3,915,000
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	32,592
Change in vacation payable	(5,857)
Amortization of deferred charges on bond refunding	(51,260)
Amortization of bond premium	221,334
Amortization of original issue discount	(2,270)
Amortization of bond insurance costs	(2,085)
Pension contributions made before measurement date	129,372
Pension contributions made after measurement date	335,121
Adjustments for ending deferred inflows and outflows related to net pension asset	(212,336)
Change in net position	$ 9,496,960

4. Cash and Investments

The District's deposits are required to be secured in the manner provided by law for the security of the funds. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of September 30, 2025, the District's bank 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, diversification, and yield.

The District is entitled to invest in obligations of the United States, the State of Texas and their agencies or any state, county, city and any other political subdivisions of any state rated by a nationally recognized investment rating firm with a rating not less than A or its equivalent, certificates of deposit of state or national banks or savings and loan associations within the State, 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 ("SEC"), and eligible public funds investment pools.

Investments held at September 30, 2025 consisted of the following:

Type	Fair Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
Local Governmental Investment Pools:			
TexPool	$ 1,660,081	1	AAAm
LOGIC	20,903,119	1	AAAm
U.S. Treasuries	1,973,672	105	AA+
U.S. Government Agency Securities:			
Federal Home Loan Bank	992,380	227	AA+
Federal Farm Credit Bank	8,394,515	715	AA+
Federal Agriculture Mortgage Corp.	3,037,202	634	AA+
Commercial Paper	2,435,580	168	A-1
Total	$ 39,396,549		

The District had investments in two external local government investment pools, Texas Local Governmental Investment Pool ("TexPool") and Local Government Investment Cooperative ("LOGIC"). Although TexPool and LOGIC are not registered with the SEC as an investment company, they operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. These investments are stated at amortized cost, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

TexPool is an external investment pool offered to local governments. 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 Hermes, Inc. manages daily operations of TexPool under a contract with the Comptroller and is the investment manager for the pool. TexPool uses amortized cost rather than market value to report net assets to compute share prices. TexPool's investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

LOGIC is a public funds investment pool created pursuant to the Interlocal Cooperation Act of the State of Texas. The District has delegated the authority to hold legal title to LOGIC as custodian and to make investment purchases with the District's funds. LOGIC is a member-owned, member-governed public funds investment pool. The Board of Trustees, who have governance responsibilities, is comprised of participants in LOGIC and members of the Texas Association of School Business Officials. LOGIC measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in LOGIC at amortized cost for financial reporting purposes.

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

The District also invests in U.S. government agency securities, commercial paper, and U.S. Treasuries. The U.S. government agency securities and U.S. Treasuries are valued using Level 1 inputs and commercial paper is valued using Level 2 inputs that are based on market data obtained from independent sources. The fair value of these investments at September 30, 2025 are detailed below:

	Level 1	Level 2	Level 3	Total
U.S. Government Agency Securities	$ 12,424,097	$ -	$ -	$ 12,424,097
U.S. Treasuries	1,973,672	-	-	1,973,672
Commercial Paper	-	2,435,580	-	2,435,580
Total Fair Value	$ 14,397,769	$ 2,435,580	$ -	$ 16,833,349
Investments not subject to fair value leveling				22,563,200
Total Investments				$ 39,396,549

The investments held for customer deposits in the General Fund consist of deposits received from customers to initiate water services with the District. These deposits are to be refunded to customers upon termination of water service with the District and, therefore, are also included as liabilities by the District.

Credit Risk - At September 30, 2025, investments were comprised of external local governmental investment pools, U.S. government agency securities, commercial paper, and U.S. Treasuries with ratings from Standard & Poor's in compliance with the District's investment policy.

Interest Rate Risk - The District considers the holdings in the external local governmental investment pools 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. U.S. government agency securities, commercial paper, and U.S. Treasuries held by the District have set interest rates.

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. As of September 30, 2025, the District's investments which require disclosure are as follows:

	Fair Value	Percentage of Portfolio
Investments at September 30, 2025:		
Federal Farm Credit Bank	$ 8,394,515	21%
Federal Home Loan Bank	$ 3,037,202	8%

5. 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, 2025, was as follows:

Receivable Fund	Payable Funds	Amount
General Fund	Debt Service Fund	$ 1,264
General Fund	Capital Projects Fund	236,987
Total		$ 238,251

6. Capital Assets

Capital assets activity for the year ended September 30, 2025, was as follows:

	Balance 09/30/24	Additions	Retirements and Transfers	Balance 09/30/25
Capital assets not being depreciated:				
Land	$ 2,676,333	-	-	2,676,333
Construction in progress	1,996,709	7,166,830	-	9,163,539
Total capital assets not being depreciated	4,673,042	7,166,830	-	11,839,872
Capital assets being depreciated:				
Water, wastewater, and drainage systems	87,424,226	-	-	87,424,226
Easements and rights-of-way	883,890	-	-	883,890
Buildings and improvements	14,381,422	109,540	(210,737)	14,280,225
Furniture and office equipment	3,475,345	267,217	(2,102)	3,740,460
Park and recreational amenities	13,178,994	45,725	(20,822)	13,203,897
Vehicles and equipment	968,474	171,488	(700)	1,139,262
Total capital assets being depreciated	120,312,351	593,970	(234,361)	120,671,960
Less accumulated depreciation for:				
Water, wastewater, and drainage systems	(62,306,943)	(2,429,037)	-	(64,735,980)
Easements and rights-of-way	(883,890)	-	-	(883,890)
Buildings and improvements	(4,159,945)	(336,744)	210,737	(4,285,952)
Furniture and office equipment	(2,039,609)	(246,066)	2,102	(2,283,573)
Park and recreational amenities	(6,446,803)	(628,863)	20,822	(7,054,844)
Vehicles and equipment	(723,568)	(82,723)	700	(805,591)
Total accumulated depreciation	(76,560,758)	(3,723,433)	234,361	(80,049,830)
Total capital assets being depreciated, net	43,751,593	(3,129,463)	-	40,622,130
Capital assets, net	$ 48,424,635	4,037,367	-	52,462,002

7. Deferred Charges on Bond Refundings

The following is a summary of changes in deferred charges on bond refundings for the year ended September 30, 2025:

	Balance 09/30/24	Additions	Retirements	Balance 09/30/25
Deferred charges on bond refundings	$ 272,064	-	(51,260)	220,804

8. Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended September 30, 2025:

	Balance 09/30/24	Additions	Retirements	Balance 09/30/25
Bonds payable and revenue note	$ 23,500,000	-	(3,915,000)	19,585,000
Discount on bonds	(29,676)	-	2,270	(27,406)
Premium on bonds	781,164	-	(221,334)	559,830
Compensated absences	136,970	363,488	(357,631)	142,827
Total	$ 24,388,458	363,488	(4,491,695)	20,260,251

At September 30, 2025, $5,857 of compensated absences was due within one year.

Long-term debt at September 30, 2025 is comprised of the following:

	Balance September 30, 2025	Due in One Year
$3,625,000 Series 2015 Sendero Springs/Cornerstone Defined Area Refunding Bonds, maturing annually on June 1 through 2033. Interest varies from 3.00% to 3.75% and is payable on June 1 and December 1 each year.	$ 1,990,000	$ 245,000
$3,530,000 Series 2015 Sendero Springs/Cornerstone Defined Area Unlimited Tax Bonds, maturing annually on June 1 through 2039. Interest varies from 3.00% to 3.75% and is payable on June 1 and December 1 each year.	2,450,000	135,000
$6,940,000 Series 2016 Term Note (Community Center), maturing annually on June 1 through 2030. Interest at 2.63% and is payable on June 1 and December 1 each year.	2,635,000	500,000
$6,605,000 Series 2019 Refunding Bonds, maturing annually on June 1 through 2026. Interest varies from 3.00% to 4.00% and is payable on June 1 and December 1 each year.	1,900,000	1,900,000
$8,140,000 Series 2020 Refunding Bonds, maturing annually on June 1 through 2028. Interest varies from 3.00% to 4.00% and is payable on June 1 and December 1 each year.	3,600,000	945,000
$2,100,000 Series 2020 Unlimited Tax Bonds, maturing annually on June 1 through 2029. Interest varies from 1.00% to 1.50% and is payable on June 1 and December 1 each year.	795,000	140,000
$5,600,000 Series 2020A Refunding Bonds, maturing annually on June 1 through 2028. Interest varies from 2.00% to 4.00% and is payable on June 1 and December 1 each year.	3,435,000	-
$1,795,000 Series 2020 Sendero Springs/Cornerstone Defined Area Refunding Bonds, maturing annually on June 1 through 2033. Interest varies from 2.00% to 3.00% and is payable on June 1 and December 1 each year.	1,330,000	125,000
$1,850,000 Series 2021 Sendero Springs/Cornerstone Defined Area Refunding Bonds, maturing annually on June 1 through 2038. Interest varies from 2.00% to 3.00% and is payable on June 1 and December 1 each year.	1,450,000	140,000
Total long-term debt	$ 19,585,000	$ 4,130,000

As of September 30, 2025, the debt service requirements to maturity on the long-term debt outstanding is as follows:

Fiscal Year	Principal	Interest	Total Requirement
2026	$ 4,130,000	601,150	4,731,150
2027	4,180,000	463,496	4,643,496
2028	4,315,000	323,849	4,638,849
2029	1,745,000	195,882	1,940,882
2030	1,135,000	154,567	1,289,567
2031-2035	2,630,000	424,911	3,054,911
2036-2039	1,450,000	104,354	1,554,354
Total	$ 19,585,000	2,268,209	21,853,209

The bonds are payable from proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount.

The bond resolutions require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and cover the cost of assessing and collecting taxes. These provisions have been met, and the cash allocated for these purposes is sufficient to meet debt service requirements through the fiscal year ended September 30, 2025.

At September 30, 2025, unlimited tax bonds of $10,715,000 were authorized by the District, but unissued, all of which is for the Defined Area water, wastewater, and drainage systems.

9. Leases

The District, as a lessor, has entered into agreements with three outside parties to lease District property for cell tower use. For the year ended September 30, 2025, the District reported lease revenue of $83,242 and interest revenue of $40,219 related to lease payments received. These leases are summarized as follows:

	Monthly Lease Payment Range	# of Months in FY 2025 and Subsequent	Lease Term Date	Interest Rate
AT&T	$1,293 - $3,380	364	January 1, 2055	3.6%
T-Mobile	$3,064 - $3,769	71	August 1, 2030	4.0%
Verizon	$3,214 - $4,250	118	July 1, 2034	4.0%

The District receives monthly payments and there are no termination clauses within the lease agreements. The District believes the renewal options will be exercised and have been included in the future minimum lease payments.

Future minimum lease payments as of September 30, 2025, are as follows:

Year Ended September 30,	Principal	Interest	Total
2026	$ 63,946	38,487	102,433
2027	67,776	35,859	103,635
2028	71,799	33,075	104,874
2029	80,912	30,124	111,036
2030	79,837	28,478	108,315
Thereafter	664,486	294,086	958,572
Total	$ 1,028,756	460,109	1,488,865

10. 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 in the current year. The uncollected balance is reported as deferred revenue. Taxes receivable are due January 1 and are delinquent if received after January 31 and are subject to penalty and interest charges.

In August 2024, the District levied a district-wide combined tax rate of $0.401653 per $100 of assessed valuation to finance operating expenditures and debt service requirements. The maintenance tax rate and the debt service tax rate were $0.301653 and $0.10, respectively. The total fiscal year 2025 tax levy was $12,220,471 based on a taxable assessed valuation of $3,052,844,901. The District also levied a defined area debt service tax rate of $0.10 per $100 of assessed valuation to finance debt service requirements. The total fiscal year 2025 tax levy related to the defined area was $772,555 based on a taxable valuation of $774,414,365.

11. 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. Commitments may be changed or lifted only by the Board by taking the same formal action that imposed the constraint originally.

The amounts committed for funding the repair and replacement of capital assets as of September 30, 2025 are as follows:

Community Park Playground (Phase I)	$	220,866
Emergency Interconnect BCWF w RR		260,000
Total	$	480,866

Assigned - For the General Fund, amounts that are appropriated by the Board that are to be used for specific purposes. The Board has authorized the General Manager to have the authority to assign an amount of funds. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Included in the assigned fund balance as of September 30, 2025 is $9,626,934 that is reported as *Subsequent fiscal year budget deficit* which represents management's commitment to utilize funds set aside in prior years for the next fiscal cycle.

The amounts assigned for funding the repair and replacement of capital assets as of September 30, 2025 are as follows:

Emergency Response and Hazard Mitigation	$	159,600
Server Replacement		30,200
Master Plan 2012-2027 - Parks		220,728
General Trail Washouts		109,000
Gym Equipment Reserve		73,807
Community Garden		85,000
HVAC Replacement Fund		116,000
Utility Equipment Replacement		1,000
Required ROW Waterline Relocates		302,000
WCRRWL Regional Raw Water Line		982,504
Future Water Line Replacement		338,122
Drainage Improvements		154,004
BCRWWS Regional WW Improvement Fund		474,294
Membrane Replacement Fund		102,000
Total	$	3,148,259

Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund. The Board approved a resolution for a six-month operating reserve and a revenue protection reserve. As these items do not meet the criteria to be classified elsewhere within another fund balance classification, these amounts are reflected within unassigned fund balance in the General Fund as of September 30, 2025 as noted in the table below:

Unassigned Fund Balance:	
Operating reserve	$ 10,914,184
Revenue protection reserve	4,307,051
Remaining unassigned fund balance	5,059,037
Total unassigned fund balance	$ 20,280,272

The detail of the fund balances is included in the Governmental Funds Balance Sheet on pages 12-13.

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.

12. Defined Benefit Pension Plan

Plan Description

The District provides retirement, disability, and death benefits for all of its non-temporary full-time employees through a nontraditional defined benefit pension plan administered by TCDRS. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of nearly 890 active participating counties and districts throughout Texas. TCDRS in the aggregate issues an annual comprehensive financial report ("ACFR") on a calendar year basis. The ACFR is available upon written request from the TCDRS, Finance Division, at Barton Oaks Plaza IV, Suite 500, 901 S. Mopac Expressway, Austin, Texas 78746.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas State statutes governing TCDRS ("TCDRS Act"). Members can retire either at age 60 and above with 5 or more years of service, after 20 years of service, or when service time plus age equals 80 but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefits Provided

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and the employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act, so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employee membership data related to the Plan, as of the valuation date of December 31, 2024, was as follows:

Retirees and beneficiaries currently receiving benefits	26
Terminated employees entitled to but not yet receiving benefits	456
Active plan members	126
Total	608

Contributions

The District has elected the annually determined contribution rate ("ADCR") plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The District contributed using the actuarially determined rate of 8.28% for 2025 as adopted by the governing body of the District. The employee contribution rate was 6.00%. The employee contribution rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act. The required contribution and actual contributions for the year ended September 30, 2025 equaled $462,242.

Net Pension Asset

Actuarial Assumptions

The District's net pension asset was measured as of December 31, 2024 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported
Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization method	Level percentage of payroll, closed
Amortization period	16.4 years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Cost-of-Living Adjustments	Cost-of-Living Adjustments for the District are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB 68 calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.

Mortality:

Depositing members	135% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

The actuarial assumptions that determined the total pension liability as of December 31, 2024 were based on the results of an actuarial experience study for the period January 1, 2017 through December 31, 2020, except where required to be different by GASB 68.

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2025 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed in detail at a minimum of every four years and is set based on a long-term time horizon; the most recent analysis was performed in March 2021.

Asset Class	Benchmark	Target Allocation (a)	Geometric Real Rate of Return (Expected minus Inflation) (b)
US Equities	Dow Jones U.S. Total Stock Market Index	13.00%	5.35%
Global Equities	MSCI World (net) Index	4.00%	5.15%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	6.00%	4.75%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	0.00%	4.75%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.55%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.70%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.85%
Distressed Debt	Cambridge Associates Distressed Securities Index (c)	4.00%	6.80%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.95%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	4.95%
Commodities	Bloomberg Commodities Index	2.00%	1.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (d)	6.00%	5.75%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (e)	25.00%	8.15%
Hedge Funds	HFR, Inc. Fund of Funds Composite Index	6.00%	3.60%
Cash Equivalents	90-Day U.S. Treasury	2.00%	1.10%

a) Target asset allocation adopted at the March 2025 TCDRS Board meeting.

b) Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.35%, per Cliffwater's 2025 capital market assumptions.

c) Includes vintage years 2005-present of Quarter Pooled Horizon internal rates of return.

d) Includes vintage years 2007-present of Quarter Pooled Horizon internal rates of return.

e) Includes vintage years 2006-present of Quarter Pooled Horizon internal rates of return.

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. This rate reflects the long-term rate of return funding valuation assumption of 7.50%, plus 0.10% adjustment to be gross of administrative expenses as required by GASB 68. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

Changes in Net Pension Asset

Changes in the District's net pension asset for the valuation year ended December 31, 2024 are as follows:

	Total Pension Liability	Increase (Decrease) Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance as of December 31, 2023	$ 10,183,689	$ 10,574,744	$ (391,055)
Changes for the year:			
Service cost	585,546	-	585,546
Interest on total pension liability (1)	807,295	-	807,295
Effect of plan changes (2)	-	-	-
Effect of economic/demographic gains or losses	67,556	-	67,556
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(85,089)	(85,089)	-
Benefit payments	(214,268)	(214,268)	-
Administrative expenses	-	(6,607)	6,607
Member contributions	-	309,109	(309,109)
Net investment income	-	1,087,517	(1,087,517)
Employer contributions	-	443,571	(443,571)
Other (3)	-	28,081	(28,081)
Balance as of December 31, 2024	$ 11,344,729	$ 12,137,059	$ (792,330)

1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

2) No plan changes valued.

3) Relates to allocation of system-wide items.

Sensitivity Analysis

The following presents the net pension asset of the District, calculated using the discount rate of 7.60%, as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	6.60%	7.60%	8.60%
Total pension liability	$ 13,237,865	$ 11,344,729	$ 9,814,819
Fiduciary net position	12,137,059	12,137,059	12,137,059
Net pension liability / (asset)	$ 1,100,806	$ (792,330)	$ (2,322,240)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended September 30, 2025, the District recognized pension expense of $212,336. As of September 30, 2025, the deferred outflows and inflows of resources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 33,778	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings	-	87,422
Contributions made subsequent to measurement date	335,121	-
Total	$ 368,899	$ 87,422

The $335,121 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended September 30, 2026. The remaining amounts currently reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Pension Expense Amount
Year ended September 30:	
2026	$ (34,260)
2027	146,455
2028	(112,614)
2029	(53,225)
Total	$ (53,644)

13. 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.

14. Amounts Collected for Capital Improvements

By an agreement dated March 26, 1996, the District and developers of property within the District agreed to the payment of a fee by the developers of the District. The fee has been established by contract between the District and its developers. The agreement also establishes the restrictions for the use of the fees. The fees collected under this agreement totaled $91,452 for the year ended September 30, 2025 and are within the Capital Projects Fund.

15. Commitments and Contingencies

In August 1998, the Board authorized the District to enter into a contract with the Brazos River Authority ("BRA") for participation in the Williamson County Raw Water Line Project. The Williamson County Raw Water Line Project is for the construction and maintenance of facilities capable of transporting water from Lake Stillhouse Hollow to Lake Georgetown.

In October 2000, the Board authorized the District to enter into a contract with the BRA and the Lower Colorado River Authority ("LCRA") for participation in the Sub Regional Wastewater Collection, Treatment and Disposal System.

The LCRA utilized its reserved capacity in the system to receive wastewater from the District's wastewater collection system. The cities of Round Rock, Cedar Park, and Austin purchased the wastewater system from the LCRA in December 2009. The District is a customer of the City of Round Rock (the "City"). The BRA will operate and maintain the system in order to receive wastewater from the customers' wastewater collection systems and to treat and dispose of such wastewater. The District will pay charges on the system, their annual estimates for sub-regional operation and maintenance expenses and the resulting estimates of sub-regional capital charges and sub-regional flow charges. The District's capital charge means the portion of the City's debt necessary to service the District. Capital charges are included in wastewater purchase expenditures which totaled $719,476 for the year ended September 30, 2025. The following details the District's portion of the City's debt that will be included in future wastewater purchases:

Fiscal Year	Principal	Interest	Total
2026	$ 355,000	160,243	515,243
2027	370,000	147,261	517,261
2028	375,000	140,139	515,139
2029	380,000	132,891	512,891
2030	390,000	124,856	514,856
2031-2035	1,740,000	481,920	2,221,920
2036-2039	1,430,000	155,125	1,585,125
Total	$ 5,040,000	1,342,435	6,382,435

A $122,500,000 project (the "Project") is underway by the City and other owners of the wastewater collection system. The Project includes both required improvements and an expansion component. The District is not responsible for the expansion costs but has been allocated $1,355,000 in costs of the Project representing its pro rata share of the required improvement costs. The District made a lump sum payment towards the Project of $224,400 during the year ended September 30, 2021. The remaining $1,130,600 allocated to the District will be paid out annually through 2032 as part of the District's obligation to pay a share of debt service.

On June 24, 2021, the District entered into an Interlocal Agreement for Emergency Water Service with the City where each party agrees to provide potable water service for a temporary period, as defined in the agreement, and only in the event of and for the duration of an emergency, as defined in the agreement. The rate charged will be the residential customer volume rate for Rate Block Four as set forth in Sec. 44-32(a)(5) Code of Ordinances of the City, as amended from time to time. The agreement is effective until September 30, 2040.

16. Subrecipient Agreement

Effective August 9, 2022, the District entered into a Subrecipient Agreement with Williamson County (the "County") to receive an amount up to $4,000,000 to reimburse the District for expenses related to eligible State and Local Fiscal Recovery Funds. These include construction and construction administration for any one or more of the following public infrastructure improvements: 1) centralized wastewater collection and conveyance including Cat Hollow Wastewater Lift Station improvements and Hillside Lift Station removal; 2) drinking water treatment including winterization improvements at the water treatment plant; and 3) drinking water source including emergency power installation at raw water intake facility, emergency power installation for groundwater wells, winterization of raw water intake vault, and winterization improvements for groundwater wells. The Subrecipient Agreement terminates on December 31, 2026 unless terminated earlier in accordance with the Subrecipient Agreement. During the year ended September 30, 2025, $3,079,130 was expended under the Subrecipient Agreement and the District recorded related grant revenue during the year then ended. Grant receivable at September 30, 2025 was $334,537 for reimbursements to be received from the County for expenditures incurred as of September 30, 2025.

The expenditures incurred under the Subrecipient Agreement during the year ended September 30, 2025 have been audited in accordance with the provisions of the Uniform Guidance and the related federal program is subject to financial and compliance audits by the grantor agencies. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Brushy Creek Municipal Utility District

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
September 30, 2025

	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Total Pension Liability										
Service cost	$ 585,546	$ 500,036	$ 553,753	$ 508,147	$ 448,604	$ 416,956	$ 364,608	$ 294,923	$ 295,387	$ 267,011
Interest on total pension liability	807,295	722,802	629,940	585,706	526,117	456,424	398,452	342,882	291,308	263,305
Effect of plan changes	-	-	1,662	-	-	-	-	4,376	-	(55,460)
Effect of assumption changes or inputs	-	-	-	(7,394)	483,993	-	-	512	-	30,086
Effect on economic/demographic (gains) or losses	67,556	62,853	303,961	(352,599)	(164,748)	38,542	(26,962)	44,864	(28,730)	(120,517)
Benefit payments/refunds of contributions	(299,357)	(220,992)	(206,720)	(188,521)	(97,267)	(69,593)	(75,772)	(66,783)	(75,753)	(54,772)
Net change in total pension liability	1,161,040	1,064,699	1,282,596	545,339	1,196,699	842,329	660,326	620,774	482,212	329,653
Total pension liability, beginning	10,183,689	9,118,990	7,836,394	7,291,055	6,094,356	5,252,027	4,591,701	3,970,927	3,488,715	3,159,062
Total pension liability, ending (a)	$11,344,729	$10,183,689	$ 9,118,990	$ 7,836,394	$ 7,291,055	$ 6,094,356	$ 5,252,027	$ 4,591,701	$ 3,970,927	$ 3,488,715
Fiduciary Net Position										
Employer contributions	$ 443,571	$ 374,268	$ 355,166	$ 251,756	$ 219,201	$ 206,110	$ 183,429	$ 173,616	$ 142,204	$ 140,561
Member contributions	309,109	271,209	248,079	227,490	206,145	198,835	180,126	170,719	147,347	138,711
Investment income net of investment expenses	1,087,517	1,006,931	(575,770)	1,639,053	653,880	843,237	(88,684)	596,801	264,683	(66,405)
Benefit payments/refunds of contributions	(299,357)	(220,992)	(206,720)	(188,521)	(97,267)	(69,593)	(75,772)	(66,783)	(75,753)	(54,772)
Administrative expenses	(6,607)	(5,522)	(5,347)	(5,002)	(5,349)	(4,818)	(4,126)	(3,280)	(2,878)	(2,516)
Other	28,082	24,910	63,554	10,248	10,334	12,363	9,070	3,689	24,012	2,487
Net change in fiduciary net position	1,562,315	1,450,804	(121,038)	1,935,024	986,944	1,186,134	204,043	874,762	499,615	158,066
Fiduciary net position, beginning	10,574,744	9,123,940	9,244,978	7,309,954	6,323,010	5,136,876	4,932,833	4,058,071	3,558,456	3,400,390
Fiduciary net position, ending (b)	$12,137,059	$10,574,744	$ 9,123,940	$ 9,244,978	$ 7,309,954	$ 6,323,010	$ 5,136,876	$ 4,932,833	$ 4,058,071	$ 3,558,456
Net pension liability / (asset), ending = (a) - (b)	$ (792,330)	$ (391,055)	$ (4,950)	$(1,408,584)	$ (18,899)	$ (228,654)	$ 115,151	$ (341,132)	$ (87,144)	$ (69,741)
Fiduciary net position as a % of total pension liability	106.98%	103.84%	100.05%	117.97%	100.26%	103.75%	97.81%	107.43%	102.19%	102.00%
Pensionable covered payroll	$ 5,151,813	$ 4,520,150	$ 4,134,647	$ 3,791,499	$ 3,435,745	$ 3,313,925	$ 3,002,106	$ 2,845,317	$ 2,450,776	$ 2,311,858
Net pension liability / (asset) as a % of covered payroll	-15.38%	-8.65%	-0.12%	-37.15%	-0.55%	-6.90%	3.84%	-11.99%	-3.56%	-3.02%

Brushy Creek Municipal Utility District

Schedule of District Contributions to TCDRS
September 30, 2025

Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Pensionable Covered Payroll *	Actual Contribution as a % of Covered Payroll
2015**	$ 140,561	$ 140,561	$ -	$ 2,311,858	6.1%
2016**	141,900	142,204	(304)	2,450,776	5.8%
2017**	168,727	173,616	(4,889)	2,845,317	6.1%
2018**	183,429	183,429	-	3,002,106	6.1%
2019**	205,795	206,110	(315)	3,313,925	6.2%
2020**	219,201	219,201	-	3,435,745	6.4%
2021**	251,756	251,756	-	3,791,499	6.6%
2023	365,063	365,063	-	4,364,979	8.4%
2024	424,329	424,329	-	4,934,058	8.6%
2025	462,242	462,242	-	5,582,634	8.3%

* Payroll is calculated based on contributions as reported to TCDRS.

** TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report on a fiscal year basis. The District is reporting contributions on a calendar year basis for years 2015-2021 and a fiscal year basis thereafter.

1. Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The following methods and assumptions were used to determine the contributions rates:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported
Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization method	Level percentage of payroll, closed
Amortization period	16.4 years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Cost-of-Living Adjustments	Cost-of-Living Adjustments for the District are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB 68 calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality:	
Depositing members	135% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Disabled retirees	160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

2. Change in Assumptions

The following change was made to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period-

- Amortization period decreased from 17.4 years to 16.4 years

Brushy Creek Municipal Utility District

Index of Supplemental Schedules Required by the
Texas Commission on Environmental Quality
Year Ended September 30, 2025

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

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 15 to basic financial statements

(C) Pension Coverage

See Note 12 to basic financial statements

(D) Pledge of Revenues

See Note 8 to basic financial statements

(E) Compliance with Debt Service Requirements

See Note 8 to basic financial statements

(F) Redemption of Bonds

See Note 8 to basic financial statements.

Brushy Creek Municipal Utility District

TSI-1 Schedule of Services and Rates
Year Ended September 30, 2025

1. Services Provided by the District:

☒ Retail Water	☒ Wholesale Water	☒ Drainage
☒ Retail Wastewater	☐ Wholesale Wastewater	☐ Irrigation
☒ Parks/Recreation	☐ Fire Protection	☒ Security
☒ Solid Waste/Garbage	☐ Flood Control	☐ Roads

☒ Participates in joint venture, regional system and or wastewater service (other than emergency interconnect)

☐ Other (specify): _____

2. Retail Service Providers:

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

Based on rate order effective August 28, 2025

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons Over Minimum	Usage Levels
Water	$ 20.00		N	$ 3.50	October to May
				4.70	June to September
Wastewater	$ 9.00		N	$ 3.20	Per 1,000
Surcharge	N/A	N/A	N	N/A	Per Water & Wastewater Charges

District employs winter averaging for wastewater usage? Yes ☒ No ☐

Total charges per 10,000 gallons usage: Water: $55.00 - Winter; $67.00 - Summer

Wastewater: $41.00

(continued)

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
<=¾”	5,527	5,527	x 1.5	8,290.5
1”	44	44	x 2.5	110
1 ½”	45	45	x 5.0	225
2”	41	41	x 8.0	328
3”	7	7	x 15.0	105
4”	1	1	x 25.0	25
6”	2	2	x 50.0	100
8”	7	7	x 80.0	560
10”			x 115.0	
Total Water	5,674	5,674		9,743.5
Total Wastewater	5,551	5,551	x 1.0	5,551

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

Gallons pumped into system:	947,230,000	Water Accountability Ratio: (Gallons billed/Gallons pumped)
Gallons billed to customers:	873,204,000	92.2% (1)

(1) The water accountability ratio does not include fire hydrant flushing, water used in firefighting, loss due to water leaks identified, or other un-metered loss to the system.

(continued)

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

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:	City of Round Rock
Are Board members appointed by an office outside the District?	Yes ☐ No ☒
If yes, by whom?	N/A

Brushy Creek Municipal Utility District

TSI-2 Schedule of General Fund Expenditures
Year Ended September 30, 2025

	Parks and Recreation	Utilities	Administrative and Other Services	Total
Personnel expenditures (including benefits)	$ 3,991,202	1,436,843	2,652,415	8,080,460
Professional fees:				
Auditing	-	-	60,747	60,747
Legal	-	-	184,714	184,714
Engineering	2,320	160,521	95,372	258,213
Financial advisor	-	-	20,000	20,000
Purchased services for resale-				
Bulk water and wastewater service purchases	-	1,585,674	-	1,585,674
Contracted services	548,463	103,535	408,072	1,060,070
Utilities	184,711	361,990	157,230	703,931
Repairs and maintenance	1,204,118	263,557	68,572	1,536,247
Administrative expenditures:				
Directors' fees	-	-	35,209	35,209
Insurance	-	-	196,429	196,429
Other administrative expenditures	101,336	58,795	220,524	380,655
Capital outlay-				
Capitalized assets	883,828	6,350,644	211,676	7,446,148
Tap connection expenditures	-	72,086	-	72,086
Solid waste disposal	-	-	1,298,494	1,298,494
Security fees	-	-	166,606	166,606
Debt service:				
Principal payments	-	-	490,000	490,000
Interest and fiscal charges	-	-	82,188	82,188
Other expenditures	575,825	379,396	187,187	1,142,408
Total expenditures	$ 7,491,803	10,773,041	6,535,435	24,800,279

Number of persons employed by the District:
(Does not included independent contractors or consultants)
Full-Time - 68 Part-Time - 116

Brushy Creek Municipal Utility District

TSI-3 Schedule of Temporary Investments
September 30, 2025

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at September 30, 2025	Accrued Interest Receivable at September 30, 2025
General Fund:					
LOGIC	XXXX1002	Varies	Daily	$ 716,047	$ -
LOGIC	XXXX1003	Varies	Daily	1,050,521	-
LOGIC	XXXX1015	Varies	Daily	15,805,757	-
TexPool	XXXX0008	Varies	Daily	509,976	-
TexPool	XXXXX001	Varies	Daily	45,045	-
US Govt Agencies	XXXXXX2U5	3.625%	05/15/2026	992,380	-
US Govt Agencies	XXXXXPFT7	3.750%	04/13/2026	989,540	-
US Govt Agencies	XXXXXPYM1	4.750%	10/13/2027	496,178	-
US Govt Agencies	XXXXXPPE9	4.375%	07/06/2026	987,710	-
US Govt Agencies	XXXXXXEL8	4.750%	09/08/2028	496,008	-
US Govt Agencies	XXXXXP3B9	4.125%	02/13/2029	992,750	-
US Govt Agencies	XXXXXPW84	3.875%	01/18/2029	1,487,792	-
US Govt Agencies	XXXXXH7H0	2.875%	01/18/2028	946,520	-
US Govt Agencies	XXXXXP6K6	4.125%	03/26/2027	2,494,025	-
US Govt Agencies	XXXXXUU36	4.125%	03/13/2026	1,009,032	-
US Govt Agencies	XXXXXXQJ0	4.750%	12/10/2027	1,532,162	-
US Treasury	XXXXXCGV7	3.750%	04/15/2026	977,344	-
US Treasury	XXXXXCFP1	4.250%	10/15/2025	996,328	-
Commercial paper	XXXXXUES8	n/a	05/26/2026	1,456,605	-
Commercial paper	XXXXXLZ24	n/a	12/02/2025	978,975	-
Total General Fund				34,960,695	-
Debt Service Fund:					
LOGIC	XXXX1001	Varies	Daily	1,353,969	-
LOGIC	XXXX1016	Varies	Daily	5,608	-
LOGIC	XXXX1013	Varies	Daily	853,497	-
TexPool	XXXX0004	Varies	Daily	275,838	-
Total Debt Service Fund				2,488,912	-
Capital Projects Fund:					
LOGIC	XXXX1009	Varies	Daily	1,117,720	-
TexPool	XXXX0007	Varies	Daily	829,222	-
Total Capital Projects Fund				1,946,942	-
Total - all funds				$ 39,396,549	$ -

Brushy Creek Municipal Utility District

TSI-4 Analysis of Taxes Levied and Receivable
Year Ended September 30, 2025

	General Fund	Debt Service Fund
Taxes receivable, September 30, 2024	$ 125,671	$ 52,524
2024 Tax Roll	9,186,738	3,806,288
Adjustments	(144,024)	(57,145)
Total to be accounted for	9,168,385	3,801,667
Tax collections:		
Prior years	(25,903)	(32,334)
Current year	9,086,239	3,790,063
Total collections	9,060,336	3,757,729
Taxes receivable, September 30, 2025	$ 108,049	$ 43,939
Taxes receivable, by years		
2024	$ 74,730	$ 25,037
2023	5,410	1,812
2022	4,946	1,609
2021	3,425	1,317
2020	3,013	1,318
2019	2,215	969
2018	2,236	978
2017 and prior	12,074	10,899
Taxes receivable, September 30, 2025	$ 108,049	$ 43,939

	2024	2023	2022	2021
Property valuations:				
District-wide	$ 3,052,844,901	$ 2,923,458,606	$ 2,931,304,495	$ 2,491,434,408
Defined area	774,414,365	723,898,971	677,572,848	589,413,912
Tax rates per $100 valuation:				
Debt service tax rate	0.100000	0.105000	0.103000	0.120000
Maintenance tax rate	0.301653	0.314543	0.316543	0.312059
District-wide	0.401653	0.419543	0.419543	0.432059
Defined area	0.100000	0.115000	0.127500	0.140000
Adjusted tax levy	$ 12,993,026	$ 13,069,124	$ 13,093,479	$ 11,591,192
Percent of taxes collected to taxes levied	99.23%	99.94%	99.95%	99.96%

Brushy Creek Municipal Utility District

TSI-5 Long-Term Debt Service Requirements - By Years
September 30, 2025

	Defined Area Refunding Series 2015			Defined Area Unlimited Tax Series 2015			Utility System Revenue Note Series 2016		
Due During Fiscal Years Ending 9/30	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total
2026	$ 245,000	70,050	315,050	135,000	84,456	219,456	500,000	69,301	569,301
2027	260,000	62,394	322,394	140,000	80,406	220,406	515,000	56,151	571,151
2028	270,000	53,944	323,944	145,000	76,206	221,206	525,000	42,606	567,606
2029	280,000	44,494	324,494	150,000	71,494	221,494	540,000	28,799	568,799
2030	295,000	34,694	329,694	155,000	66,619	221,619	555,000	14,592	569,592
2031	300,000	24,000	324,000	160,000	61,581	221,581	-	-	-
2032	165,000	12,750	177,750	170,000	56,381	226,381	-	-	-
2033	175,000	6,562	181,562	175,000	50,431	225,431	-	-	-
2034	-	-	-	185,000	44,306	229,306	-	-	-
2035	-	-	-	190,000	37,831	227,831	-	-	-
2036	-	-	-	200,000	31,181	231,181	-	-	-
2037	-	-	-	205,000	23,931	228,931	-	-	-
2038	-	-	-	215,000	16,500	231,500	-	-	-
2039	-	-	-	225,000	8,442	233,442	-	-	-
	$ 1,990,000	308,888	2,298,888	2,450,000	709,765	3,159,765	2,635,000	211,449	2,846,449

(continued)

Brushy Creek Municipal Utility District

TSI-5 Long-Term Debt Service Requirements - By Years (Continued)
September 30, 2025

	Refunding Series 2019			Refunding Series 2020			Unlimited Tax Series 2020		
Due During Fiscal Years Ending 9/30	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total
2026	$ 1,900,000	76,000	1,976,000	945,000	108,000	1,053,000	140,000	11,575	151,575
2027	-	-	-	1,305,000	79,650	1,384,650	10,000	9,825	19,825
2028	-	-	-	1,350,000	40,500	1,390,500	-	9,675	9,675
2029	-	-	-	-	-	-	645,000	9,675	654,675
2030	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-
	$ 1,900,000	76,000	1,976,000	3,600,000	228,150	3,828,150	795,000	40,750	835,750

(continued)

Brushy Creek Municipal Utility District

TSI-5 Long-Term Debt Service Requirements - By Years (Continued)
September 30, 2025

	Refunding Series 2020A			Defined Area Refunding Series 2020			Defined Area Refunding Series 2021		
Due During Fiscal Years Ending 9/30	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total
2026	$ -	119,900	119,900	125,000	28,518	153,518	140,000	33,350	173,350
2027	1,685,000	119,900	1,804,900	120,000	26,020	146,020	145,000	29,150	174,150
2028	1,750,000	52,500	1,802,500	125,000	23,618	148,618	150,000	24,800	174,800
2029	-	-	-	125,000	21,120	146,120	5,000	20,300	25,300
2030	-	-	-	125,000	18,462	143,462	5,000	20,200	25,200
2031	-	-	-	135,000	15,806	150,806	5,000	20,100	25,100
2032	-	-	-	285,000	12,938	297,938	5,000	20,000	25,000
2033	-	-	-	290,000	6,525	296,525	5,000	19,900	24,900
2034	-	-	-	-	-	-	190,000	19,800	209,800
2035	-	-	-	-	-	-	195,000	16,000	211,000
2036	-	-	-	-	-	-	200,000	12,100	212,100
2037	-	-	-	-	-	-	200,000	8,100	208,100
2038	-	-	-	-	-	-	205,000	4,100	209,100
2039	-	-	-	-	-	-	-	-	-
	$ 3,435,000	292,300	3,727,300	1,330,000	153,007	1,483,007	1,450,000	247,900	1,697,900

(continued)

Brushy Creek Municipal Utility District

TSI-5 Long-Term Debt Service Requirements - By Years (Continued)
September 30, 2025

	Annual Requirements for All Series		
Due During Fiscal Years Ending 9/30	Principal Due	Interest Due	Total
2026	$ 4,130,000	601,150	4,731,150
2027	4,180,000	463,496	4,643,496
2028	4,315,000	323,849	4,638,849
2029	1,745,000	195,882	1,940,882
2030	1,135,000	154,567	1,289,567
2031	600,000	121,487	721,487
2032	625,000	102,069	727,069
2033	645,000	83,418	728,418
2034	375,000	64,106	439,106
2035	385,000	53,831	438,831
2036	400,000	43,281	443,281
2037	405,000	32,031	437,031
2038	420,000	20,600	440,600
2039	225,000	8,442	233,442
	$19,585,000	2,268,209	21,853,209

Brushy Creek Municipal Utility District

TSI-6 Analysis of Changes in Long-Term Debt
September 30, 2025

	Defined Area Refunding Series 2015	Defined Area Tax Series 2015	Utility System Revenue Note Series 2016	Refunding Series 2019	Refunding Series 2020
Interest rate	3.00 to 3.75%	3.00 to 3.75%	2.63%	3.00 to 4.00%	3.00 to 4.00%
Dates interest payable	6/1 ; 12/1	6/1 ; 12/1	6/1 ; 12/1	6/1 ; 12/1	6/1 ; 12/1
Maturity dates	6/1/2033	6/1/2039	6/1/2030	6/1/2026	6/1/2028
Bonds outstanding, beginning of year	$ 2,230,000	2,580,000	3,125,000	2,100,000	4,515,000
Bonds issued during current year	-	-	-	-	-
Bonds retired during current year	(240,000)	(130,000)	(490,000)	(200,000)	(915,000)
Bonds outstanding, end of year	$ 1,990,000	2,450,000	2,635,000	1,900,000	3,600,000
Interest paid during current year	$ 77,250	88,356	82,188	82,000	135,450

(continued)

Brushy Creek Municipal Utility District

TSI-6 Analysis of Changes in Long-Term Debt (Continued)
September 30, 2025

	Unlimited Tax Series 2020	Refunding Series 2020A	Defined Area Refunding Series 2020	Defined Area Refunding Series 2021
Interest rate	1.00 to 1.50%	2.00 to 4.00%	2.00 to 3.00%	2.00 to 3.00%
Dates interest payable	6/1 ; 12/1	6/1 ; 12/1	6/1 ; 12/1	6/1 ; 12/1
Maturity dates	6/1/2029	6/1/2028	6/1/2033	6/1/2038
Bonds outstanding, beginning of year	$ 930,000	4,985,000	1,450,000	1,585,000
Bonds issued during current year	-	-	-	-
Bonds retired during current year	(135,000)	(1,550,000)	(120,000)	(135,000)
Bonds outstanding, end of year	$ 795,000	3,435,000	1,330,000	1,450,000
Interest paid during current year	$ 13,262	150,900	32,118	37,402

(continued)

Brushy Creek Municipal Utility District

TSI-6 Analysis of Changes in Long-Term Debt (Continued)
September 30, 2025

	Grand Totals
Bonds outstanding, beginning of year	$ 23,500,000
Bonds issued during current year	-
Bonds retired during current year	(3,915,000)
Bonds outstanding, end of year	$ 19,585,000
Interest paid during current year	$ 698,926

Paying agent's name & address:

Series 2015, 2019, 2020, 2020A and 2021
Computershare
St. Paul, Minnesota

Series 2016
BB&T Governmental Finance
Charlotte, North Carolina

	District Tax Bonds	Defined Area Tax Bonds	Refunding Bonds
Bond authority:			
Amount authorized	$ 74,100,000	24,500,000	84,074,998
Amount issued	(74,100,000)	(13,785,000)	(84,074,998)
Remaining to be issued	$ -	10,715,000	-

Debt Service Fund cash and temporary investments balances as of September 30, 2025:	$ 2,488,912
Average annual debt service payments (principal & interest) for remaining term of debt:	$ 1,560,944

Brushy Creek Municipal Utility District

TSI-7 Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund
Five Years Ended September 30, 2025

	Amounts					Percentage of Fund Total Revenues				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
General Fund										
Revenues:										
Water and wastewater services	$ 7,595,062	7,347,600	7,385,191	5,731,129	5,408,639	28.5 %	31.9	33.7	34.0	33.9
Parks and recreation fees	2,519,471	2,616,917	2,414,578	2,133,310	1,560,908	9.4	11.3	11.0	12.7	9.8
Garbage collection	1,604,070	1,554,850	1,398,153	1,397,438	1,395,584	6.0	6.7	6.4	8.3	8.8
Parks maintenance fees	356,812	-	-	-	-	1.3	-	-	-	-
Stormwater drainage fees	169,798	-	-	-	-	0.6	-	-	-	-
Emergency management and hazard mitigation fees	29,735	-	-	-	-	0.1	-	-	-	-
Inspection fees	29,090	47,170	47,060	24,075	21,675	0.1	0.2	0.2	0.1	0.1
Tap and other connection fees	35,799	26,471	50,791	1,325	1,296	0.1	0.1	0.3	0.1	0.1
Property taxes, including penalties and interest	9,077,485	9,098,312	9,222,308	7,789,171	7,210,360	34.0	39.4	41.9	46.1	45.2
Investment earnings	1,295,745	1,785,698	1,098,828	(607,745)	80,144	4.9	7.7	5.0	(3.6)	0.5
Grant revenue	3,079,130	321,461	-	-	-	11.5	1.4	-	-	-
Other	909,002	300,050	317,495	380,416	264,285	3.5	1.3	1.4	2.3	1.7
Total revenues	26,701,199	23,098,529	21,934,404	16,849,119	15,942,891	100.0	100.0	100.0	100.0	100.0
Expenditures:										
Current:										
Salary and benefits	8,080,460	7,353,348	6,418,648	5,838,057	5,200,496	30.3	31.8	29.4	34.5	32.7
Purchased services for resale	2,884,168	2,906,145	3,223,211	2,898,572	2,871,703	10.8	12.6	14.7	17.2	18.0
Repairs and maintenance	1,536,247	1,120,808	1,004,808	1,045,010	1,385,387	5.8	4.9	4.6	6.2	8.7
Administrative	415,864	458,933	490,017	388,403	370,745	1.6	2.0	2.2	2.3	2.3
Utilities	703,931	660,444	615,908	644,156	585,697	2.6	2.9	2.8	3.8	3.7
Contracted services	1,060,070	957,980	859,546	780,482	502,558	4.0	4.1	3.9	4.6	3.2
Professional services and other	2,101,203	1,831,578	1,808,322	1,451,292	1,235,878	7.9	7.9	8.2	8.6	7.8
Capital outlay	7,446,148	2,748,717	4,008,817	1,009,796	2,185,839	27.8	11.9	18.3	6.0	13.7
Debt service:										
Principal payments	490,000	475,000	465,000	450,000	440,000	1.8	2.1	2.1	2.7	2.8
Interest and fiscal charges	82,188	94,680	106,909	118,744	130,317	0.3	0.4	0.5	0.7	0.8
Total expenditures	24,800,279	18,607,633	19,001,186	14,624,512	14,908,620	92.9	80.6	86.6	86.8	93.5
Excess of revenues over expenditures	$ 1,900,920	4,490,896	2,933,218	2,224,607	1,034,271	7.1 %	19.4	13.4	13.2	6.5

(continued)

Brushy Creek Municipal Utility District

TSI-7 Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund (Continued) Five Years Ended September 30, 2025

	Amounts					Percentage of Fund Total Revenues				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
Debt Service Fund										
Revenues:										
Property taxes, including penalties and interest	$ 3,776,756	3,869,362	3,862,275	3,826,408	4,012,812	93.5 %	93.4	94.2	99.3	99.8
Investment earnings and other	260,532	272,186	236,899	28,902	6,937	6.5	6.6	5.8	0.7	0.2
Total revenues	4,037,288	4,141,548	4,099,174	3,855,310	4,019,749	100.0	100.0	100.0	100.0	100.0
Expenditures:										
Principal payments	3,425,000	3,325,000	3,275,000	3,175,000	3,895,000	84.8	80.3	79.8	82.4	96.9
Interest and fiscal charges	616,738	721,238	810,688	907,226	980,684	15.3	17.4	19.8	23.5	24.4
Tax appraisal and collection	80,195	81,351	70,157	63,945	64,653	2.0	2.0	1.7	1.7	1.6
Bond issuance costs	-	-	-	-	102,981	-	-	-	-	2.6
Other	8,000	8,525	8,524	8,023	13,325	0.2	0.2	0.2	0.2	0.3
Total expenditures	4,129,933	4,136,114	4,164,369	4,154,194	5,056,643	102.3	99.9	101.5	107.8	125.8
Other financing sources (uses):										
Proceeds of refunding bonds	-	-	-	-	1,850,000	-	-	-	-	46.0
Payment to refunded bond escrow agent	-	-	-	-	(1,874,403)	-	-	-	-	(46.6)
Premium (discount) on bonds	-	-	-	-	62,484	-	-	-	-	1.6
Total other financing sources, net	-	-	-	-	38,081	-	-	-	0.1	0.9
Excess (deficiency) of revenues and other financing sources, net over (under) expenditures	$ (92,645)	5,434	(65,195)	(298,884)	(998,813)	(2.3) %	0.1	(1.5)	(7.8)	(24.8)
Total active retail water connections	5,674	5,675	5,685	5,679	5,673					
Total active retail wastewater connections	5,551	5,556	5,606	5,557	5,594					

Brushy Creek Municipal Utility District

TSI-8 Board Members, Key Personnel and Consultants
September 30, 2025

Complete District Mailing Address: 16318 Great Oaks Drive
Round Rock, Texas 78681

District Business Telephone Number: (512) 255-7871

Submission date of the most recent District Registration Form: December 3, 2025
(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 and Address	Term of Office Elected & Expires or Date Hired	Fees 9/30/25	Expense Reimbursements 9/30/25	Title at Year End
Board Members:				
Michael Tucker	Elected 11/24 - 11/28	$ 4,199	-	President
Kim Filiatrault	Elected 11/22 - 11/26	7,200	-	Vice-President
Ken Reifschlager	Elected 11/22 - 11/26	7,200	-	Secretary
Rebecca B. Tullos	Elected 11/22 - 11/26	7,200	-	Treasurer
Tracey O. Calloway	Elected 11/24 - 11/28	7,200	-	Asst. Secretary

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

(continued)

Brushy Creek Municipal Utility District

TSI-8 Board Members, Key Personnel and Consultants (Continued)
September 30, 2025

Name and Address	Date Hired	Fees and Expense Reimbursements 9/30/25	Title at Year End
Consultants:			
McLean & Howard, LLP	2017	$ 140,430	Attorney
Maxwell Locke & Ritter LLP	2023	50,500	Auditor
Robert W. Baird & Co.	2015	-	Financial Advisor
MRB Group	2013	68,562	Engineer
Meeder Public Funds, Inc. (fka Patterson & Associates)	2008	15,000	Investment Advisor
Williamson County Tax Assessor-Collector	1981	3,220	Tax Assessor/Collector

Brushy Creek Municipal Utility District

OSI-1 Principal Taxpayers
September 30, 2025

District-Wide Area	Tax Roll Year		
Taxpayer	2025	2024	2023
Landing at Round Rock Acquisition LLC	$ 132,950,000	$ 136,000,000	$ 163,843,084
CWS Brushy Creek LP	66,600,000	72,999,956	78,954,775
Atmos Energy/Mid-Tex Distribution	18,481,334	15,753,872	13,883,507
H.E. Butt Inc.	13,650,000	13,000,000	13,700,000
Beck Commons Investments LLC	12,700,000	13,637,198	15,000,000
TXMS Real Estate Investments Inc.	11,496,989	14,412,662	14,919,160
Great American Storage Partners LLC	10,334,305	10,437,060	10,703,411
Brushy Creek Texas LLC	8,085,000	7,691,366	-
Airport Storage LLC	8,037,040	9,141,060	9,300,000
MGP, XXII LLC	5,700,000	-	-
Aratow, Henry J	-	5,978,930	-
Oncor Electric Delivery Company	-	-	10,351,107
Highland 620 Land Investment Ltd.	-	-	9,573,468
Total	$ 288,034,668	$ 299,052,104	$ 340,228,512
Percent of Assessed Valuation	8.97%	9.80%	11.64%

(continued)

Brushy Creek Municipal Utility District

OSI-1 Principal Taxpayers (Continued)
September 30, 2025

Defined Area	Tax Roll Year		
Taxpayer	2025	2024	2023
TXMS Real Estate Investments Inc.	$ 11,496,989	$ 14,412,662	$ 14,919,160
Brushy Creek Texas LLC	8,085,000	7,691,366	6,865,000
Cuchara Investment Group Ltd.	5,530,000	5,328,631	5,238,016
Great Oaks Physicians Holding Company LP	4,604,544	4,339,938	4,514,867
Hatch House Management Company LLC	4,350,000	4,354,811	4,593,885
Saiba Holdings LLC	4,340,000	5,092,306	5,252,079
Harbor Hospice Land Investors of Austin LP	4,121,561	3,534,818	-
TDE Investments LLC	3,510,000	-	3,318,750
RCP 620 Great Oaks LP	3,362,840	3,744,927	3,663,054
First Star Bank SSB	3,250,000	3,494,459	3,691,541
Highland 620 Land Investment Ltd.	-	4,773,228	9,573,468
Total	$ 52,650,934	$ 56,767,146	$ 61,629,820
Percent of Assessed Valuation	6.36%	7.33%	8.51%

Brushy Creek Municipal Utility District

OSI-2 Assessed Value by Classification
September 30, 2025

District-Wide Area	Tax Roll Year					
	2025		2024		2023	
Type of Property	Amount	%	Amount	%	Amount	%
Single Family	$ 3,087,301,620	96.1%	$ 2,909,670,160	95.3%	$ 2,830,015,670	96.8%
Multi-Family	214,921,006	6.7%	225,054,564	7.4%	257,819,523	8.8%
Vacant Platted Lots/Tracts	5,373,025	0.2%	12,570,649	0.4%	26,198,790	0.9%
Farm and Ranch Improvement	1,540	0.0%	1,623	0.0%	1,923	0.0%
Commercial	198,112,124	6.2%	203,454,819	6.7%	190,756,299	6.5%
Real & Intangible Personal, Utilities	26,044,473	0.8%	23,441,459	0.8%	26,557,767	0.9%
Tangible Personal Business	27,641,908	0.9%	26,523,505	0.9%	23,407,361	0.8%
Exempt	(347,666,613)	(10.8)%	(347,871,878)	(11.3)%	(431,298,727)	(14.8)%
Total	$ 3,211,729,083	100.0%	$ 3,052,844,901	100.0%	$ 2,923,458,606	100.0%

(continued)

Brushy Creek Municipal Utility District

OSI-2 Assessed Value by Classification (Continued)
September 30, 2025

Defined Area	Tax Roll Year					
	2025		2024		2023	
Type of Property	Amount	%	Amount	%	Amount	%
Single Family	$ 787,800,356	95.2%	$ 734,175,029	94.8%	$ 716,728,904	99.0%
Vacant Platted Lots/Tracts	4,000,131	0.5%	11,249,166	1.5%	18,505,157	2.6%
Farm and Ranch Improvement	-	0.0%	-	0.0%	300	0.0%
Commercial	59,389,549	7.2%	54,940,833	7.1%	48,393,298	6.7%
Real & Intangible Personal, Utilities	260,095	0.0%	310,876	0.0%	281,825	0.0%
Tangible Personal Business	7,875,876	1.0%	5,880,913	0.8%	4,162,254	0.6%
Exempt	(31,761,294)	(3.8)%	(32,142,452)	(4.2)%	(64,172,767)	(8.9)%
Total	$ 827,564,713	100.0%	$ 774,414,365	100.0%	$ 723,898,971	100.0%

Brushy Creek Municipal Utility District

Table I

Net Position by Component
Last Ten Fiscal Years

	Fiscal Year Ended September 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Net investment in capital assets	$ 5,965,625	12,825,180	12,316,369	12,536,093	15,547,661	18,492,505	19,769,469	24,287,825	26,860,950	34,275,337
Restricted	5,630,145	5,963,007	5,052,322	4,463,518	5,072,525	4,087,513	3,829,885	3,799,981	3,993,894	4,001,770
Unrestricted	15,699,005	11,905,091	17,908,896	22,006,967	21,542,300	22,525,652	25,074,615	28,064,088	32,775,046	34,849,743
Total Governmental Activities Net Position	$ 27,294,775	30,693,278	35,277,587	39,006,578	42,162,486	45,105,670	48,673,969	56,151,894	63,629,890	73,126,850

Source: Statement of Net Position

Brushy Creek Municipal Utility District

Table II

Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities:										
Salary and benefits	$ 3,566,693	3,952,880	4,188,303	4,640,346	4,748,271	5,253,509	5,536,500	6,405,525	7,122,783	7,834,160
Water and wastewater purchases	1,653,106	1,265,881	1,348,904	1,465,995	1,406,130	1,725,371	1,719,145	1,904,999	2,215,866	2,174,699
Garbage fees	1,158,603	1,184,646	1,237,786	1,296,316	1,399,600	1,146,332	1,179,427	1,318,212	1,259,223	1,298,494
Repairs and maintenance	989,729	1,122,722	876,860	1,117,540	1,276,114	1,385,387	1,045,010	1,004,808	1,120,808	1,536,247
Administrative	887,623	943,326	1,021,688	1,120,396	345,785	336,695	355,553	460,981	422,933	380,655
Utilities	551,664	536,614	624,474	580,259	611,657	585,697	644,156	615,908	660,444	703,931
Contracted services	233,267	378,744	197,193	400,696	747,105	515,883	788,505	868,070	966,505	1,068,070
Other consulting	204,305	214,143	-	-	-	-	-	-	-	-
Legal fees	97,559	143,750	112,648	131,428	210,593	169,912	199,649	170,046	163,060	184,714
Insurance	75,943	71,806	79,303	93,091	98,534	102,693	136,730	164,147	178,835	196,429
Engineering fees	67,494	83,326	106,155	169,089	295,404	147,775	185,699	326,643	343,955	258,213
Tax appraisal/collection fees	62,624	63,732	64,019	64,078	66,799	64,653	63,945	70,157	81,351	80,195
Audit fees	38,000	33,500	39,000	34,750	41,750	41,000	35,493	55,950	47,000	60,747
Financial advisor	-	-	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Director's fees	27,675	27,675	25,650	29,100	32,400	34,050	32,850	29,036	36,000	35,209
Security fees	10,063	8,843	8,224	79,020	119,747	140,282	118,854	121,346	131,055	166,606
Other	4,467	6,485	198,862	178,896	545,243	614,486	801,653	950,190	947,673	1,214,494
Interest and fiscal charges	1,782,922	1,651,096	1,304,110	1,075,455	439,305	850,099	808,093	717,983	611,200	500,615
Bond issuance costs	16,393	6,575	-	220,225	642,435	81,748	-	-	-	-
Depreciation	2,159,234	2,746,605	3,061,544	3,924,775	3,367,645	3,791,585	3,514,910	3,709,186	3,786,201	3,723,433
Loss on disposal	-	145,014	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	$ 13,587,364	14,587,363	14,514,723	16,641,455	16,414,517	17,007,157	17,186,172	18,913,187	20,114,892	21,436,911
Total Primary Government Expenses	$ 13,587,364	14,587,363	14,514,723	16,641,455	16,414,517	17,007,157	17,186,172	18,913,187	20,114,892	21,436,911

(continued)

Brushy Creek Municipal Utility District

Table II

Expenses, Program Revenues, and Net (Expense)/Revenue (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program Revenues										
Governmental Activities:										
Water and wastewater services	$ 5,226,780	5,215,431	5,385,725	5,192,564	5,405,598	5,408,639	5,731,129	7,385,191	7,347,600	7,595,062
Parks and recreation fees	1,506,143	1,546,489	1,673,060	1,969,615	1,165,846	1,560,908	2,133,310	2,414,578	2,616,917	2,519,471
Garbage collection	1,345,290	1,369,168	1,385,486	1,388,800	1,391,326	1,395,584	1,397,438	1,398,153	1,554,850	1,604,070
Capital recovery fees	428,425	150,112	9,748	81,879	19,495	3,899	3,899	117,698	63,723	91,452
Parks maintenance fees	-	-	-	-	-	-	-	-	-	356,812
Stormwater drainage fees	-	-	-	-	-	-	-	-	-	169,798
Emergency management and hazard mitigation fees	-	-	-	-	-	-	-	-	-	29,735
Inspection fees	77,282	60,520	27,685	29,000	31,700	21,675	24,075	47,060	47,170	29,090
Tap and other connection fees	131,136	47,079	3,074	26,003	6,214	1,296	1,325	50,791	26,471	35,799
Contributions	19,275	1,710	1,932	200	350	2,550	562	-	-	-
Total Governmental Activities Program Revenues	$ 8,734,331	8,390,509	8,486,710	8,688,061	8,020,529	8,394,551	9,291,738	11,413,471	11,656,731	12,431,289
Total Primary Government Program Revenues	$ 8,734,331	8,390,509	8,486,710	8,688,061	8,020,529	8,394,551	9,291,738	11,413,471	11,656,731	12,431,289
Net (Expense)/Revenue										
Governmental activities	$ (4,853,033)	(6,196,854)	(6,028,013)	(7,953,394)	(8,393,988)	(8,612,606)	(7,894,434)	(7,499,716)	(8,458,161)	(9,005,622)
Total primary government net expense	$ (4,853,033)	(6,196,854)	(6,028,013)	(7,953,394)	(8,393,988)	(8,612,606)	(7,894,434)	(7,499,716)	(8,458,161)	(9,005,622)

Source: Statement of Activities

Brushy Creek Municipal Utility District

Table III

General Revenues and Total Change in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense) Revenue										
Governmental activities	$ (4,853,033)	(6,196,854)	(6,028,013)	(7,953,394)	(8,393,988)	(8,612,606)	(7,894,434)	(7,499,716)	(8,458,161)	(9,005,622)
Total primary government net expense	$ (4,853,033)	(6,196,854)	(6,028,013)	(7,953,394)	(8,393,988)	(8,612,606)	(7,894,434)	(7,499,716)	(8,458,161)	(9,005,622)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes, including penalties and interest	$ 8,460,777	9,204,401	9,928,287	10,470,264	10,828,335	11,203,255	11,600,898	13,094,564	13,076,526	12,828,034
Investment earnings	121,132	220,999	396,731	825,234	467,944	90,800	(511,187)	1,461,659	2,205,910	1,662,718
Rental income	-	-	96,533	98,296	105,636	106,396	103,209	140,110	125,663	124,372
Grant revenue	-	-	-	-	-	-	-	-	321,461	3,079,130
Other	153,096	169,957	190,771	288,591	147,981	155,339	269,813	281,308	206,597	808,328
Total governmental activities	$ 8,735,005	9,595,357	10,612,322	11,682,385	11,549,896	11,555,790	11,462,733	14,977,641	15,936,157	18,502,582
Total primary government	$ 8,735,005	9,595,357	10,612,322	11,682,385	11,549,896	11,555,790	11,462,733	14,977,641	15,936,157	18,502,582
Change in Net Position										
Governmental activities	$ 3,881,972	3,398,503	4,584,309	3,728,991	3,155,908	2,943,184	3,568,299	7,477,925	7,477,996	9,496,960
Total primary government	$ 3,881,972	3,398,503	4,584,309	3,728,991	3,155,908	2,943,184	3,568,299	7,477,925	7,477,996	9,496,960

Source: Statement of Activities

Brushy Creek Municipal Utility District

Table IV

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Nonspendable	$ 47,842	57,122	48,173	55,840	61,254	55,889	68,604	113,684	95,613	131,470
Restricted	1,159,620	913,105	821,750	863,151	1,460,034	1,461,850	1,469,759	1,471,804	1,594,052	1,670,566
Committed	4,865,888	4,587,522	5,703,709	8,216,400	6,643,547	8,114,900	6,013,855	4,770,000	2,612,500	480,866
Assigned	-	-	-	-	-	1,932,451	4,582,411	7,100,964	13,745,810	12,775,193
Unassigned	8,823,403	10,814,680	11,730,738	13,407,405	14,589,620	12,223,636	13,878,704	15,490,099	15,389,472	20,280,272
Total General Fund	$ 14,896,753	16,372,429	18,304,370	22,542,796	22,754,455	23,788,726	26,013,333	28,946,551	33,437,447	35,338,367
All Other Government Funds:										
Nonspendable	$ 4,222	4,222	-	-	-	-	-	-	-	-
Restricted	11,791,311	7,096,403	7,023,994	6,392,129	8,203,214	6,286,948	5,102,280	5,348,006	4,996,032	4,197,603
Total all other governmental funds	$ 11,795,533	7,100,625	7,023,994	6,392,129	8,203,214	6,286,948	5,102,280	5,348,006	4,996,032	4,197,603
Total all fund balances	$ 26,692,286	23,473,054	25,328,364	28,934,925	30,957,669	30,075,674	31,115,613	34,294,557	38,433,479	39,535,970

Source: Balance Sheet

Brushy Creek Municipal Utility District

Table V

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Water and wastewater services	$ 5,226,780	5,215,431	5,385,725	5,192,564	5,405,598	5,408,639	5,731,129	7,385,191	7,347,600	7,595,062
Parks and recreation fees	1,506,143	1,546,489	1,673,060	1,969,615	1,165,846	1,560,908	2,133,310	2,414,578	2,616,917	2,519,471
Garbage collection	1,345,290	1,369,168	1,385,486	1,388,800	1,391,326	1,395,584	1,397,438	1,398,153	1,554,850	1,604,070
Capital recovery fees	428,425	150,112	9,748	81,879	19,495	3,899	3,899	117,698	63,723	91,452
Parks maintenance fees	-	-	-	-	-	-	-	-	-	356,812
Stormwater drainage fees	-	-	-	-	-	-	-	-	-	169,798
Emergency management and hazard mitigation fees	-	-	-	-	-	-	-	-	-	29,735
Inspection fees	77,282	60,520	27,685	29,000	31,700	21,675	24,075	47,060	47,170	29,090
Tap and other connection fees	131,136	47,079	3,074	26,003	6,214	1,296	1,325	50,791	26,471	35,799
Contributions	19,275	1,710	1,932	200	350	2,550	562	-	-	-
Property taxes, including penalties and interest	8,461,979	9,202,407	9,911,795	10,460,898	10,803,330	11,223,172	11,615,579	13,084,583	12,967,674	12,854,241
Investment earnings	121,132	220,999	396,731	825,234	467,944	90,800	(557,519)	1,461,659	2,205,910	1,662,718
Rental income	-	-	96,533	98,296	105,636	106,396	110,041	103,478	93,453	100,674
Grant revenue	-	-	-	-	-	-	-	-	321,461	3,079,130
Other	153,096	219,957	158,468	149,596	147,981	155,339	269,813	281,308	206,597	808,328
Total revenues	$ 17,470,538	18,033,872	19,050,237	20,222,085	19,545,420	19,970,258	20,729,652	26,344,499	27,451,826	30,936,380
Expenditures:										
Salary and benefits	$ 3,584,556	3,908,287	4,261,308	4,534,771	4,652,172	5,200,496	5,838,057	6,418,648	7,353,348	8,080,460
Water and wastewater purchases	1,653,106	1,265,881	1,348,904	1,465,995	1,406,130	1,725,371	1,719,145	1,904,999	2,215,866	2,174,699
Garbage fees	1,158,603	1,184,646	1,237,786	1,296,316	1,399,600	1,146,332	1,179,427	1,318,212	1,259,223	1,298,494
Repairs and maintenance	989,729	1,122,722	876,860	1,117,540	1,276,114	1,385,387	1,045,010	1,004,808	1,120,808	1,536,247
Administrative	887,623	943,326	1,021,688	1,120,396	345,785	336,695	355,553	460,981	422,933	380,655
Utilities	551,664	536,614	624,474	580,259	611,657	585,697	644,156	615,908	660,444	703,931
Contracted services	233,267	378,744	197,193	400,696	747,105	515,883	788,505	868,070	966,505	1,068,070
Other consulting	204,305	214,143								-
Legal fees	97,559	143,750	112,648	131,428	210,593	169,912	199,649	170,046	163,060	184,714
Insurance	75,943	71,806	79,303	93,091	98,534	102,693	136,730	164,147	178,835	196,429
Engineering fees	67,494	83,326	106,155	169,089	291,120	147,775	185,699	326,643	343,955	258,213
Tax appraisal/collection fees	62,624	63,732	64,019	64,078	66,799	64,653	63,945	70,157	81,351	80,195
Audit fees	38,000	33,500	39,000	34,750	41,750	41,000	35,493	55,950	47,000	60,747
Financial advisor	-	-	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Director's fees	27,675	27,675	25,650	29,100	32,400	34,050	32,850	29,036	36,000	35,209
Security fees	10,063	8,843	8,224	79,020	119,747	140,282	118,854	121,346	131,055	166,606
Other	4,467	6,485	198,862	178,896	545,243	614,486	754,867	950,190	947,673	1,214,494
Capital outlay	5,226,720	6,610,495	2,350,538	785,282	3,148,873	3,110,640	1,920,803	4,008,817	2,748,930	7,760,800
Debt service:										
Principal payments	2,950,000	2,905,000	3,010,000	3,625,000	3,240,000	4,335,000	3,625,000	3,740,000	3,800,000	3,915,000
Interest and fiscal charges	1,717,780	1,737,554	1,644,618	1,531,637	1,155,775	1,111,001	1,025,970	917,597	815,918	698,926
Bond issuance costs	16,393	6,575	-	220,225	642,435	102,981	-	-	-	-
Total expenditures	$ 19,557,571	21,253,104	17,227,230	17,477,569	20,051,832	20,890,334	19,689,713	23,165,555	23,312,904	29,833,889

(continued)

Brushy Creek Municipal Utility District

Table V

Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Excess (Deficiency) of revenues over (under) expenditures	$ (2,087,033)	(3,219,232)	1,823,007	2,744,516	(506,412)	(920,076)	1,039,939	3,178,944	4,138,922	1,102,491
Other Financing Sources (Uses):										
Issuance of bonds	$ 6,940,000	-	-	-	2,100,000	-	-	-	-	-
Proceeds from bond refundings	-	-	-	6,605,000	15,535,000	1,850,000	-	-	-	-
Transfers in	158,505	-	-	-	-	-	-	-	-	-
Premium or discount on issuance of bonds	-	-	-	408,548	1,267,568	62,484	-	-	-	-
Transfers out	(158,505)	-	-	-	-	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	(6,855,598)	(16,373,412)	(1,874,403)	-	-	-	-
Proceeds from sale of property	-	-	32,303	704,095	-	-	-	-	-	-
Total Other Financing Sources (Uses)	$ 6,940,000	-	32,303	862,045	2,529,156	38,081	-	-	-	-
Net Change in Fund Balances	$ 4,852,967	(3,219,232)	1,855,310	3,606,561	2,022,744	(881,995)	1,039,939	3,178,944	4,138,922	1,102,491
Debt service as a percentage of noncapital expenditures	32.69%	31.75%	31.29%	32.21%	29.81%	31.21%	26.17%	24.31%	22.45%	20.90%

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of
Brushy Creek Municipal Utility District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Brushy Creek Municipal Utility District (the "District"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 22, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maxwell Locke & Ritter LLP

Austin, Texas
January 22, 2026

Independent Auditors' Report on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors of
Brushy Creek Municipal Utility District:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Brushy Creek Municipal Utility District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended September 30, 2025. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control* over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Maxwell Locke & Ritter LLP

Austin, Texas
January 22, 2026

Brushy Creek Municipal Utility District

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Agency or Pass-Through Number	Passed through to Subrecipients	Total Expenditures
U.S. Department of Treasury				
Passed through Williamson County, Texas- COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	445P and 445A	$ -	$ 3,079,131
Total U.S. Department of Treasury			-	3,079,131
Total Expenditures of Federal Awards			$ -	$ 3,079,131

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Brushy Creek Municipal Utility District (the "District") under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, change in net assets, or cash flows of the District.

2. Summary of Significant Accounting Policies

The Schedule includes the federal activity of the District and is presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowed or are limited as to reimbursement. Therefore, some amounts presented in the Schedule may differ from amounts presented in or used in the preparation of the financial statements.

The District has not elected to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over the major federal program:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for the major federal program:

COVID-19 Coronavirus State and Local Fiscal Recovery Funds Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ yes ☒ no

Identification of the major federal program:

Assistance Listing Number	Name of Federal Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Federal type A and type B programs: $1,000,000

Auditee qualified as low-risk auditee? ☐ yes ☒ no

Section II - Financial Statement Findings

There were no findings reported in accordance with *Government Auditing Standards* for the year ended September 30, 2025.

Section III - Federal Award Findings and Questioned Costs

There were no findings or questioned costs required to be reported in accordance with 2 CFR 200.516(a) for the year ended September 30, 2025.