FERN BLUFF
MUNICIPAL UTILITY DISTRICT

FISCAL YEAR ENDED SEPTEMBER 30, 2022

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

FERN BLUFF
MUNICIPAL UTILITY DISTRICT

FISCAL YEAR ENDED SEPTEMBER 30, 2022

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

Prepared by:

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FERN BLUFF
MUNICIPAL UTILITY DISTRICT

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ANNUAL FILING AFFIDAVIT

ANNUAL FILING AFFIDAVIT

STATE OF TEXAS
COUNTY OF TRAVIS

I, George Sabatino of the
(Name of Duly Authorized District Representative)

FERN BLUFF MUNICIPAL UTILITY DISTRICT
(Name of District)

hereby swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the **13th** day of **February, 2023,** its annual audit report for the fiscal period ended **September 30, 2022** and that copies of the annual audit report have been filed in the District's office, located at:

7320 Wyoming Springs, Round Rock, TX 78681
(Address of District's Office)

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

Date: February 13, 2023 By: _____
(Signature of District Representative)

George Sabatino, President, Board of Directors
(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this 13th day of February, 2023.

(SEAL)

Zachariah T. Evans
Notary Public, State of Texas
Comm. Expires 09/12/2023
Notary ID 12638875-5

_____
(Signature of Notary)

My Commission Expires On: 9/12/23, _____.
Notary Public in the State of Texas

Form TCEQ-0723 (Revised 10/2003)

INDEPENDENT AUDITOR'S REPORT

D L A The Accounting Firm of Donald L. Allman, CPA

Donald L. Allman, CPA, PC
4749 Williams Drive, Ste. 322
Georgetown, Texas 78633

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Fern Bluff Municipal Utility District
Round Rock, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of the Fern Bluff Municipal Utility District (MUD) as of and for the year ended September 30, 2022 and the related notes to the financial statements, which collectively comprise the Fern Bluff MUD's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Fern Bluff MUD, as of September 30, 2022 and the respective changes in financial position, and, where applicable, cash flows thereof 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fern Bluff MUD 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 Fern Bluff MUD's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Fern Bluff MUD'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 Fern Bluff MUD'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, budgetary comparison information and pension reporting information on pages 4-8, 32 and 33–34 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.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2023, on our consideration of the Fern Bluff MUD'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 Fern Bluff MUD'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 Fern Bluff MUD's internal control over financial reporting and compliance.

Donald L. Allman, CPA, PC

Georgetown TX
January 25, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

FERN BLUFF MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER, 30, 2022

In accordance with Governmental Accounting Standards Board Statement 34 ("GASB 34"), the management of Fern Bluff Municipal Utility District (the "District") offers the following narrative on the financial performance of the District for the year ended September 30, 2021. Please read it in connection with the District's financial statements that follow.

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

OVERVIEW OF THE DISTRICT

The District is a political subdivision of the State of Texas, created by order of the Texas Water Commission (predecessor to the Texas Natural resource Conservation Commission) on June 10, 1986, under Article XVI, Section 59 of the Texas Constitution, and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended. The District consists of approximately 689 acres of land.

The district is located approximately 16 miles north of the central downtown business district of the City of Austin and 3 miles west of the City of Round Rock, Texas and lies wholly within the exclusive extraterritorial jurisdiction of the City of Round Rock and within the Round Rock Independent School District. The District is comprised of two non-contiguous parcels of land. Access to the Fern Bluff and Stone Canyon subdivisions is provided by Interstate highway 35 from Austin to Ranch Road 620 to Wyoming Springs Road and access to Oak Brook subdivision is provided by Ranch Road 620 to Great Oaks Drive. The District was created to provide retail water, wastewater and drainage services to the lands within the District.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The District's reporting is comprised of five parts:

- Management's Discussion and Analysis (this section)
- Basic Financial Statements
  - Statement of Net Position and Governmental Fund Balance Sheet
  - Statement of Activities and governmental Fund Revenues, Expenditures, and Changes in Net Position
  - Notes to the Basic Financial Statements
- Required Supplemental Information
- Texas Supplemental Information
- Other Supplemental Information

FERN BLUFF MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER, 30, 2022

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

The *Notes to the 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 Fund Revenues, Expenditures, and Changes in Net Position.*

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

COMPARATIVE FINANCIAL STATEMENTS

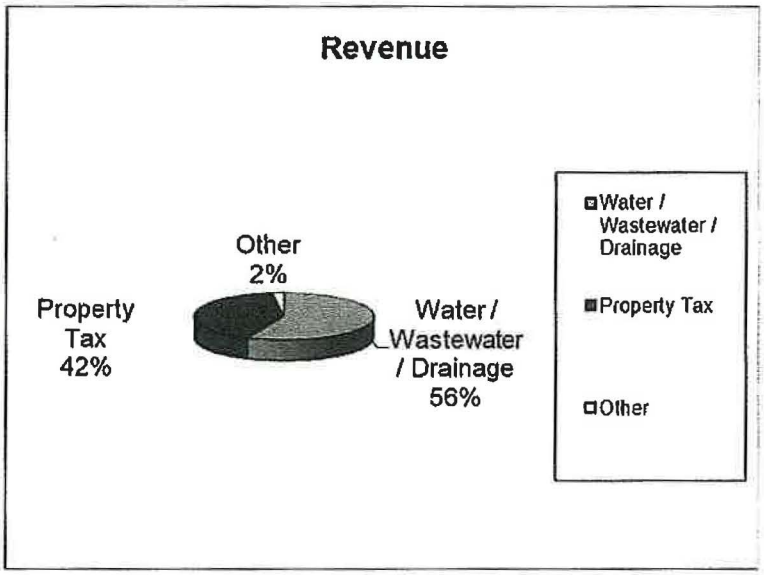
Statement of Net Position

	GOVERNMENTAL ACTIVITIES	
	2022	**2021**
Current and Other Assets	$ 6,831,521	$ 6,247,269
Capital and Non-Current Assets	$ 13,726,846	$ 14,185,339
Total Assets	**$ 20,558,367**	**$ 20,432,608**
Deferred Outflows of Resources	$ 88,911	$ 37,855
Current Liabilities	$ 566,220	$ 570,568
Long-term Liabilities	$ 85,156	$ 126,437
Total Liabilities	**$ 651,376**	**$ 697,005**
Deferred Inflows of Resources	$ 225,237	$ 98,581
Net Investment in Capital Assets	$ 13,726,846	$ 14,182,865
Restricted	$ 317,747	$ 317,747
Unrestricted	$ 5,726,072	$ 5,174,265
Total Net Position	**$ 19,770,665**	**$ 19,674,877**

The District's total assets were approximately $21 million as of September 30, 2022. Of this amount, approximately $ 13 million is accounted for by capital assets. The District had outstanding liabilities of approximately $651 thousand. $0 represent bonds payable.

FERN BLUFF MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER, 30, 2022

The District's assessed value in 2022 was approximately $1.196 billion compared to $820 million in 2021. The tax rate is set after reviewing tax rate projections, operation and maintenance requirements, and debt service requirements. The District's primary revenue sources are property taxes, and water / wastewater / garbage service fees.



Revenues were approximately $ 4.5 million dollars for the fiscal year ended September 30, 2022. Property taxes revenue provided approximately $ 1.9 million dollars, and service revenue was approximately $2.6 million dollars. Total expenses were approximately $4.4 million dollars for the fiscal year ended September 30, 2022. Net position increased approximately $96 thousand dollars.

Statement of Activities

	GOVERNMENTAL ACTIVITIES	
	2022	**2021**
Property Tax	$ 1,878,009	$ 1,874,040
Water / Wastewater / Garbage	$ 2,555,681	$ 2,426,309
Refunding Bond revenue	$ -	$ -
Other	$ 93,768	$ 41,451
Total Revenues	**$ 4,527,458**	**$ 4,341,800**
Water / Wastewater / Garbage	$ 1,971,553	$ 1,792,522
Other	$ 1,812,050	$ 1,665,646
Debt Service	$ -	$ -
Depreciation	$ 645,593	$ 635,655
Amortization	$ 2,474	$ 46,180
Total Expenses	**$ 4,431,670**	**$ 4,140,003**
Excess / (deficiency)	**$ 95,788**	**$ 201,797**
Beginning Net Position	$ 19,674,877	$ 19,473,080
Deferred Charges adjustment	$ -	$ -
Ending Net Position	**$ 19,770,665**	**$ 19,674,877**

FERN BLUFF MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER, 30, 2022

ANALYSIS OF GOVERNMENT FUNDS

	Government Funds by Year				
	2022	2021	2020	2019	2018
Cash	$1,648,482	$1,539,916	$1,746,370	$1,327,652	$1,312,493
Investments	$4,952,629	$4,447,748	$3,548,932	$3,673,519	$3,578,432
Receivables	$230,410	$259,605	$274,450	$295,398	$236,746
Deposits/Prepaids	$0	$0	$0	$0	$0
Total Assets	**$6,831,521**	**$6,247,269**	**$5,569,752**	**$5,296,569**	**$5,127,671**
Accounts Payable	$247,461	$248,962	$286,957	$274,036	$222,380
Refundable Deposits	$282,400	$280,750	$277,350	$273,300	$271,175
Deferred Revenue	$1,356	$6,542	$5,520	$5,643	$2,738
Other Payables	$35,003	$34,314	$28,794	$37,756	$37,891
Total Liabilities	**$566,220**	**$570,568**	**$598,621**	**$590,735**	**$534,184**
Restricted	$317,747	$317,747	$317,747	$1,532,747	$1,588,547
Unassigned	$5,947,554	$5,358,954	$4,653,384	$3,173,087	$3,004,940
Total Fund Balances	**$6,265,301**	**$5,676,701**	**$4,971,131**	**$4,705,834**	**$4,593,487**
Total Liabilities and Fund Balances	**$6,831,521**	**$6,247,269**	**$5,569,752**	**$5,296,569**	**$5,127,671**

The General Operating Fund pays for daily operating expenses. When comparing actual to budget, wastewater revenue varied from budget due to lower wastewater averages. Water expense varied from the budget because park irrigation water was not included in demand projections. More detailed information about the District's budgetary comparison is presented in the Notes to the Basic Financial Statements. The *Debt Service Fund* remitted bond principal of $1,215,000 and interest of $48,800. More detailed information about the District's debt is presented in the Notes to the Basic Financial Statements. The *Capital Project Fund* purchases the District's infrastructure.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

	Capital Assets (net)	
	9/30/2022	9/30/2021
Water/Wastewater/Drainage	$9,306,210	$9,668,879
Park Land & Improvements	$3,172,394	$3,262,947
Land	$1,248,242	$1,248,242
Furniture, fixtures, office equipment	$0	$2,797
Total	$13,726,846	$14,182,865

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

Long Term Debt

NONE

The District owes approximately $0 dollars to bond holders. More detailed information about the District's long -term debt is presented in the Notes to the Basic Financial Statements.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The property tax base for 2022 is approximately $1.196 billion dollars. The tax rate is $.25 on each $100.00 of taxable value. Approximately 100% of the property tax will fund general operating expenses, and about 0% of the property tax will be set aside for debt service.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of McGinnis Lochridge, LLP 600 Congress Avenue, Suite 2100, Austin, Texas 78701.

BASIC FINANCIAL STATEMENTS

FERN BLUFF MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER, 30, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Park and Capital Improv.	Govern. Funds Total	Adjust. Note 2	Government-wide Statement of Net Position
ASSETS							
Cash	$ 978,935			$ 669,547	$ 1,648,482		$ 1,648,482
Investments	$ 4,647,643	$ 77	$ -	$ 304,909	$ 4,952,629		$ 4,952,629
Receivables -							
Service, net of allowance for doubtful accounts	$ 230,316				$ 230,316		$ 230,316
Taxes	$ 61	$ 33			$ 94		$ 94
Interfund	$ 817,418				$ 817,418	$ (817,418)	
Other	$ -				$ -		$ -
Deferred charges, net of accumulated amortization		$ -			$ -	$ -	$ -
Capital assets, net of accumulated depreciation -							
Land						$ 1,248,242	$ 1,248,242
Common and recreation areas	$ -					$ 3,172,394	$ 3,172,394
Furniture, fixtures and office equipment						$ -	$ -
Water, wastewater and drainage facilities						$ 9,306,210	$ 9,306,210
TOTAL ASSETS	$ 6,674,373	$ 110	$ -	$ 974,456	$ 7,648,939	$ 12,909,428	$ 20,558,367
LIABILITIES							
Accounts Payable	$ 247,461	$ -			$ 247,461		$ 247,461
Deferred revenues -	$ -				$ -		$ -
Taxes	$ 1,263	$ 93			$ 1,356		$ 1,356
Refundable deposits	$ 282,400				$ 282,400		$ 282,400
Payroll liabilities	$ 20,432				$ 20,432		$ 20,432
Interfund payables		$ 60,879	$ 356,539	$ 400,000	$ 817,418	$ (817,418)	
Accrued expenses & other payables	$ 14,571				$ 14,571		$ 14,571
Net Pension Liability	$ 85,156				$ 85,156		$ 85,156
Bonds payable-current						$ -	$ -
Bonds payable-long term						$ -	$ -
TOTAL LIABILITIES	$ 651,283	$ 60,972	$ 356,539	$ 400,000	$ 1,468,794	$ (817,418)	$ 651,376
FUND BALANCE / NET POSITION							
Fund balances:							
Reserved for -							
Debt Service		$ -			$ -	$ -	
Capital Projects			$ 39,491		$ 39,491	$ (39,491)	
Designated for Park Improvements				$ 278,256	$ 278,256	$ (278,256)	
Unreserved	$ 5,886,764	$ (60,862)	$ (396,030)	$ 296,200	$ 5,726,072	$ (5,726,072)	
TOTAL FUND BALANCES	$ 5,886,764	$ (60,862)	$ (356,539)	$ 574,456	$ 6,043,819	$ (6,043,819)	
TOTAL LIABILITIES AND FUND BALANCES	$ 6,538,047	$ 110	$ -	$ 974,456	$ 7,512,613		
Net Position:							
Net Investment in Capital Assets						$ 13,726,846	$ 13,726,846
Restricted for debt service						$ -	$ -
Restricted for Park and Capital Improv.						$ 278,256	$ 278,256
Restricted for capital projects						$ 39,491	$ 39,491
Unrestricted						$ 5,726,072	$ 5,726,072
TOTAL NET POSITION						$ 19,770,665	$ 19,770,665
TOTAL LIABILITIES AND NET POSITION						$ 12,909,428	$ 20,422,041
Deferred Outflows of Resources	$ 88,911				$ 88,911		$ 88,911
Deferred Inflows of Resources	$ 225,237				$ 225,237		$ 225,237

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

FERN BLUFF MUNICIPAL UTILITY DISTRICT
STATEMENT OF ACTIVITIES
SEPTEMBER, 30, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Park and Capital Improv.	Govern. Funds Total	Adjust Note 2	Govern-wide Statement of Net Assets
REVENUES							
Water, wastewater and garbage service, including penalties	$ 2,555,681				$ 2,555,681		$ 2,555,681
Property taxes, including penalties	$ 1,878,009	$ -			$ 1,878,009		$ 1,878,009
Interest	$ 33,461	$ 92	$ -	$ 2,131	$ 35,684		$ 35,684
Refunding Bond revenue		$ -			$ -		$ -
Community Center Fees	$ 54,414				$ 54,414		$ 54,414
Miscellaneous	$ 3,670				$ 3,670	$ -	$ 3,670
TOTAL REVENUES	$ 4,525,235	$ 92	$ -	$ 2,131	$ 4,527,458	$ -	$ 4,527,458
Expenditures / expenses:							
Current							
Water, wastewater and garbage purchases	$ 1,971,553				$ 1,971,553		$ 1,971,553
Repairs and Maintenance	$ 69,082				$ 69,082		$ 69,082
Utilities	$ 50,252				$ 50,252		$ 50,252
Park Maintenance	$ 372,314				$ 372,314		$ 372,314
District Manager & other salaries & pr taxes	$ 765,373				$ 765,373		$ 765,373
Operations Management Fees	$ 32,151				$ 32,151		$ 32,151
Legal Fees	$ 74,727				$ 74,727		$ 74,727
Engineering Fees	$ 2,543				$ 2,543		$ 2,543
Audit Fees	$ 12,000				$ 12,000		$ 12,000
Tax appraisal / collection	$ 10,545	$ -			$ 10,545		$ 10,545
Director Fees, Including Payroll Fees	$ 29,400				$ 29,400		$ 29,400
Insurance	$ 23,235				$ 23,235		$ 23,235
Security services	$ 66,461				$ 66,461		$ 66,461
Community Center	$ 20,448				$ 20,448		$ 20,448
Pension Expense	$ 34,319				$ 34,319	$ -	$ 34,319
Other	$ 249,200	$ -			$ 249,200	$ -	$ 249,200
Debt service:							
Bond principal		$ -			$ -	$ -	
Bond interest		$ -			$ -	$ -	$ -
Advance refunding bond escrow agent		$ -			$ -		$ -
Fiscal agent fees and other		$ -			$ -		$ -
Capital outlay	$ 189,574				$ 189,574	$ (189,574)	$ -
Depreciation						$ 645,593	$ 645,593
Amortization						$ 2,474	$ 2,474
TOTAL EXPENDITURES / EXPENSES	$ 3,973,177	$ -			$ 3,973,177	$ 458,493	$ 4,431,670
Excess / (deficiency) of revenues over expenditures	$ 552,058	$ 92	$ -	$ 2,131	$ 554,281	$ 458,493	$ 95,788
OTHER FINANCING SOURCES / (USES)							
Bond proceeds							$ -
Developer contribution							
Transfers - Internal activities	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL OTHER FINANCING SOURCES / (USES)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Excess / (deficiency) of revenues and other financing sources over expenditures and other financing uses	$ 552,058	$ 92	$ -	$ 2,131	$ 554,281	$ 458,493	$ 95,788
FUND BALANCE / NET POSITION							
Beginning of the year	$ 5,334,706	$ (60,954)	$ (356,539)	$ 572,325	$ 5,489,538	$ 14,128,353	$ 19,674,877
						$ -	$ -
End of the year	$ 5,886,764	$ (60,862)	$ (356,539)	$ 574,456	$ 6,043,819	$ 13,669,860	$ 19,770,665

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

FERN BLUFF MUNICIPAL UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER, 30, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity – District was created, organized and established on June 10, 1986, by the Texas Commission on Environmental Quality (formerly the Texas Natural Resource Conservation Commission) 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. A five member Board of Directors governs the District which has been elected by District residents or appointed by the Board of Directors. The District is not included in any other governmental "reporting entity" as defined by Statement No. 14 of the Governmental Accounting Standards Board, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement No. 14 which are included in the District's reporting entity.

Implementation of New Accounting Principles – The District's basic financial statements for the fiscal year ended September 30, 2007 include certain financial statement disclosures required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures.*

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

- **Government-wide Statements:**

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

1. **SIGNIFICANT ACCOUNT POLICIES (continued) –**

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

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

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

- **General Fund** – The General Fund accounts for financial resources in use for general types of operations which are not encompassed within other funds. This fund is established to account for resources devoted to financing the general services that the District provides for its residents. Tax revenues and other sources of revenue used to finance the fundamental operations of the District are included in this fund.

- **Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

- **Capital Projects Fund** – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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

1. **SIGNIFICANT ACCOUNT POLICIES (continued) –**

Basis of Accounting

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

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

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

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

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

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

1. **SIGNIFICANT ACCOUNT POLICIES (continued) –**

Budgets and Budgetary Accounting – A budget was adopted on September 10, 2020 for the General Fund on a basis consistent with generally accepted accounting principles. The District's Board of Directors utilizes the budget as a management tool for planning and cost control purposes. All annual appropriations lapse at fiscal year end.

Investments – Investments, consisting of United States treasury instruments and obligations in the State Treasurer's Investment Pool are recorded at cost, which approximates fair market value.

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

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

Asset	Years
Administrative Facilities and Equipment	5 - 30
Common and Recreation Areas	5 - 30
Water Production / Distribution System	10 - 50
Wastewater Collection System	5 - 50
Water Quality Ponds	25
Organizational Costs	5

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

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method.

1. **SIGNIFICANT ACCOUNT POLICIES (continued) –**

Long-Term Debt (continued) –

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges 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 on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance / Net Position – Fund Balance and net position represent the difference between assets and liabilities. Fund balance reservations represent those portions of fund equity legally segregated for a specific future use. Designated fund balances represent tentative plans for future uses of financial resources. Unreserved fund balances represent fund equity available for use in future periods.

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

2. EXPLANATION OF ADJUSTMENTS TO THE GOVERNMENTAL FUNDS BALANCE SHEET TO DERIVE THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

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

Fund balances - total governmental funds		$6,265,301
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds -		
Capital assets	28,351,427	
Less Accumulated depreciation	(14,624,581)	13,726,846
Revenue is recognized when earned in the government statements, regardless of availability. Governmental funds report deferred revenue for revenues earned but not available Deferred Inflows and Deferred Outflows		(136,326)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds -		
Bonds payable	0	
Deferred charges, net of accumulated amortization	0	
Net Pension Liability	(85,156)	
Accrued Interest adjustment	0	(85,156)
Net position of governmental activities		$19,770,665

3. CASH AND INVESTMENTS

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

Cash – At September 30, 2022, the carrying amount of the District's deposits was $1,648,482 and the bank balance was $1,648,482. The bank balance was covered by federal depository insurance and other pledged collateral.

Investments –

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

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

3. CASH AND INVESTMENTS (continued)

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

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

At September 30, 2022, the District held the following investments:

		Investment Rating	
Investment	Fair Market Value at 09/30/22	Rating	Rating Agency
Texpool Investment Pool	$ 4,952,629	AAAm	Standard & Poors
	$4,952,629		

The Texas Comptroller of Public Accounts is the sole officer and director of the Texas Safekeeping Trust Company, which is authorized to operate the state investment pool. The Comptroller maintains oversight of all operations of the pool.

Concentration of credit risk. In accordance with the District's investment policy, investments in individual securities are to be limited to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. As of September 30, 2022, the district did not own any investments in individual securities.

3. CASH AND INVESTMENTS (continued)

Custodial credit risk-deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The government's investment policy requires that the District's deposits be fully insured by FDIC insurance or collateralized with Obligations of the United States or its agencies and instrumentalities. As of September 30, 2022, the District's bank deposits were covered as follows:

	Balance
FDIC insured deposits	$ 1,648,482
Collateralized deposits:	
Collateral held by pledging bank's trust department in the District's name	1,708,466
Collateral held by pledging bank's trust department, not in the District's name	
Uninsured and uncollateralized deposits	
Over/(Under) Collateralization	$59,984

4. PROPERTY TAXES

Property taxes attach as an enforceable lien on January 1. Taxes are levied on or about October 1, are due on November 1, and are past due the following February 1. The Williamson County Appraisal District established appraisal values in accordance with requirements of the Texas Legislature. The District levies taxes based upon the appraised values. The Williamson County Tax Assessor Collector bills and collects the District's property taxes. The Board of Directors set current tax rates on September 9, 2022.

The property tax rates, established in accordance with state law, were based on 100% of the net assessed valuation of real property within the District on the 2021 tax roll. The tax rate, based on total taxable assessed valuation of $1.196 billion was $0.25 on each $100 valuation and was allocated to the General Fund and Debt Service Fund at $0.25 and $0.0, respectively. The maximum allowable maintenance tax of $1.50 was established by the voters on June 30, 1986.

Property taxes receivable at September 30, 2022, consisted of the following:

	General Fund	Debt Service Fund	Total
Current year levy	$ 7	$ -	$ 7
Prior years' levies	$ 54	$ 33	$ 87
	$ 61	$ 33	$ 94

4. PROPERTY TAXES (continued) –

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

5. INTERFUND ACCOUNTS

A summary of interfund accounts at September 30, 2022, is as follows:

	Interfund	
	Receivables	Payables
General Fund -		
Debt Service Fund	$60,879	
Capital Projects Fund	356,539	
Park and Capital Improvements	400,000	
Debt Service Fund -		
General Fund		60,879
Capital Projects Fund		
Capital Projects Fund -		
General Fund		356,539
Park and Capital Improvements		400,000
	$817,418	$817,418

6. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance 10/01/21	Additions	Deletions	Balance 09/30/22
Capital assets not being depreciated:				
Land	$1,248,242			$1,248,242
Total capital assets not being depreciated	$1,248,242	$0	$0	$1,248,242
Capital assets being depreciated:				
Common and Recreation Areas	8,169,172	189,574		8,358,746
Furniture, Vehicles and Office Equipment	466,144	0		466,144
Water, Wastewater and Drainage Facilities	18,278,295			18,278,295
Total capital assets being depreciated	26,913,611	189,574	0	27,103,185
Less accumulated depreciation for:				
Common and Recreation Areas	(4,906,225)	(280,127)		(5,186,352)
Furniture, Vehicles and Office Equipment	(463,347)	(2,797)		(466,144)
Water, Wastewater and Drainage Facilities	(8,609,416)	(362,669)		(8,972,085)
Total accumulated depreciation	(13,978,988)	(645,593)	0	(14,624,581)
Total capital assets being depreciated net of accumulated depreciation	12,934,623	(456,019)	0	12,478,604
Total capital assets, net	$14,182,865	($456,019)	$0	$13,726,846

7. BONDED DEBT

The following is a summary of bond transactions of the District for the year ended September 30, 2021.

	Combination Unlimited Tax and Revenue
Bonds payable at October 1, 2021	$0
Bonds issued	0
Bonds retired	0
Bond premium amortization	0
Bond discount amortization	0
Bonds payable at September 30, 2022	$0

7. BONDED DEBT (continued)

There was no bonded debt, notes or leases payable as of September 30, 2022.

8. INTERFUND TRANSFERS

During the year, transfers of $0 were transferred from the Debt Service, Park & Capital Improvements, and Capital Projects Fund to the General Operating Fund. This transfer of surplus funds was for general operating expenses of the District.

9. COMMITMENTS AND CONTINGENCIES

On July 2, 1986, the District entered into an Agreement Concerning Creation and Operation of Fern Bluff Municipal Utility District with the City of Austin and Bill Milburn, Inc. The Creation Agreement provides initial authority for the District to issue its bonds and notes for the purposes of constructing the waterworks, sanitary sewer and storm systems for the District. The Agreement also provides for the provision of both temporary and permanent water and wastewater service to the District.

The District entered into a Water Supply Agreement with the City of Round Rock on August 22, 1991, whereby the City agreed to furnish water to the District. The District agreed to pay the City per month $1.76 per thousand gallons plus $10.485 times the number of water meter connections within the District.

The district has agreed to reimburse various developers for the cost of certain projects and advances to the extent allowed by the Texas Commission on Environmental Quality. The District is not obligated to reimburse the developers until bonds are issued. At September 30, 2007, the District developers have been substantially reimbursed and no further reimbursements are anticipated.

10. 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 Pools 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.

11. PENDING LITIGATION

There were no cases of pending litigation that would have a material effect on the financial statements at the fiscal year end of September 30, 2022.

12. Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, District specific information about its Fiduciary Net Position in the Texas County and District Retirement System (TCDRS) and additions to/deductions from the District's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the District's Total Pension Liability is obtained from TCDRS through a report prepared for the District by TCDRS consulting actuary, Milliman, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

Deferred Outflows/Inflows of Resources

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

- Pension contributions after measurement date – these contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, deferred inflows or resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and municipal court fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The Fern Bluff MUD participates as one of the plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas County and District Retirement System (TCDRS). The funding policy governs how the Texas County & District Retirement System (TCDRS) determines the employer contributions required to ensure that benefits provided to TCDRS members are funded in a reasonable and equitable manner. The goals of TCDRS' funding policy are to fully fund benefits over the course of employees' careers to ensure intergenerational equity, and to balance rate and benefit stability with the need for the plan funding to be reflective of current plan conditions. This policy documents the current

12. Pensions (continued)

funding policies in effect for the Dec. 31, 2018 actuarial valuation as established by state law, administrative rule and action by the TCDRS Board of Trustees (the board). The policy serves as a comprehensive funding overview and complies with the GASB reporting requirements for an agent multiple-employer plan. TCDRS funding overview TCDRS is a model for responsible, disciplined funding. TCDRS does not receive any state funding. As an agent, multiple-employer plan, each participating employer in the system funds its plan independently. A combination of three elements funds each employer's plan: employee deposits, employer contributions and investment income. • The deposit rate for employees is 4%, 5%, 6% or 7% of compensation, as adopted by the employer's governing body. • Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees. • Investment income funds a large part of the benefits employees earn. Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis. Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience. GASB 68 Disclosure for Measurement Date December 31, 2018. This work product was prepared solely for the TCDRS for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product. In addition, employers annually review their plans and may adjust benefits and costs based on their local needs and budgets. Although accrued benefits may not be reduced, employers may reduce future benefit accruals and immediately reduce costs. Methodology for determining employer contribution rates The board hires independent outside consulting actuaries to conduct an annual valuation to measure the funding status and to determine the required employer contribution rate for each employer plan. In order to calculate the employer contribution rate, the actuary does the following: • Studies each employer's adopted plan of benefits and the profile of its plan participants, and uses assumptions established by the board to estimate future benefit payments. • Discounts the estimate of future benefit payments to the present based on the long-term rate of investment return to determine the present value of future benefits. • Compares the present value of future benefits with the plan's assets to determine the difference that needs to be funded based on the funding policy. The valuation of each employer plan is based on the system funding policy and the assets, benefits and participant profile of each participating employer plan. The four key components in the determination of employer contribution rates are: the actuarial cost method, amortization policy, the asset valuation method and the actuarial assumptions. Actuarial cost method TCDRS has adopted the replacement life entry age cost method, a conservative cost method and an industry standard. The goal of this cost method is to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin. Under this approach, benefits are funded in advance as a level percentage of pay. This portion of the contribution rate is called the normal cost rate and generally remains stable from year to year. Amortization policy The portion of the contribution rate that funds any remaining unfunded amounts for benefits that are not covered by the normal cost is called the unfunded actuarial accrued liability (UAAL) rate. UAAL amounts occur when benefit enhancements are adopted that have not been funded in advance, or when actual investment or demographic experience varies from the actuarial assumptions (actuarial gains and

12. Pensions (continued)

losses). UAAL amounts are amortized on a level-percentage-of-covered-payroll basis over a closed period with a layered approach. The closed periods ensure all unfunded liabilities are financed over no more than 20 years from the time they occur. Each year new layers are established to amortize changes in the UAAL due to actuarial gains or losses, as well as any plan benefit changes elected by an employer for that year. Benefit enhancements are amortized over a 15-year closed period. All other changes in the UAAL are amortized over 20-year closed periods. These amortization periods are generally more conservative than those of most other public retirement plans and are stricter than the minimum amortization period required under state law. GASB 68 Disclosure for Measurement Date December 31, 2018. This work product was prepared solely for the TCDRS for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product. For newly participating districts that have five or fewer employees who are all within five years of retirement eligibility, any initial UAAL and any subsequent adoption of prior service credits are amortized over a five-year closed amortization period. This ensures that benefits are appropriately funded over the current generation of employees. Notwithstanding the layered approach, the total UAAL payment may not be less than the required payment obtained by amortizing the entire UAAL over a 20-year period. If a plan is overfunded, the overfunded actuarial accrued liability (OAAL) is calculated annually using a 30- year open amortization period. Asset valuation method When determining the actuarial value of assets used for measuring a plan's funded status, TCDRS smooths each year's actuarial investment gains and losses and recognizes them over a five-year period to better reflect the system's long-term investment horizons and to keep employer contribution rates more stable. As actuarial asset investment gains and losses are recognized, they become part of the actuarial gains and losses for the year and are funded according to the amortization policy. The five-year period helps stabilize employer rates while still ensuring that rates are reflective of current market conditions. In addition, the board has the ability to set aside reserves from investment earnings that are used to help offset future negative economic cycles. These reserves are held separately and are not counted as part of a participating employer's plan assets until they are passed through to employers when determined necessary by the board. Reserves help maintain rate stability for employers. In addition, reserves ensure that employers do not adopt benefit increases based on a temporarily lower plan cost at a high point in a market cycle and, conversely, are not as pressured to immediately reduce benefit levels during a low point in a market cycle. Actuarial assumptions Demographic and economic assumptions are used to estimate employer liabilities and to determine the amount of funding required from employer contributions as opposed to investment earnings. These assumptions reflect a long-term perspective of 30 years or more. Examples of key economic assumptions include long-term investment return, long-term inflation and annual payroll increase. Demographic assumptions are the actuary's best estimate of what will happen to TCDRS members and retirees. Examples of demographic assumptions are employment termination rates, retirement rates and retiree mortality rates. A complete listing of all actuarial assumptions can be found in the annual system-wide valuation report. Oversight The board has established review policies to ensure that actuarial assumptions are appropriate and that the methodology for determining employer contribution rates is being correctly applied. Review of actuarial assumptions TCDRS' actuarial assumptions are periodically reviewed and revised as deemed necessary to reflect best estimates of future experience. Every four years, the TCDRS consulting actuary conducts an investigation of experience.

12. Pensions (continued)

TCDRS assumptions are compared to plan experience and future expectations, and changes to GASB 68 Disclosure for Measurement Date December 31, 2020. This work product was prepared solely for the TCDRS for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product. the assumptions are recommended as needed. The board adopts actuarial assumptions to be used in the valuation based on the results of this study. An actuarial audit of every investigation of experience is required and must be performed by an independent auditing actuary to review the consulting actuary's analysis, conclusions and recommendations for accuracy, appropriateness and reasonableness. These audits alternate between a peer review and a full replication audit of the investigation of experience. In a peer review audit of the investigation, the reviewing actuary uses the raw results of the investigation for demographic assumptions as calculated by the consulting actuary to test the conclusions and recommendations. In addition, the reviewing actuary independently analyzes economic assumptions to test the results and recommendations of the consulting actuary. The reviewing actuary also examines the consulting actuary's methods and assumptions for reasonableness and internal consistency. In a full replication audit of the investigation, in addition to performing all of the steps of a peer review, the auditing actuary fully replicates the calculation of the investigation's raw results. Review of employer contribution rates In order to test accuracy and ensure that the actuarial methods and assumptions are being correctly applied, an audit of the valuation is required every four years. These audits are conducted by an independent reviewing actuary and alternate between a peer review and a full replication audit of the valuation. In the peer review audit of the valuation, the actuary uses a sample of participant data and TCDRS plans to test the results of the valuation. The reviewing actuary also examines the consulting actuary's methods and assumptions for reasonableness and internal consistency. In a full replication audit of the valuation, the auditing actuary performs all the steps of a peer review audit but instead of analyzing sample data and plans, the auditing actuary fully replicates the original actuarial valuation. Review and modification of funding policy The board will review this policy on a regular basis and may modify this policy at its discretion. Modifications to the policy may be submitted for consideration to the board by staff and/or outside consulting actuaries as circumstances warrant.

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 2015 information for a 7-10 year time horizon. Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2009 – December 31, 2013 for more details. (1) Target asset allocation adopted at the April 2015 TCDRS Board meeting. (2) Geometric real rates of return in addition to assumed inflation of 1.7%, per Cliffwater's 2015 capital market assumptions. (3) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs. (4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs. Geometric Real Rate of Return Target (Expected minus Asset Class Benchmark Allocation(1) Inflation)(2) US Equities Dow Jones U.S. Total Stock Market Index 16.50% 5.35% Private Equity Cambridge Associates Global Private Equity & Venture Capital Index(3) 12.00% 8.35% Global Equities MSCI World (net) Index 1.50% 5.65% International Equities - Developed 50% MSCI World Ex USA (net) + 50% MSCI World ex

12. Pensions (continued)

USA 100% Hedged to USD (net) Index 11.00% 5.35% International Equities - Emerging 50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index 9.00% 6.35% Investment-Grade Bonds Barclays Capital Aggregate Bond Index 3.00% 0.55% High-Yield Bonds Citigroup High-Yield Cash-Pay Capped Index 3.00% 3.75% Opportunistic Credit Citigroup High-Yield Cash-Pay Capped Index 5.00% 5.54% Direct Lending Citigroup High-Yield Cash-Pay Capped Index 2.00% 5.80% Distressed Debt Citigroup High-Yield Cash-Pay Capped Index 3.00% 6.75% REIT Equities 67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index 2.00% 4.00% Commodities Bloomberg Commodities Index 2.00% -0.20% Master Limited Partnerships (MLPs) Alerian MLP Index 2.00% 5.30% Private Real Estate Partnerships Cambridge Associates Real Estate Index(4) 3.00% 7.20% Hedge Funds Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index 25.00% 5.15%

Fern Bluff MUD

Schedule of Changes in Net Pension Liability and Related Ratios Current Period

September 30, 2022

A.	**Total pension liability**	
	1. Service Cost	$ 61,459
	2. Interest (on the Total Pension Liability)	36,061
	3. Effect of Plan Changes	-
	4. Effect of assumption changes or inputs	(149)
	5. Effect of economic/demographic (gains) or losses	20,127
	6. Benefit payments, including refunds of employee contributions	-
	7. Net change in total pension liability	$ 117,498
	8. Total pension liability - beginning	413,023
	9. Total pension liability - ending	$ 530,521
B.	**Plan fiduciary net position**	
	1. Contributions - employer	$ 50,068
	2. Contributions - member	33,895
	3. Net investment income	72,600
	4. Benefit payments, including refunds of employee contributions	-
	5. Administrative Expense	(241)
	6. Other	2,458
	7. Net change in plan fiduciary net position	$ 158,780
	8. Plan fiduciary net position - beginning	286,586
	9. Plan fiduciary net position - ending	$ 445,366
C.	**Net pension liability [A.9-B.9]**	$ 85,155
D.	**Plan fiduciary net position as a percentage of the total pension liability [B.9 / A.9]**	83.95%
E.	**Covered-employee payroll**	$ 484,212
F.	**Net pension liability as a percentage of covered employee payroll [C / E]**	17.59%

FERN BLUFF MUD
SCHEDULE OF PENSION EXPENSE
SEPTEMBER 30, 2022

1.	Total Service Cost	$ 61,459
2.	Interest on the Total Pension Liability	36,061
3.	Effect of plan changes	-
4.	Member Contributions	(33,895)
5.	Expected investment return net of investment expenses	(24,995)
6.	Administrative Expense	241
7.	Recognition of assumption changes or inputs	3,237
8.	Recognition of Investment gains or losses	(10,010)
9.	Recognition of economic/demographic gains or losses	4,679
10.	Other	(2,458)
		-
12.	Total Pension Expense	$ 34,319

FERN BLUFF MUD
SCHEDULE OF OUTFLOWS AND INFLOWS - CURRENT AND FUTURE EXPENSE
SEPTEMBER 30, 2022

	Recognition Period (or amortization yrs)	Total (Inflow) or Outflow of Resources	2021 Recognized in current pension expense	Deferred (Inflow) Outflow in future expense
Due to Liabilities:				
Difference in expected and actual experience [actuarial (gains) or losses]	5.0000	$ -	$ (10,010)	$ 42,812
Difference in assumption ch [actuarial (gains) or losses]	5.0000	$ -	$ 4,679	$ 31,732
			$ (5,331)	$ 74,544
Due to Assets:				
Difference in projected and actual earnings on pension plan investments [actuarial (gains) or losses]	8.0000	$ -	$ 3,237	$ 19,224
				$ -
			$ 3,237	$ 19,224
Total:				$ 55,320

Deferred Outflows and Deferred Inflows of Resources, by year, to be recognized in future pension expense as follows:

	Net deferred outflows (inflows) of resources
2022	$ (1,696)
2023	(3,788)
2024	(1,973)
2025	(1,357)
2026	7,633
thereafter	9,128
	$ 7,947

REQUIRED SUPPLEMENTAL INFORMATION

FERN BLUFF MUNICIPAL UTILITY DISTRICT
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
SEPTEMBER, 30, 2022

	Actual	Original and Final Budget	Variance Positive (Negative)
REVENUES:			
Water, wastewater and garbage service, including penalties	$2,555,681	$2,423,437	132,244
Property taxes, including penalties	1,878,009	1,865,693	12,316
Interest	33,461	43,784	(10,323)
Lease income	0	0	0
Tap and inspection fees		0	0
Community Center Fees	54,414	30,000	24,414
Other	3,670	3,400	270
TOTAL REVENUES:	4,525,235	4,366,314	158,921
EXPENDITURES:			
Current:			
Water, wastewater and garbage purchases	1,971,553	1,971,466	(87)
Repairs and maintenance	69,082	175,000	105,918
Engineering fees	2,543	30,000	27,457
Operations Management fees	32,151	34,000	1,849
Audit fees	12,000	11,000	(1,000)
Director fees, including including payroll taxes	29,400	36,000	6,600
Insurance	23,235	32,000	8,765
Tax appraisal / collection	10,545	18,000	7,455
Legal fees	74,727	135,000	60,273
Utilities	50,252	103,000	52,748
Park Maintenance	372,314	513,200	140,886
District Manager & other salaries & payroll taxes	765,373	794,055	28,682
Security Services	66,461	85,000	18,539
Community Center	20,448	76,700	56,252
Other	283,519	323,600	40,081
Capital outlay	189,574	972,001	782,427
TOTAL EXPENDITURES	3,973,177	5,310,022	1,336,845
Excess / (deficiency) of revenues over expenditures	552,058	(943,708)	1,495,766
OTHER FINANCING SOURCES / (USES)			
Transfers - internal activities	0	910,000	(910,000)
Excess / (deficiency) of revenues and other financing sources over expenditures and other financing uses	552,058	(33,708)	$585,766
FUND BALANCE:			
Beginning of the year	5,334,706		
End of the year	$5,886,764		

Fern Bluff MUD
Schedule of Changes in Net Pension Liability and Related Ratios
Last ten years (will ultimately be displayed)

Total pension liability	2021	2020	2019	2018	2017	2016
1. Service Cost	$ 61,459	$ 51,643	$ 35,781	$ 39,808	$ 35,636	$ 38,84
2. Interest (on the Total Pension Liability)	36,061	25,731	14,505	11,070	6,754	2,26
3. Effect of plan changes	-	36,616	64,344	-	1	
4. Effect of assumption changes or inputs	(149)	25,347	-	-	688	
5. Effect of economic/demographic (gains) or losses	20,127	7,667	8,101	(3,017)	7,417	(2,33
6. Benefit payments, including refunds of employee contributions	-	-	-	(2,816)	-	
7. Net change in total pension liability	$ 117,498	$ 147,004	$ 122,731	$ 45,045	$ 50,496	$ 38,77
8. Total pension liability - beginning	413,023	266,019	143,288	98,243	47,747	8,96
9. Total pension liability - ending	$ 530,521	$ 413,023	$ 266,019	$ 143,288	$ 98,243	$ 47,74
Plan fiduciary net position						
1. Employer Contributions	$ 50,068	$ 26,864	$ 25,686	$ 23,973	$ 23,659	$ 20,98
2. Contributions - members	33,895	40,028	17,623	16,591	16,603	14,42
3. Net investment income	72,600	20,527	21,503	(1,325)	7,318	67
4. Benefit payments, including refunds of contributions	-	-	-	(2,816)	-	
5. Administrative Expense	(241)	(210)	(150)	(106)	(62)	(
6. Other	2,458	1,999	1,510	1,134	539	80
7. Net change in plan fiduciary net position	$ 158,780	$ 89,208	$ 66,172	$ 37,451	$ 48,057	$ 36,88
8. Plan fiduciary net position - beginning	286,586	197,378	131,206	93,755	45,698	8,81
9. Plan fiduciary net position - ending	$ 445,366	$ 286,586	$ 197,378	$ 131,206	$ 93,755	$ 45,69
Net pension liability [A.9-B.9]	$ 85,155	$ 126,437	$ 68,641	$ 12,082	$ 4,488	$ 2,04
Plan fiduciary net position as a percentage of the total pension liability [B.9 / A.9]	83.95%	69.39%	74.20%	91.57%	95.43%	95.71
Covered-employee payroll	$ 484,212	$ 447,739	$ 440,576	$ 414,764	$ 415,075	$ 360,57
Net pension liability as a percentage of covered employee payroll [C / E]	17.59%	28.24%	15.58%	2.91%	1.08%	0.57

	2021	2020	2019	2018	2017	2016
Actually Determined Contribution	50,068	40,028	43,309	40,564	40,262	35,409
Contributions Made	50,068	40,028	43,309	40,564	40,262	35,409
(Deficiency)/Excess		-	-	-	-	-
Covered Employee Payroll	484,212	447,739	440,576	414,764	415,075	360,579
Contributions as a Percentage of Covered Employee Payroll	10.30%	8.94%	9.83%	9.78%	9.70%	9.82%

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5 Year Smoothed Market No Corridor
Inflation	3.0%
Salary Increases	3.50% Including Inflation
Investment Rate of Return	8.10%
Retirement Age	Experience-based table of rates that are specific to the District's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009 (Table 3)
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes	There were no benefit changes during the year.

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The Accounting Firm of Donald L. Allman, CPA

CERTIFIED PUBLIC ACCOUNTANT

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
Fern Bluff Municipal Utility District

We have audited the financial statements of Fern Bluff MUD, as of and for the year ended September 30, 2022, which collectively comprise the Fern Bluff MUD' basic financial statements and have issued our report thereon dated January 25, 2023. 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.

Internal Control Over Financial Reporting

Management of Fern Bluff MUD, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Fern Bluff MUD's internal control over financial reporting as a basis for designing our auditing procedures 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 Fern Bluff MUD's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fern Bluff MUD's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fern Bluff MUD' financial statements are free of 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*.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Donald L. Allman, CPA, PC

Georgetown, TX
January 25, 2023

TEXAS SUPPLEMENTAL INFORMATION

FERN BLUFF MUNICIPAL UTILITY DISTRICT
TSI-1. SERVICES AND RATES
SEPTEMBER, 30, 2022

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

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

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

☐ Other (specify):_____

2. Retail Service Providers

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

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1000 Gallons Over Minimum	Usage Levels
WATER	$17.25	0	Y	$3.60	1,000 to 15,000
				$4.00	over 15,000
WASTEWATER:	$6.25	1,000	Y	$3.40	over 2,000
SURCHARGE:	None				

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

Total charges per 10,000 gallons usage: Water $ 53.25 Wastewater $ 40.25

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC's
Unmetered			1.0	
≤ 3/4"	1,877.0	1,877.0	1.0	1,877.0
1"	5.0	5.0	2.5	12.5
1 1/2"	2.0	2.0	5.0	10.0
2"	3.0	3.0	8.0	24.0
3"	3.0	3.0	15.0	45.0
4"			25.0	
6"			50.0	
8"			80.0	
10"			115.0	
Total Water	1,890.0	1,877.0		1,968.5
Total Wastewater	1,890.0	1,877.0	1.0	1,877.0

FERN BLUFF MUNICIPAL UTILITY DISTRICT
TSI-1. SERVICES AND RATES
SEPTEMBER, 30, 2022

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

Gallons pumped into system: 322,130,000

Gallons billed to customers: 299,631,000

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

Does the District assess standby fees? Yes ☐ No ☒

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

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

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

5. Location of District

County(ies) in which district is located: Williamson

Is the District located entirely within one county? Yes ☒ No ☐

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

City(ies) in which district is located: N/A

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

Entirely ☒ Partly ☐ Not at all ☐

ETJ's in which district is located: Round Rock

Are Board members appointed by an office outside the district?

Yes ☐ No ☒

If Yes, by whom? _____

FERN BLUFF MUNICIPAL UTILITY DISTRICT
TSI-2. GENERAL FUND EXPENDITURES
SEPTEMBER, 30, 2022

Personnel Expenditures (including benefits):	$765,373
Professional Fees:	
Auditing	12,000
Legal	74,727
Engineering	2,543
Financial Advisor	0
Purchased Services For Resale:	
Bulk Water, Wastewater and Garbage Service Purchases	1,971,553
Contracted Services:	
Bookkeeping	0
Operations	32,151
Appraisal District	
Tax Collector	10,545
Other Contracted Services	
Utilities	50,252
Repairs and Maintenance	69,082
Administrative Expenditures:	
Directors' Fees	29,400
Office Supplies	0
Insurance	23,235
Other Administrative Expenditures	
Capital Outlay:	
Capitalized Assets	189,574
Expenditures not Capitalized	0
Pension expenses	34,319
Community Center	20,448
Security	66,461
Parks and Recreation	372,314
Other Expenditures	249,200
TOTAL EXPENDITURES	$3,973,177

Number of persons employed by the District: [8] Full Time [2] Part-time

FERN BLUFF MUNICIPAL UTILITY DISTRICT
TSI-3. TEMPORARY INVESTMENTS
SEPTEMBER, 30, 2022

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
General Fund -					
Texpool - State Investment Pool	80100002	0.0003%	N/A	$4,647,643	
Park & Capital Improvement					
Texpool - State Investment Pool	80100001	0.0003%	N/A	304,909	
Total				4,952,552	0
Debt Service Fund -					
Texpool - State Investment Pool	80100004	0.0003%	N/A	0	
Texpool - State Investment Pool	80100006	0.0003%	N/A	0	
Total				0	0
Total - All Funds				$4,952,552	

FERN BLUFF MUNICIPAL UTILITY DISTRICT
TSI-4. TAXES LEVIED AND RECEIVABLE
SEPTEMBER, 30, 2022

	Maintenance	Debt Service
Taxes Receivable, Beginning Year	$4,145	$2,336
2021 Original Tax Levy, less abatements	1,869,227	0
Total to be accounted for	1,873,372	2,336
Tax Collections:		
Current year	1,869,220	0
Prior years	4,092	2,303
Total collections	1,873,312	2,303
Taxes Receivable, End of Year	$60	$33
Taxes Receivable, By Years		
2011	3	4
2012	0	0
2013	0	0
2014	0	0
2015	12	0
2016	6	11
2017	6	5
2018	6	5
2019	6	4
2020	14	4
2021	7	0
	$60	$33

Property Valuations:	**2021**	**2020**	**2019**	**2018**
Land and improvements	$746,277,339	$671,008,928	$631,686,763	$653,857,182
Improvements				
Personal Property				
Total Property Valuations	$746,277,339	$671,008,928	$631,686,763	$653,857,182
Tax Rates per $100 Valuation:				
Debt Service tax rates	$0.0000	$0.0000	$0.1500	$0.1800
Maintenance tax rates	0.2500	0.2790	0.2500	0.2400
Total Tax Rates per $100 Valuation:	$0.2500	$0.2790	$0.4000	$0.4200
Original Tax Levy	$1,869,227	$1,872,100	$2,663,044	$2,674,861
Percent of Taxes Collected to Taxes Levied**	99.9%	99.9%	99.9%	99.9%

Maximum Tax Rate Approved by Voters $ 1.50 on 6/30/1986

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

FERN BLUFF MUNICIPAL UTILITY DISTRICT
TSI-7. COMPARATIVE SCHEDULE – REVENUES AND EXPENDITURES
GENERAL AND DEBT SERVICE FUNDS-FIVE YEARS
September 30, 2022

	Amounts				
	2021	2020	2019	2018	2017
GENERAL FUND REVENUES					
Water, wastewater and garbage service, including penalties	$ 2,555,681	$ 2,426,309	$ 2,465,640	$ 2,282,098	$ 2,324,774
System connection fees					
Property taxes, including penalties	1,878,009	1,873,870	1,666,900	1,527,896	1,492,148
Interest	33,461	24,267	32,576	78,158	49,216
Lease income	-	-	-	-	-
Community Center fees	54,414	16,609	25,403	41,751	62,818
Miscellaneous	3,670	336	1,459	7,659	20,548
Developer contribution					
TOTAL GENERAL FUND REVENUES	$ 4,525,235	$ 4,341,391	$ 4,191,978	$ 3,937,562	$ 3,949,504
GENERAL FUND EXPENDITURES					
Current -					
Water, wastewater and garbage purchases	$ 1,971,553	$ 1,792,522	$ 1,764,355	$ 1,743,788	$ 1,853,401
Repairs and maintenance	69,082	47,944	39,051	53,315	76,474
Utilities	50,252	48,793	49,072	56,078	51,796
Park maintenance	372,314	362,615	365,673	387,306	412,719
Tap connection / inspection	-	-	-	-	-
Operations manager services	32,151	32,151	32,151	28,607	21,162
Legal fees	74,727	60,500	44,213	75,818	75,772
Engineering fees	2,543	3,814	1,550	4,413	9,813
Audit fees	12,000	12,000	11,000	10,000	10,000
Tax appraisal / collection	10,545	11,035	10,385	11,954	7,536
Director fees and related payroll taxes	29,400	28,800	28,800	28,800	27,750
Insurance	23,235	20,975	19,081	17,199	15,766
Security service	66,461	61,654	55,561	55,908	55,489
Community Center	20,448	24,388	28,754	37,857	37,857
District Manager & other salaries & payroll taxes	765,373	660,394	604,818	547,836	544,343
Other	249,200	217,898	207,397	244,704	218,536
Capital Outlay	189,574	249,908	399,577	417,524	550,617
TOTAL GENERAL FUND EXPENDITURES	$ 3,938,858	$ 3,635,391	$ 3,661,438	$ 3,721,107	$ 3,969,031
EXCESS (DEFICIENCY) OF GENERAL FUND REVENUES OVER EXPENDITURES	$ 586,377	$ 706,000	$ 530,540	$ 216,455	$ (19,527)
DEBT SERVICE FUND REVENUES -					
Property taxes, including penalties	0	170	999,824	1,146,022	1,160,413
Interest	92	89	6,922	16,956	11,688
Proceeds of refunding bonds	0	0	0	0	0
Bond premium					
TOTAL DEBT SERVICE FUND REVENUES	92	259	1,006,746	1,162,978	1,172,101
DEBT SERVICE FUND EXPENDITURES -					
Tax appraisal / collection	0	839	5,922	8,642	5,455
Bond principal	0	0	1,215,000	1,175,000	1,110,000
Bond interest	0	0	53,800	95,800	139,563
Advance refunding bond escrow agent					
Fiscal agent fees and other	0	0	0	0	0
Capital outlay					
Payments to refunding bonds escrow agent	0	0	0	0	0
Bond discount					
TOTAL DEBT SERVICE FUND EXPENDITURES	0	839	1,274,722	1,279,442	1,255,018
EXCESS (DEFICIENCY OF DEBT SERVICE FUND REVENUES OVER EXPENDITURES	$92	($580)	($267,976)	($116,464)	($82,917)
TOTAL ACTIVE RETAIL WATER CONNECTIONS	1,890	1,890	1,890	1,890	1,890
TOTAL ACTIVE RETAIL WASTEWATER CONNECTS	1,877	1,877	1,877	1,877	1,877

(1) Total Active Water and/or Wastewater Connections reported in prior year.

FERN BLUFF MUNICIPAL UTILITY DISTRICT
TSI-7. COMPARATIVE SCHEDULE – REVENUES AND EXPENDITURES
GENERAL AND DEBT SERVICE FUNDS-FIVE YEARS
September 30, 2022

	Fund Total Revenues				
	2021	2020	2019	2018	2017
GENERAL FUND REVENUES					
Water, wastewater and garbage service, including penalties	56.5%	55.9%	58.8%	58.0%	58.9%
System connection fees					
Property taxes, including penalties	41.5%	43.2%	39.8%	38.8%	37.8%
Interest	0.7%	0.6%	0.8%	2.0%	1.2%
Lease income	0.0%	0.0%	0.0%	0.0%	0.0%
Community Center fees	1.2%	0.4%	0.6%	1.1%	1.6%
Miscellaneous	0.1%	0.0%	0.0%	0.2%	0.5%
Developer contribution	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL GENERAL FUND REVENUES	100.0%	100.0%	100.0%	100.0%	100.0%
GENERAL FUND EXPENDITURES					
Current -					
Water, wastewater and garbage purchases	43.6%	41.3%	42.1%	44.3%	46.9%
Repairs and maintenance	1.5%	1.1%	0.9%	1.4%	1.9%
Utilities	1.1%	1.1%	1.2%	1.4%	1.3%
Park maintenance	8.2%	8.4%	8.7%	9.8%	10.4%
Tap connection / inspection					0.0%
Operations manager services	0.7%	0.7%	0.8%	0.7%	0.5%
Legal fees	1.7%	1.4%	1.1%	1.9%	1.9%
Engineering fees	0.1%	0.1%	0.0%	0.1%	0.2%
Audit fees	0.3%	0.3%	0.3%	0.3%	0.3%
Tax appraisal / collection	0.2%	0.3%	0.2%	0.3%	0.2%
Director fees and related payroll taxes	0.6%	0.7%	0.7%	0.7%	0.7%
Insurance	0.5%	0.5%	0.5%	0.4%	0.4%
Security service	1.5%	1.4%	1.3%	1.4%	1.4%
Community Center	0.5%	0.6%	0.7%	1.0%	1.0%
District manager & other salaries & payroll taxes	16.9%	15.2%	14.4%	13.9%	13.8%
Other	5.5%	5.0%	4.9%	6.2%	5.5%
Capital Outlay	4.2%	5.8%	9.5%	10.6%	13.9%
TOTAL GENERAL FUND EXPENDITURES	87.0%	83.7%	87.3%	94.5%	100.5%
EXCESS (DEFICIENCY) OF GENERAL FUND REVENUES OVER EXPENDITURES	13.0%	16.3%	12.7%	5.5%	-0.5%
DEBT SERVICE FUND REVENUES -					
Property taxes, including penalties	0.0%	65.6%	99.3%	98.5%	99.0%
Interest	100.0%	34.4%	0.7%	1.5%	1.0%
Proceeds of refunding bonds	0.0%	0.0%	0.0%	0.0%	
Bond premium					
TOTAL DEBT SERVICE FUND REVENUES	100.0%	100.0%	100.0%	100.0%	100.0%
DEBT SERVICE FUND EXPENDITURES -					
Tax appraisal / collection	0.0%	323.9%	0.6%	0.7%	0.5%
Bond principal	0.0%	0.0%	120.7%	101.0%	94.7%
Bond interest	0.0%	0.0%	5.3%	8.2%	11.9%
Advance refunding bond escrow agent					
Fiscal agent fees and other	0.0%	0.0%	0.0%	0.0%	0.0%
Capital outlay					
Payments to refunding bonds escrow agent	0.0%	0.0%	0.0%	0.0%	
Bond discount					
TOTAL DEBT SERVICE FUND EXPENDITURES	0.0%	323.9%	126.6%	110.0%	107.1%
EXCESS (DEFICIENCY OF DEBT SERVICE FUND REVENUES OVER EXPENDITURES	100.0%	-223.9%	-26.6%	-10.0%	-7.1%

FERN BLUFF MUNICIPAL UTILITY DISTRICT
TSI-8. BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER, 30, 2022

Complete District Mailing Address: 7320 Wyoming Springs Drive, Round Rock, TX 78681

District Business Telephone Number: (512) 238-0606

Submission Date of the most recent District Registration Form TWC Sections 36.054 & 49.054): May 27, 2004

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

Name and Address	Appointed) or Date Hired	Fees 09/30/22	Reimbursements 09/30/22	Title at Year End
Board Members				
George Sabatino	Elected 05/02/20	$0		President
Jessica Stempko	(Elected) 05/2022	$7,200	$0	Secretary
Joseph F. Teiber	(Elected) 05/02/20	$7,200	$0	Vice President
Kevin Barnes	Elected 05/2022	$7,200	$0	Treasurer
Marc Smith	Elected 05/02/20	$7,200	$0	Assistant Sec/Treas
Note: No director is disqualified from serving on this board under the Texas Water Code.				
Consultants:				
McGinnis, Lochridge & Kilgore, LLP	8/12/2009	$74,727		Attorney
CMA Engineering		$2,543		Engineer
Donald L. Allman, CPA	10/1/2007	$12,000		Auditor

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

OTHER SUPPLEMENTAL INFORMATION

FERN BLUFF MUNICIPAL UTILITY DISTRICT
OSI-1. PRINCIPAL TAXPAYERS
SEPTEMBER, 30, 2022

Taxpayer	Type of Property	Tax Roll Year 2022	2021	2020
Oncor Electric Delivery Co.	Utilities	1,808,277	1,764,068	1,661,581
Wieber, Robin W. & Debra J.	Real Land & Improvements	1,514,762	1,116,272	951,947
Boughal, Timothy &: Katrina	Real Land & Improvements	-	822,575	
Martelli, Dean & Shelley	Real Land & Improvements	-	-	831,683
Robinson, Harold & Valerie	Real Land & Improvements	1,010,905	814,802	736,073
Eboreime, Ohiolei K	Real Land & Improvements	1,070,809	815,873	716,265
Swearingen, Bradley & Terri	Real Land & Improvements	1,020,317	835,147	729,278
Hartle, C.L. & P. R.	Real Land & Improvements	-	-	603,377
Marguerite Wagner	Real Land & Improvements	-	699,656	605,514
Griffith, James W & Constance A	Real Land & Improvements	962,844	-	-
Venardi, Stephen	Real Land & Improvements	958,694	-	-
Benedict & Melisa Wong BMCW Trust	Real Land & Improvements	1,036,170	694,842	-
Ditore, Dona & Michael	Real Land & Improvements	-	-	588,938
Jones, Daniel & Kristen	Real Land & Improvements	933,253	680,067	-
Miller, Earl J Jr. & Rebecca Jane	Real Land & Improvements	-	-	596,043
Macmahon, Brian & Alan	Real Land & Improvements	986,873		
Dhar, Isha & Saurabh Thakur	Real Land & Improvements	-	676,683	
Total		$ 11,302,904	$ 8,919,985	$ 8,020,699
Percent of Assessed Valuation		0.94%	0.75%	0.67%

FERN BLUFF MUNICIPAL UTILITY DISTRICT
OSI-1. ASSESSED VALUE BY CLASSIFICATION
SEPTEMBER, 30, 2022

	Tax Roll Year					
	2021		**2021**		**2020**	
Type of Property	Amount	%	Amount	%	Amount	%
Single Family	$ 1,191,214,181	99.6%	$ 678,786,320	99.3%	$ 639,061,515	99.3%
Vacant Lots	9,248	0.0%	8,811	0.0%	8,811	0.0%
Acreage						
Commercial & Industrial	7,261	0.0%	6,897	0.0%	6,897	0.0%
Real & Intangible Personal Utilities	1,932,456	0.2%	1,803,624	0.3%	1,803,624	0.3%
Exempt	2,751,155	0.0%	2,205,278	0.0%	2,040,279	0.0%
Tangible Personal Business	368,429	0.0%	801,553	0.1%	327,619	0.1%
Total	**$1,196,282,730**	**100%**	**$683,612,483**	**100%**	**$643,248,745**	**100%**