

SPRING CREEK UTILITY DISTRICT
MONTGOMERY COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
APRIL 30, 2023

SPRING CREEK UTILITY DISTRICT

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ANNUAL FINANCIAL REPORT

APRIL 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Spring Creek Utility District
Montgomery County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Spring Creek Utility District (the "District") as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of April 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Correction of Error

As described in Note 16 to the financial statements, the District's General Fund fund balance and net position as of April 30, 2022, has been restated to correct certain misstatements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund and Special Revenue Fund 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.

Board of Directors
Spring Creek Utility District

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

August 21, 2023

**SPRING CREEK UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2023**

Management's discussion and analysis of Spring Creek Utility District (the "District") financial performance provides an overview of the District's financial activities for the year ended April 30, 2023. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. This report also includes required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes all of the District's assets, liabilities, and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District's net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has four governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, costs and general expenditures. The Special Revenue accounts for financial resources collected and administered by the District for the operations of joint stormwater facilities. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

**SPRING CREEK UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2023**

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI"). A budgetary comparison schedule is included as RSI for the General Fund and Special Revenue Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by \$28,107,329 as of April 30, 2023.

A portion of the District's net position reflects its net investment in capital assets (water and wastewater facilities, less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide water, wastewater and drainage services.

The following is a comparative analysis of government-wide changes in net position:

**SPRING CREEK UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2023	2022	Change Positive (Negative)
Current and Other Assets	\$ 29,749,332	\$ 29,886,733	\$ (137,401)
Capital Assets (Net of Accumulated Depreciation)	<u>60,571,967</u>	<u>58,335,311</u>	<u>2,236,656</u>
Total Assets	<u>\$ 90,321,299</u>	<u>\$ 88,222,044</u>	<u>\$ 2,099,255</u>
Deferred Outflows of Resources	\$ 813,150	\$ 882,190	\$ (69,040)
Due to Developers	\$ 2,912,998	\$ 2,477,217	\$ (435,781)
Bonds Payable	58,383,005	60,720,227	2,337,222
Capital Lease Payable		961,998	961,998
Other Liabilities	<u>1,731,117</u>	<u>1,916,017</u>	<u>184,900</u>
Total Liabilities	<u>\$ 63,027,120</u>	<u>\$ 66,075,459</u>	<u>\$ 3,048,339</u>
Net Position:			
Net Investment in Capital Assets	\$ 2,399,456	\$ 543,945	\$ 1,855,511
Restricted	9,388,564	8,099,382	1,289,182
Unrestricted	<u>16,319,309</u>	<u>14,385,448</u>	<u>1,933,861</u>
Total Net Position	<u>\$ 28,107,329</u>	<u>\$ 23,028,775</u>	<u>\$ 5,078,554</u>

*

The following table provides a summary of the District's operations for the years ended April 30, 2023, and April 30, 2022. The District's net position increased by \$5,078,554.

	Summary of Changes in the Statement of Activities		
	2023	2022	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 8,007,606	\$ 6,920,861	\$ 1,086,745
Charges for Services	4,822,385	5,012,405	(190,020)
Other Revenues	<u>1,744,203</u>	<u>724,884</u>	<u>1,019,319</u>
Total Revenues	<u>\$ 14,574,194</u>	<u>\$ 12,658,150</u>	<u>\$ 1,916,044</u>
Expenses for Services	<u>9,495,640</u>	<u>10,681,109</u>	<u>1,185,469</u>
Change in Net Position	\$ 5,078,554	\$ 1,977,041	\$ 3,101,513
Net Position, Beginning of Year	<u>23,028,775</u>	<u>21,051,734</u>	<u>1,977,041</u>
Net Position, End of Year	<u>\$ 28,107,329</u>	<u>\$ 23,028,775</u>	<u>\$ 5,078,554</u>

*

*As adjusted, see Note 16.

**SPRING CREEK UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of April 30, 2023, were \$27,822,892, a decrease of \$355,862 from the prior year.

The General Fund fund balance increased by \$1,904,657, primarily due to service and tax revenues exceeding operating and capital expenditures.

The Debt Service Fund fund balance increased by \$915,025, primarily due to the structure of the District's debt service requirements.

The Capital Projects Fund fund balance decreased by \$3,175,544, primarily due to the use of proceeds from the Series 2021 bonds for capital costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the respective General Fund or Special Revenue Fund budgets. For the General Fund, actual revenues were \$1,528,694 more than budgeted. Actual expenditures were \$1,763,884 less than budgeted. Transfers out of \$34,151 were not budgeted for. This resulted in a positive budget variance of \$3,258,427. See the budget to actual comparison on page 35 for further information.

CAPITAL ASSETS

Capital assets as of April 30, 2023, total \$60,571,967 (net of accumulated depreciation). These capital assets include land, as well as the water, wastewater and drainage systems. Significant capital asset activity completed during the current year included Water Well No. 1 Rehabilitation; Fox Run Water Line Rehabilitation – Phases 1 and 2; Sidewalk Extension along Birnham Woods Drive; Central Detention Pump Station Generator; Forest Village water, sewer and drainage facilities, Sections 11, 12, and 13; and Forest Village detention facilities and access road.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2023	2022	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 8,249,271	\$ 8,206,216	\$ 43,055
Construction in Progress	1,372,784	3,798,742	(2,425,958)
Capital Assets, Net of Accumulated Depreciation:			
Park Improvements	594,754	408,130	186,624
Water System	14,101,402	10,614,991	3,486,411
Wastewater System	20,211,761	20,558,473	(346,712)
Drainage System	16,041,995	14,748,759	1,293,236
Total Net Capital Assets	\$ 60,571,967	\$ 58,335,311	\$ 2,236,656

**SPRING CREEK UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2023**

LONG-TERM DEBT ACTIVITY

At the end of the current year, the District had total bond debt payable of \$58,050,000. The changes in the debt position of the District during the year ended April 30, 2023, are summarized as follows:

Bond Debt Payable, May 1, 2022	\$ 60,330,000
Less: Bond Principal Paid	<u>2,280,000</u>
Bond Debt Payable, April 30, 2023	<u>\$ 58,050,000</u>

The District’s Series 2014 Refunding bonds carry an underlying rating of “BBB+” from Moody’s. The rest of the District’s bonds carry an underlying rating of “A2” from Moody’s. The Series 2014 Refunding, Series 2016 Refunding, Series 2017, Series 2018 and Series 2021A Refunding bonds carry an insured rating of “AA” from Standard and Poor’s by virtue of bond insurance issued by Build America Mutual Assurance Company. The Series 2015, Series 2017A Refunding, Series 2019 Refunding and Series 2021 bonds carry an insured rating of “AA” from Standard and Poor’s by virtue of bond insurance by Assured Guaranty Municipal.

CONTACTING THE DISTRICT’S MANAGEMENT

This financial report is designed to provide a general overview of the District’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Spring Creek Utility District, c/o Roach & Associates, PLLC, 200 Timberloch Place, Suite 500, The Woodlands, TX 77380.

SPRING CREEK UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
APRIL 30, 2023

	General Fund	Special Revenue Fund
ASSETS		
Cash	\$ 5,367,715	\$ 39,418
Investments	10,879,787	
Receivables:		
Property Taxes	96,611	
Penalty and Interest on Delinquent Taxes		
Service Accounts	418,662	
Accrued Interest		
Other		
Due from City of Houston	169,278	
Due from Other Funds		8,938
Prepaid Costs	21,672	
Due from Other Governmental Units	659,949	44,269
Advance for Water Plant Operations	41,800	
Advance for Stormwater Facilities	18,060	
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	\$ 17,673,534	\$ 92,625
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	\$ - 0 -	\$ - 0 -
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 17,673,534	\$ 92,625

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

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 110,473	\$ 30,355	\$ 5,547,961	\$	\$ 5,547,961
9,189,256	2,441,349	22,510,392		22,510,392
186,879		283,490		283,490
			49,368	49,368
		418,662		418,662
1,741		1,741		1,741
	750	750		750
		169,278		169,278
13,943		22,881	(22,881)	
		21,672		21,672
		704,218		704,218
		41,800		41,800
		18,060	(18,060)	
			8,249,271	8,249,271
			1,372,784	1,372,784
			<u>50,949,912</u>	<u>50,949,912</u>
<u>\$ 9,502,292</u>	<u>\$ 2,472,454</u>	<u>\$ 29,740,905</u>	<u>\$ 60,580,394</u>	<u>\$ 90,321,299</u>
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 813,150</u>	<u>\$ 813,150</u>
<u>\$ 9,502,292</u>	<u>\$ 2,472,454</u>	<u>\$ 29,740,905</u>	<u>\$ 61,393,544</u>	<u>\$ 91,134,449</u>

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

**SPRING CREEK UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
APRIL 30, 2023**

	General Fund	Special Revenue Fund
LIABILITIES		
Accounts Payable	\$ 537,496	\$ 32,625
Accrued Interest Payable		
Due to Developers	67,480	
Due to Other Funds	22,881	
Due to Taxpayers		
Security Deposits	726,368	
Advance for Stormwater Facilities		60,000
Long-Term Liabilities:		
Bonds Due Within One Year		
Bonds Due After One Year		
TOTAL LIABILITIES	\$ 1,354,225	\$ 92,625
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 96,611	\$ - 0 -
FUND BALANCES		
Nonspendable:		
Prepaid Costs	\$ 21,672	\$
For Water Plant Operations	41,800	
For Stormwater Facilities	18,060	
Restricted for Authorized Construction		
Restricted for Debt Service		
Unassigned	16,141,166	
TOTAL FUND BALANCES	\$ 16,222,698	\$ - 0 -
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 17,673,534	\$ 92,625
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$	\$ 162,112	\$ 732,233	\$	\$ 732,233
			137,535	137,535
		67,480	2,912,998	2,980,478
		22,881	(22,881)	
25,561		25,561		25,561
		726,368		726,368
		60,000	(18,060)	41,940
			2,650,000	2,650,000
			<u>55,733,005</u>	<u>55,733,005</u>
<u>\$ 25,561</u>	<u>\$ 162,112</u>	<u>\$ 1,634,523</u>	<u>\$ 61,392,597</u>	<u>\$ 63,027,120</u>
<u>\$ 186,879</u>	<u>\$ -0-</u>	<u>\$ 283,490</u>	<u>\$ (283,490)</u>	<u>\$ - 0 -</u>
\$	\$	\$ 21,672	\$ (21,672)	\$
		41,800	(41,800)	
		18,060	(18,060)	
	2,310,342	2,310,342	(2,310,342)	
9,289,852		9,289,852	(9,289,852)	
		<u>16,141,166</u>	<u>(16,141,166)</u>	
<u>\$ 9,289,852</u>	<u>\$ 2,310,342</u>	<u>\$ 27,822,892</u>	<u>\$ (27,822,892)</u>	<u>\$ - 0 -</u>
<u>\$ 9,502,292</u>	<u>\$ 2,472,454</u>	<u>\$ 29,740,905</u>		
			\$ 2,399,456	\$ 2,399,456
			9,388,564	9,388,564
			<u>16,319,309</u>	<u>16,319,309</u>
			<u>\$ 28,107,329</u>	<u>\$ 28,107,329</u>

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

SPRING CREEK UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
APRIL 30, 2023

Total Fund Balances - Governmental Funds	\$ 27,822,892
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Interest paid in advance as part of a refunding bond sale is recorded as a deferred outflow in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.	813,150
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.	60,571,967
--	------------

Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2022 and prior tax levies became part of recognized revenue in the governmental activities of the District.	332,858
--	---------

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Due to Developer	\$ (2,912,998)	
Accrued Interest Payable	(137,535)	
Bonds Payable	<u>(58,383,005)</u>	<u>(61,433,538)</u>

Total Net Position - Governmental Activities	<u>\$ 28,107,329</u>
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The accompanying notes to the financial statements are an integral part of this report.

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SPRING CREEK UTILITY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED APRIL 30, 2023

	General Fund	Special Revenue Fund
REVENUES		
Property Taxes	\$ 2,877,655	\$
Water Service	1,495,350	
Wastewater Service	1,852,248	
Stormwater Facility Revenues		205,497
Water Authority Fees	1,105,037	
Penalty and Interest	58,908	
Sales Tax Revenue	830,906	
Tap Connection and Inspection Fees	95,158	
Investment Revenues	362,952	
Miscellaneous Revenues	218,230	
TOTAL REVENUES	\$ 8,896,444	\$ 205,497
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 398,309	\$ 13,673
Contracted Services	1,732,941	15,425
Purchased Water Service	526,974	
Purchased Stormwater Service	58,783	
Utilities	162,800	32,609
SJRA Fees	563,526	
Repairs and Maintenance	1,383,034	135,643
Depreciation		
Other	711,147	2,143
Capital Outlay	428,784	6,004
Debt Service:		
Capital Lease Principal	961,998	
Capital Lease Interest	29,340	
Bond Principal		
Bond Interest		
TOTAL EXPENDITURES/EXPENSES	\$ 6,957,636	\$ 205,497
EXCESS (DEFICIENCY) OF REVENUES OVER		
EXPENDITURES/EXPENSES	\$ 1,938,808	\$ - 0 -
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	\$ (34,151)	\$ - 0 -
NET CHANGE IN FUND BALANCES	\$ 1,904,657	\$ - 0 -
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - MAY 1, 2022,		
AS ADJUSTED	14,318,041	
FUND BALANCES/NET POSITION - APRIL 30, 2023	\$ 16,222,698	\$ - 0 -

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

Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
\$ 5,077,058	\$	\$ 7,954,713	\$ 52,893	\$ 8,007,606
		1,495,350		1,495,350
		1,852,248		1,852,248
		205,497	(58,783)	146,714
		1,105,037		1,105,037
63,331		122,239	5,639	127,878
		830,906		830,906
		95,158		95,158
214,074	110,601	687,627		687,627
7,440		225,670		225,670
<u>\$ 5,361,903</u>	<u>\$ 110,601</u>	<u>\$ 14,574,445</u>	<u>\$ (251)</u>	<u>\$ 14,574,194</u>
\$ 20,562	\$	\$ 432,544	\$ 23,709	\$ 456,253
104,039		1,852,405		1,852,405
		526,974		526,974
		58,783	(58,783)	
		195,409		195,409
		563,526		563,526
		1,518,677		1,518,677
			1,926,056	1,926,056
22,883	68	736,241		736,241
	3,320,228	3,755,016	(3,750,640)	4,376
		961,998	(961,998)	
		29,340		29,340
2,280,000		2,280,000	(2,280,000)	
2,019,394		2,019,394	(333,011)	1,686,383
<u>\$ 4,446,878</u>	<u>\$ 3,320,296</u>	<u>\$ 14,930,307</u>	<u>\$ (5,434,667)</u>	<u>\$ 9,495,640</u>
<u>\$ 915,025</u>	<u>\$ (3,209,695)</u>	<u>\$ (355,862)</u>	<u>\$ 5,434,416</u>	<u>\$ 5,078,554</u>
<u>\$ - 0 -</u>	<u>\$ 34,151</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
\$ 915,025	\$ (3,175,544)	\$ (355,862)	\$ 355,862	\$
			5,078,554	5,078,554
8,374,827	5,485,886	28,178,754	(5,149,979)	23,028,775
<u>\$ 9,289,852</u>	<u>\$ 2,310,342</u>	<u>\$ 27,822,892</u>	<u>\$ 284,437</u>	<u>\$ 28,107,329</u>

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

SPRING CREEK UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2023

Net Change in Fund Balances - Governmental Funds	\$ (355,862)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	52,893
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.	5,639
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(1,926,056)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.	3,726,931
Governmental funds report bond principal payments and capital lease payments as expenditures. However, in the Statement of Net Position, bond principal payments and capital lease payments are reported as decreases in long-term liabilities.	3,241,998
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.	<u>333,011</u>
Change in Net Position - Governmental Activities	<u>\$ 5,078,554</u>

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

SPRING CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 1. CREATION OF DISTRICT

Spring Creek Utility District (the “District”) was created by House Bill No. 1758 (62nd Texas Legislature, 1971). The District is subject to continuing supervision of the Texas Commission on Environmental Quality (the “Commission”). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water. The District may also provide solid waste disposal and collection services. The District is also empowered to establish, operate, and maintain fire-fighting facilities, independently or with one or more conservation and reclamation districts after approval from the voters of the District. The District is authorized by statute to develop and finance parks and recreational facilities. Additionally, the District may develop and finance roads, subject to certain limitations and the granting of road powers by the Commission.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

SPRING CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

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

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, i.e. the economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

SPRING CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

Governmental Funds

The District has four governmental funds and considers each to be a major fund.

General Fund - To account for resources not required to be accounted for in another fund, customer service revenues, operating costs and general expenditures.

Special Revenue Fund - To account for financial activities of the joint stormwater facilities.

Debt Service Fund - To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Capital Projects Fund - To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

**SPRING CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2023**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of April 30, 2023, the General Fund owed \$8,938 to the Special Revenue Fund for operating costs, \$6,112 to the Debt Service Fund for an excess reimbursement of bond issuance costs and \$7,831 to the Debt Service Fund for an excess transfer of maintenance tax collections. During the current fiscal year, the General Fund transferred \$34,151 to the Capital Projects Fund.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	<u>Years</u>
Water System	10-45
Wastewater System	10-45
Drainage System	10-45
Park Improvements	10-40

Budgeting

An annual unappropriated budget is adopted for the General Fund and Special Revenue Fund by the District’s Board of Directors. The budgets are prepared using the same method of accounting as for financial reporting. The respective budgets for the current year were not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund and Special Revenue Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

SPRING CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Directors are considered to be wages subject to federal income tax withholding for payroll purposes only.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

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

SPRING CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Estimates

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

NOTE 3. LONG-TERM DEBT

	Refunding Series 2014	Series 2015	Refunding Series 2016
Amount Outstanding – April 30, 2023	\$1,855,000	\$7,975,000	\$4,750,000
Interest Rates	3.00% - 3.25%	2.50% - 3.75%	2.00% - 4.00%
Maturity Dates – Serially Beginning/Ending	October 1, 2023/2025	October 1, 2023/2039	October 1, 2023/2032
Interest Payment Dates	October 1/ April 1	October 1/ April 1	October 1 April 1
Callable Dates	October 1, 2022*	October 1, 2023*	October 1, 2023*
		Refunding Series 2017	Refunding Series 2017A
Amount Outstanding – April 30, 2023		\$6,375,000	\$5,040,000
Interest Rates		2.00% - 3.75%	2.00% - 3.375%
Maturity Dates – Serially Beginning/Ending		April 1, 2023/2041	October 1, 2023/2033
Interest Payment Dates		October 1/ April 1	October 1/ April 1
Callable Dates		October 1, 2024*	October 1, 2024*

SPRING CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 3. LONG-TERM DEBT (Continued)

	Refunding Series 2018	Refunding Series 2019	Series 2021	Refunding Series 2021A
Amount Outstanding – April 30, 2023	\$8,700,000	\$6,845,000	\$8,800,000	\$7,710,000
Interest Rates	3.00% - 4.00%	2.00% - 3.00%	1.00% - 2.00%	2.00% - 4.00%
Maturity Dates – Serially Beginning/Ending	October 1, 2023/2043	October 1, 2023/2034	October 1, 2023/2044	October 1, 2023/2038
Interest Payment Dates	October 1/ April 1	October 1 April 1	October 1/ April 1	October 1/ April 1
Callable Dates	October 1, 2023*	October 1, 2025*	October 1, 2026*	October 1, 2026*

* Or any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. Series 2015 term bonds maturing on October 1, 2027, 2029, 2031, 2037 and 2039 are subject to mandatory redemption beginning October 1, 2026, 2028, 2030, 2036 and 2038, respectively. Series 2016 Refunding term bonds maturing on October 1, 2025 are subject to mandatory redemption beginning October 1, 2024. Series 2017 term bonds maturing on October 1, 2037, 2039 and 2041 are subject to mandatory redemption beginning October 1, 2036, 2038 and 2040, respectively. Series 2021 term bonds maturing on October 1, 2038, 2041 and 2044 are subject to mandatory redemption begin October 1, 2037, 2039 and 2042, respectively. Series 2021A Refunding term bonds maturing on October 1, 2029, 2031 and 2033 are subject to mandatory redemption beginning October 1, 2028, 2030 and 2032, respectively.

The following is a summary of transactions regarding long-term liabilities for the year ended April 30, 2023:

	May 1, 2022	Additions	Retirements	April 30, 2023
Bonds Payable	\$ 60,330,000	\$	\$ 2,280,000	\$ 58,050,000
Unamortized Discounts	(591,891)		(27,905)	(563,986)
Unamortized Premium	982,118		85,127	896,991
Bonds Payable, Net	<u>\$ 60,720,227</u>	<u>\$ -0-</u>	<u>\$ 2,337,222</u>	<u>\$ 58,383,005</u>
		Amount Due Within One Year		\$ 2,650,000
		Amount Due After One Year		55,733,005
		Bonds Payable, Net		<u>\$ 58,383,005</u>

**SPRING CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2023**

NOTE 3. LONG-TERM DEBT (Continued)

As of April 30, 2023, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 2,650,000	\$ 1,617,718	\$ 4,267,718
2025	2,700,000	1,550,177	4,250,177
2026	2,735,000	1,478,417	4,213,417
2027	2,765,000	1,403,625	4,168,625
2028	2,830,000	1,326,631	4,156,631
2029-2033	14,800,000	5,387,440	20,187,440
2034-2038	16,970,000	3,126,233	20,096,233
2039-2043	10,850,000	934,628	11,784,628
2044-2045	1,750,000	32,625	1,782,625
	<u>\$ 58,050,000</u>	<u>\$ 16,857,494</u>	<u>\$ 74,907,494</u>

As of April 30, 2023, the District had authorized but unissued tax bonds in the amount of \$138,215,000 and refunding bonds authorized but unissued of \$139,355,692.

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

During the year ended April 30, 2023, the District levied an ad valorem debt service tax rate of \$0.58 per \$100 of assessed valuation, which resulted in a tax levy of \$5,136,404 on the adjusted taxable valuation of \$885,586,897 for the 2022 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

The Bond Orders state that the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data to each nationally recognized municipal securities information depository and the state information depository. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

**SPRING CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2023**

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District’s deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged.

At fiscal year end, the carrying amount of the District’s deposits was \$5,772,961 and the bank balance was \$5,900,462. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at April 30, 2023, as listed below:

	Cash	Certificate of Deposit	Total
GENERAL FUND	\$ 5,367,715	\$	\$ 5,367,715
SPECIAL REVENUE FUND	39,418		39,418
DEBT SERVICE FUND	110,473	225,000	335,473
CAPITAL PROJECTS FUND	30,355		30,355
TOTAL DEPOSITS	\$ 5,547,961	\$ 225,000	\$ 5,772,961

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest District funds without express written authority from the Board of Directors.

SPRING CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District’s investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of TexPool. Federated Investors, Inc. manages the daily operations of TexPool under a contract with the Comptroller. TexPool meets the criteria established in GASB Statement No. 79 and measures all of their portfolio assets at amortized costs. As a result, the District also measures its investments in TexPool at amortize cost for financial reporting purposes.

The District records certificates of deposit at acquisition cost.

As of April 30, 2023, the District had the following investments and maturities:

<u>Fund and Investment Type</u>	<u>Fair Value</u>	<u>Maturities of Less Than 1 Year</u>
<u>GENERAL FUND</u>		
TexPool	\$ 10,879,787	\$ 10,879,787
<u>DEBT SERVICE FUND</u>		
TexPool	8,964,256	8,964,256
Certificate of Deposit	225,000	225,000
<u>CAPITAL PROJECTS FUND</u>		
TexPool	<u>2,441,349</u>	<u>2,441,349</u>
TOTAL INVESTMENTS	<u>\$ 22,510,392</u>	<u>\$ 22,510,392</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District manages credit risk by typically investing in certificates of deposit with balances below FDIC coverage. At April 30, 2023, the District’s investments in TexPool were rated “AAAm” by Standard and Poor’s.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District typically manages interest rate risk by investing in certificates of deposit with maturities of less than one year. The District considers the investments in TexPool to have a maturity of less than one year due to the fact the share position can usually be redeemed at the discretion of the District, unless there has been a significant change in value.

SPRING CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Restrictions

All cash and investments of the Special Revenue Fund are restricted for the stormwater facilities operations.

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes.

All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2023:

	<u>May 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>April 30, 2023</u>
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 8,206,216	\$ 43,055	\$	\$ 8,249,271
Construction in Progress	<u>3,798,742</u>	<u>4,162,712</u>	<u>6,588,670</u>	<u>1,372,784</u>
Total Capital Assets Not Being Depreciated	<u>\$ 12,004,958</u>	<u>\$ 4,205,767</u>	<u>\$ 6,588,670</u>	<u>\$ 9,622,055</u>
Capital Assets Subject to Depreciation				
Park Improvements	\$ 711,162	\$ 210,179		\$ 921,341
Water System	15,778,281	4,018,254		19,796,535
Wastewater System	28,434,265	522,716		28,956,981
Drainage System	<u>19,514,928</u>	<u>1,794,466</u>		<u>21,309,394</u>
Total Capital Assets Subject to Depreciation	<u>\$ 64,438,636</u>	<u>\$ 6,545,615</u>	<u>\$ -0-</u>	<u>\$ 70,984,251</u>
Accumulated Depreciation				
Park Improvements	\$ 303,032	\$ 23,555		\$ 326,587
Water System	5,163,290	531,843		5,695,133
Wastewater System	7,875,792	869,428		8,745,220
Drainage System	<u>4,766,169</u>	<u>501,230</u>		<u>5,267,399</u>
Total Accumulated Depreciation	<u>\$ 18,108,283</u>	<u>\$ 1,926,056</u>	<u>\$ -0-</u>	<u>\$ 20,034,339</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 46,330,353</u>	<u>\$ 4,619,559</u>	<u>\$ -0-</u>	<u>\$ 50,949,912</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 58,335,311</u>	<u>\$ 8,825,326</u>	<u>\$ 6,588,670</u>	<u>\$ 60,571,967</u>

SPRING CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 7. MAINTENANCE TAX

On April 3, 1982, the voters of the District authorized a maintenance tax rate not to exceed \$0.40 per \$100 of assessed valuation. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and sanitary sewer system.

During the year ended April 30, 2023, the District levied an ad valorem maintenance tax rate of \$0.33 per \$100 of assessed valuation, which resulted in a tax levy of \$2,922,437 on the adjusted taxable valuation of \$885,586,897 for the 2022 tax year.

NOTE 8. STORMWATER FACILITIES

On April 15, 2003, the District entered into a Stormwater Facilities Contract (the "Contract") with Montgomery County Municipal Utility District No. 88 ("District No. 88") and Montgomery County Municipal Utility District No. 89 ("District No. 89") to provide for the construction and operation of certain drainage and detention facilities to serve land within the districts. On April 20, 2020, the Contract was amended. The term of the Contract is for a period of 40 years from the original Contract execution date.

Each participant is responsible for its share of the operating costs of the facilities. Ownership of each participating district's capacity in the pump station facilities at April 30, 2023, was as follows: District – 27.118%; District No. 88 – 31.248%; District No. 89 – 41.634%. Drainage and detention facilities maintenance costs are allocated based on each participating district's capacity. As of April 30, 2023, the capacity allocations for drainage and detention facilities were as follows: District – 30.357%; District No. 88 – 26.834%; District No. 89 – 42.809%. Participants are billed a monthly amount which is equal to the actual costs incurred during the prior month.

The District operates the facilities and invoices the participants for their share of operating costs based on the applicable percentages. During the current fiscal year, the District incurred \$57,155 for operating costs, \$1,628 for capital costs and maintained an operating reserve of \$18,060.

Transactions for the current fiscal year are summarized as follows:

**SPRING CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2023**

NOTE 8. STORMWATER FACILITIES (Continued)

	Spring Creek Utility District	Montgomery County Municipal Utility District No. 88	Montgomery County Municipal Utility District No. 89	Total
Due from participants, May 1, 2022	\$ 91,852	\$ 108,894	\$ 152,619	\$ 353,365
Current year billings to Participants	58,783	60,048	86,666	205,497
Current year collections	<u>141,697</u>	<u>150,667</u>	<u>213,291</u>	<u>505,655</u>
Due from participants, April 30, 2023	<u>\$ 8,938</u>	<u>\$ 18,275</u>	<u>\$ 25,994</u>	<u>\$ 53,207</u>
Reserve balances at April 30, 2023	<u>\$ 18,060</u>	<u>\$ 9,780</u>	<u>\$ 32,160</u>	<u>\$ 60,000</u>

NOTE 9. WATER SUPPLY CONTRACTS

On February 25, 2003, as amended August 15, 2008, the District entered into an agreement with District No. 89 for the purpose of sharing the cost of construction and operating the District No. 89 Water Plant Facilities (“Water Plant No. 1”). The contract is for a period of forty years.

District No. 89 is the operator of Water Plant No. 1 and holds title for the benefit of the participants. Construction costs of Water Plant No. 1 are funded by the contribution of funds from each participating district. Water Plant No. 1 issues no debt.

On October 7, 2004, as amended August 15, 2008, September 19, 2011, December 6, 2012, April 5, 2018, and October 4, 2018, the District entered into an agreement with District No. 88 and District No. 89 for the purpose of constructing and operating District No. 89 Water Plant Facilities (“Water Plant No. 2”). The contract is for a period of forty years.

District No. 89 is the operator of Water Plant No. 2 and holds title for the benefit of the participants. Construction costs of Water Plant No. 2 are funded by the contribution of funds from each participating district. Water Plant No. 2 issues no debt.

Monthly operating costs of the joint water facilities are to be shared based on capacity acquired. During the fiscal year ended April 30, 2023, the District recorded \$526,974 for operating expenditures under the terms of the agreement. At April 30, 2023, the District’s share of the Plant’s operating reserve was \$41,800.

The financial activities of the plants as of August 31, 2022, and for the year then ended are as follows:

**SPRING CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2023**

NOTE 9. WATER SUPPLY CONTRACTS (Continued)

Total Assets	\$	153,947
Total Liabilities		<u>133,795</u>
Total Fund Balance	\$	<u><u>20,152</u></u>
Total Revenues	\$	1,461,170
Total Expenditures		<u>1,350,865</u>
Net Change in Fund Balance	\$	110,305
Fund Balance - September 1, 2021		<u>(90,153)</u>
Fund Balance - August 31, 2022	\$	<u><u>20,152</u></u>

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 11. UNREIMBURSED COSTS

The District has entered into certain financing and reimbursement agreements with Developers within the District which provides for the Developers to make payments on behalf of the District for various projects. The District has an obligation to reimburse the Developers for these costs from future bond issues to the extent approved by the Commission. The District has recorded a liability to the Developer of \$2,912,998 for projects as of April 30, 2023. The actual amounts owed, including developer interest, will be calculated at the time debt is issued to reimburse the Developers. The current year activity is as follows:

Due to Developers, beginning of year	\$	2,477,217
Additions		<u>435,781</u>
Due to Developers, end of year	\$	<u><u>2,912,998</u></u>

**SPRING CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2023**

NOTE 12. CAPITAL LEASE – WATER METERS

On September 27, 2017, the District entered into a Lease-Purchase Agreement (the “Lease”) to replace and improve the water meters throughout the District. The original principal amount of the Lease is \$1,516,077 and bears interest at a rate of 3.05% per annum for 120 months. Annual principal and interest payments of \$177,877 are due on September 1st of each year. The District has the option to purchase the meters at the option price after the fifth payment. The District has accounted for this lease as a capital lease.

During the current fiscal year, the District elected to exercise the option of purchasing the meters and the lease liability was paid off on August 25, 2022.

NOTE 13. STRATEGIC PARTNERSHIP AGREEMENT

Effective December 19, 2011, the District entered into a Strategic Partnership Agreement with the City of Houston, Texas. The agreement was amended on November 22, 2013, December 10, 2015, and December 14, 2021. The agreement provides that in accordance with Subchapter F of the chapter 43 of the Local Government Code and the Act, the City shall annex a tract of land defined as the “Tract” for limited purposes of applying the City’s Planning, Zoning, Health, and Safety Ordinances within the Tract within the boundaries of the District. The District will continue to develop, to own, and to operate and maintain a water, wastewater, and drainage system in the District.

All taxable property within the District shall not be liable for any present or future debts of the City, and current and future taxes levied by the City shall not be levied on taxable property within the District. Upon the limited-purpose annexation of the Tract, the City’s municipal courts shall have jurisdiction to adjudicate criminal cases filed under the Planning, Zoning, Health and Safety Ordinances and State laws. Provisions of the Regulatory Plan adopted by the City will be applicable to the District and the Tract of land within the District. The District’s assets, liabilities, indebtedness, and obligations will remain the responsibility of the District during the period of this agreement.

The City shall impose a Sales and Use Tax within the boundaries of the Tract upon limited-purpose annexation of the Tract. The Sales and Use Tax shall be imposed on the receipts from the sale and use at retail of taxable items at the rate of one percent or the rate specified under the future amendments to Chapter 321 of the Tax Code. The City agreed to pay the District an amount equal to one-half of all Sales and Use Tax revenues generated within the boundaries of the Tract. The City agreed to deliver to the District its share of the sales tax receipts within 30 days of the City receiving the funds from the State Comptroller’s office.

The City agrees that it will not annex the District for full purposes or commence any action to annex the District for full purpose during the term of this Agreement. The term of this Agreement continues until December 19, 2051. During the current fiscal year, the District recorded sales tax revenue of \$830,906.

**SPRING CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2023**

NOTE 14. LONE STAR GROUNDWATER CONSERVATION DISTRICT

The District is located within the boundaries of the Lone Star Groundwater Conservation District (the “Conservation District”). The Conservation District was created under Article 16, Section 59 of the Texas Constitution by House Bill 1842 (the “Act”), as passed by the 77th Texas Legislature, in 2001. The Act empowers the Conservation District for purposes including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, and the control of subsidence caused by withdrawal of water from those groundwater reservoirs or their subdivisions. The Conservation District is overseeing that its participants comply with subsidence district pumpage requirements. The District is required to convert its water supply to surface water over a period of time.

A nine-member board of directors governs the Conservation District. The directors serve staggered four-year terms. Each director must qualify to serve as director in the manner provided by Section 49.055 of the Water Code. The Conservation District charges production fees based on the amount of water authorized by permit to be withdrawn from a well. This fee enables the Conservation District to fulfill its purpose and regulatory functions. The current permit fee is \$0.085 per 1,000 gallons of water pumped from each well.

NOTE 15. SAN JACINTO RIVER AUTHORITY

The District has entered into a Contract for Groundwater Reduction Planning, Alternative Water Supply, and Related Goods and Services with the San Jacinto River Authority (the “Authority”). The Authority operates within the boundaries of the Lone Star Conservation District (“the Conservation District”). See Note 11. The Authority has developed supplies of surface water that, when taken together with groundwater withdrawals to be permitted by the Conservation District, are reasonably believed to be adequate to satisfy the total water demands of Montgomery County. A surface water treatment and transmission system is proposed to be designed, constructed, operated, and maintained by the Authority in order to provide phased treatment, transmission, and delivery of the Authority’s surface water to regulated users for blending with groundwater supplies, so that regulated users may continue to pump groundwater. The Authority will develop a Groundwater Reduction Plan (the “GRP”) for all participants. The Authority charges a fee, currently \$2.99 per 1,000 gallons for groundwater used and \$3.41 per 1,000 gallons for surface water used. This fee enables the Authority to achieve, maintain and implement the GRP. During the current fiscal year, the District recorded expenditures of \$563,526 for groundwater used. The District also paid \$426,498 to District No. 89 for their share of the groundwater used in the joint facilities.

**SPRING CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2023**

NOTE 16. PRIOR PERIOD ADJUSTMENTS

During the current fiscal year, it was determined that the amounts for pumpage fees paid to the San Jacinto River Authority by the joint water facilities operated by District No. 89 had been erroneously calculated for the participants districts which resulted in the District having been overcharged going back to the 2019 fiscal year. Receivables from District No. 89 and District No. 88 have been recorded to rectify the error. The effect of the adjustments are as follows:

General Fund Balance, May 1, 2022	\$ 13,825,429
Effect of Adjustment	<u>492,612</u>
General Fund Balance, May 1, 2022, As Adjusted	<u>\$ 14,318,041</u>
Net Position, May 1, 2022	\$ 22,536,163
Effect of Adjustment	<u>492,612</u>
Net Position, May 1, 2022, As Adjusted	<u>\$ 23,028,775</u>

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SPRING CREEK UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION

APRIL 30, 2023

SPRING CREEK UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 2,500,000	\$ 2,877,655	\$ 377,655
Water Service	1,410,000	1,495,350	85,350
Wastewater Service	1,700,000	1,852,248	152,248
Water Authority Fee	1,028,250	1,105,037	76,787
Penalty and Interest	60,000	58,908	(1,092)
Sales Tax Revenue	550,000	830,906	280,906
Tap Connection and Inspection Fees	50,000	95,158	45,158
Investment Revenues	11,650	362,952	351,302
Miscellaneous Revenues	57,850	218,230	160,380
TOTAL REVENUES	<u>\$ 7,367,750</u>	<u>\$ 8,896,444</u>	<u>\$ 1,528,694</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 210,950	\$ 398,309	\$ (187,359)
Contracted Services	1,791,315	1,732,941	58,374
Purchased Water/Pumpage Fees	1,033,000	1,090,500	(57,500)
Purchased Stormwater Service	200,000	58,783	141,217
Utilities	180,000	162,800	17,200
Repairs and Maintenance	1,186,725	1,383,034	(196,309)
Other	703,030	711,147	(8,117)
Capital Lease, Principal and Interest	178,000	991,338	(813,338)
Capital Outlay	3,238,500	428,784	2,809,716
TOTAL EXPENDITURES	<u>\$ 8,721,520</u>	<u>\$ 6,957,636</u>	<u>\$ 1,763,884</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (1,353,770)</u>	<u>\$ 1,938,808</u>	<u>\$ 3,292,578</u>
OTHER FINANCING SOURCES(USES)			
Transfers In (Out)	<u>\$ -0-</u>	<u>\$ (34,151)</u>	<u>\$ (34,151)</u>
NET CHANGE IN FUND BALANCE	\$ (1,353,770)	\$ 1,904,657	\$ 3,258,427
FUND BALANCE - MAY 1, 2022	<u>14,318,041</u>	<u>14,318,041</u>	
FUND BALANCE - APRIL 30, 2023	<u>\$ 12,964,271</u>	<u>\$ 16,222,698</u>	<u>\$ 3,258,427</u>

See accompanying independent auditor's report.

SPRING CREEK UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED APRIL 30, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Stormwater Service	\$ 443,170	\$ 205,497	\$ (237,673)
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 26,250	\$ 13,673	\$ 12,577
Contracted Services	16,700	15,425	1,275
Utilities	30,000	32,609	(2,609)
Repairs and Maintenance	297,470	135,643	161,827
Other	6,750	2,143	4,607
Capital Outlay	<u>66,000</u>	<u>6,004</u>	<u>59,996</u>
TOTAL EXPENDITURES	<u>\$ 443,170</u>	<u>\$ 205,497</u>	<u>\$ 237,673</u>
NET CHANGE IN FUND BALANCE	\$ -0-	\$ -0-	\$ -0-
FUND BALANCE - MAY 1, 2022	_____	_____	_____
FUND BALANCE - APRIL 30, 2023	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

See accompanying independent auditor's report.

SPRING CREEK UTILITY DISTRICT
SUPPLEMENTARY INFORMATION REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE
APRIL 30, 2023

**SPRING CREEK UTILITY DISTRICT
SCHEDULE OF SERVICES AND RATES
FOR THE YEAR ENDED APRIL 30, 2023**

1. SERVICES PROVIDED BY THE DISTRICT DURING THE CURRENT FISCAL YEAR:

<u> X </u>	Retail Water	_____	Wholesale Water	<u> X </u>	Drainage
<u> X </u>	Retail Wastewater	_____	Wholesale Wastewater	_____	Irrigation
<u> X </u>	Parks/Recreation	_____	Fire Protection	<u> X </u>	Security
<u> X </u>	Solid Waste/Garbage	_____	Flood Control	_____	Roads
	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
<u> X </u>	Other (specify): Street Lighting				

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 5/8" METER (OR EQUIVALENT):

Based on the rate order effective June 1, 2022.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	\$ 12.00	3,000	N	\$ 1.50 \$ 2.50 \$ 3.50 \$ 6.00	3,001 to 6,000 6,001 to 10,000 10,001 to 20,000 20,000 and up
WASTEWATER:	\$ 37.50*	10,000	N	\$ 1.75	10,000 and up
SURCHARGE:					
Commission Regulatory Assessments			N	0.5% of actual water and wastewater charges	
San Jacinto River Authority Fees			N	\$ 3.44	0,001 and up
LSGCD Fee			N	\$ 0.98	0,001 and up

District employs winter averaging for wastewater usage?

*Includes solid waste disposal.

_____	<u> X </u>
Yes	No

Total monthly charges per 10,000 gallons usage: Water: \$26.50 Wastewater: \$37.50 Surcharge: \$35.68 Total: \$99.68

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
SCHEDULE OF SERVICES AND RATES
FOR THE YEAR ENDED APRIL 30, 2023**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤ ³ / ₄ "	<u>3,677</u>	<u>3,655</u>	x 1.0	<u>3,655</u>
1"	<u>43</u>	<u>39</u>	x 2.5	<u>98</u>
1½"	<u>11</u>	<u>11</u>	x 5.0	<u>55</u>
2"	<u>48</u>	<u>48</u>	x 8.0	<u>384</u>
3"	<u>7</u>	<u>7</u>	x 15.0	<u>105</u>
4"			x 25.0	
6"	<u>2</u>	<u>2</u>	x 50.0	<u>100</u>
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u><u>3,788</u></u>	<u><u>3,762</u></u>		<u><u>4,397</u></u>
Total Wastewater Connections	<u><u>3,716</u></u>	<u><u>3,692</u></u>	x 1.0	<u><u>3,692</u></u>

**3. TOTAL WATER CONSUMPTION DURING THE CURRENT FISCAL YEAR
ROUNDED TO THE NEAREST THOUSAND: (Unaudited)**

Gallons pumped into system:	254,436,000	Water Accountability Ratio: 96.2 % (Gallons billed/Gallons pumped and purchased)
Gallons billed to customers:	318,835,000	
Gallons purchased:	78,214,000	From: Montgomery County Municipal Utility District No. 89
Leaks and flushing:	1,025,000	

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
SCHEDULE OF SERVICES AND RATES
FOR THE YEAR ENDED APRIL 30, 2023**

4. STANDBY FEES (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes No

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No

County in which District is located:

Montgomery County, Texas

Is the District located within a city?

Entirely Partly Not at all

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

Entirely Partly Not at all

ETJ in which District is located:

City of Houston, Texas

Are Board Members appointed by an office outside the District?

Yes No

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED APRIL 30, 2023**

PROFESSIONAL FEES:	
Auditing	\$ 18,000
Engineering	201,999
Legal	<u>178,310</u>
TOTAL PROFESSIONAL FEES	<u>\$ 398,309</u>
PURCHASED SERVICES FOR RESALE:	
Purchased Water Service	\$ 526,974
Purchased Stormwater Service	<u>58,783</u>
TOTAL PURCHASED SERVICES FOR RESALE	<u>\$ 585,757</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 46,713
Operations and Billing	168,665
Security	716,942
Solid Waste Disposal	<u>800,621</u>
TOTAL CONTRACTED SERVICES	<u>\$ 1,732,941</u>
UTILITIES	<u>\$ 162,800</u>
REPAIRS AND MAINTENANCE	<u>\$ 1,383,034</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 31,650
Dues	2,709
Election Costs	22,245
Insurance	50,231
Office Supplies and Postage	131,416
Payroll Taxes	2,146
Travel and Meetings	<u>20,221</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 260,618</u>

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED APRIL 30, 2023**

CAPITAL OUTLAY	\$ <u>428,784</u>
TAP CONNECTIONS	\$ <u>30,176</u>
OTHER EXPENDITURES:	
Chemicals	\$ 68,946
Laboratory Fees	72,065
Permit Fees	38,719
Inspection Fees	5,385
Water Authority Assessments	563,526
Regulatory Assessment	16,424
Sludge Hauling	141,329
Other	<u>77,485</u>
TOTAL OTHER EXPENDITURES	\$ <u>983,879</u>
DEBT SERVICE:	
Capital Lease Principal	\$ 961,998
Capital Lease Interest	<u>29,340</u>
TOTAL DEBT SERVICE	\$ <u>991,338</u>
TOTAL EXPENDITURES	<u>\$ 6,957,636</u>

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
INVESTMENTS
APRIL 30, 2023**

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
TexPool	XXXX0008	Varies	Daily	\$ 10,879,787	\$ -0-
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0004	Varies	Daily	\$ 8,964,256	\$
Certificate of Deposit	XXXX6895	0.80%	05/12/23	225,000	1,741
TOTAL DEBT SERVICE FUND				<u>\$ 9,189,256</u>	<u>\$ 1,741</u>
<u>CAPITAL PROJECTS FUND</u>					
TexPool	XXXX0011	Varies	Daily	\$ 2,441,349	\$ -0-
TOTAL - ALL FUNDS				<u>\$ 22,510,392</u>	<u>\$ 1,741</u>

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED APRIL 30, 2023**

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
MAY 1, 2022	\$	67,407		\$ 163,190
Adjustments to Beginning				
Balance		<u>(15,578)</u>	\$ 51,829	<u>(35,657)</u> \$ 127,533
Original 2022 Tax Levy	\$	2,632,547		\$ 4,626,900
Adjustment to 2022 Tax Levy		<u>289,890</u>	<u>2,922,437</u>	<u>509,504</u> <u>5,136,404</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 2,974,266		\$ 5,263,937
TAX COLLECTIONS:				
Prior Years	\$	28,961		\$ 70,263
Current Year		<u>2,848,694</u>	<u>2,877,655</u>	<u>5,006,795</u> <u>5,077,058</u>
TAXES RECEIVABLE -				
APRIL 30, 2023		<u>\$ 96,611</u>		<u>\$ 186,879</u>
TAXES RECEIVABLE BY				
YEAR:				
2022		\$ 73,743		\$ 129,609
2021		8,213		19,257
2020		5,508		13,967
2019		3,196		8,218
2018		2,188		5,626
2017 and prior		<u>3,763</u>		<u>10,202</u>
TOTAL		<u>\$ 96,611</u>		<u>\$ 186,879</u>

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED APRIL 30, 2023**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
PROPERTY VALUATIONS:				
Land	\$ 156,283,850	\$ 146,482,051	\$ 110,056,517	\$ 107,523,183
Improvements	832,129,378	670,131,875	637,894,571	596,892,254
Personal Property	41,508,878	32,644,176	35,003,218	34,468,054
Exemptions	<u>(144,335,209)</u>	<u>(129,837,083)</u>	<u>(121,647,384)</u>	<u>(118,058,358)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 885,586,897</u>	<u>\$ 719,421,019</u>	<u>\$ 661,306,922</u>	<u>\$ 620,825,133</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.58	\$ 0.68	\$ 0.71	\$ 0.72
Maintenance	<u>0.33</u>	<u>0.29</u>	<u>0.28</u>	<u>0.28</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.91</u>	<u>\$ 0.97</u>	<u>\$ 0.99</u>	<u>\$ 1.00</u>
ADJUSTED TAX LEVY*	<u>\$ 8,058,841</u>	<u>\$ 6,978,384</u>	<u>\$ 6,546,938</u>	<u>\$ 6,208,251</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>97.48 %</u>	<u>99.61 %</u>	<u>99.70 %</u>	<u>99.82 %</u>

* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

Maintenance Tax – Maximum tax rate of \$0.40 per \$100 of assessed valuation approved by voters on April 3, 1982.

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2023**

REFUNDING SERIES - 2014			
Due During Fiscal Years Ending April 30	Principal Due October 1	Interest Due October 1/ April 1	Total
2024	\$ 595,000	\$ 49,081	\$ 644,081
2025	635,000	30,234	665,234
2026	625,000	10,156	635,156
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
	\$ 1,855,000	\$ 89,471	\$ 1,944,471

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2023**

S E R I E S - 2 0 1 5				
Due During Fiscal Years Ending April 30	Principal Due October 1	Interest Due October 1/ April 1	Total	
2024	\$ 200,000	\$ 279,312	\$	479,312
2025	200,000	274,062		474,062
2026	200,000	268,312		468,312
2027	150,000	262,969		412,969
2028	200,000	257,500		457,500
2029	200,000	251,125		451,125
2030	200,000	244,626		444,626
2031	225,000	237,578		462,578
2032	250,000	229,563		479,563
2033	350,000	219,438		569,438
2034	550,000	203,907		753,907
2035	575,000	184,219		759,219
2036	925,000	157,391		1,082,391
2037	925,000	123,282		1,048,282
2038	925,000	88,594		1,013,594
2039	950,000	53,438		1,003,438
2040	950,000	17,813		967,813
2041				
2042				
2043				
2044				
2045				
	\$ 7,975,000	\$ 3,353,129	\$	11,328,129

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2023**

REFUNDING SERIES - 2016

Due During Fiscal Years Ending April 30	Principal Due October 1	Interest Due October 1/ April 1	Total
2024	\$ 85,000	\$ 187,450	\$ 272,450
2025	85,000	184,900	269,900
2026	105,000	181,100	286,100
2027	755,000	163,900	918,900
2028	755,000	133,700	888,700
2029	750,000	103,600	853,600
2030	745,000	73,700	818,700
2031	745,000	43,900	788,900
2032	365,000	21,700	386,700
2033	360,000	7,200	367,200
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
	<u>\$ 4,750,000</u>	<u>\$ 1,101,150</u>	<u>\$ 5,851,150</u>

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2023**

S E R I E S - 2 0 1 7				
Due During Fiscal Years Ending April 30	Principal Due October 1	Interest Due October 1/ April 1	Total	
2024	\$ 325,000	\$ 202,438	\$	527,438
2025	325,000	195,531		520,531
2026	325,000	187,812		512,812
2027	325,000	179,281		504,281
2028	325,000	169,938		494,938
2029	325,000	160,187		485,187
2030	325,000	150,438		475,438
2031	325,000	140,484		465,484
2032	325,000	130,125		455,125
2033	325,000	119,359		444,359
2034	300,000	108,625		408,625
2035	325,000	97,687		422,687
2036	350,000	85,875		435,875
2037	350,000	73,406		423,406
2038	350,000	60,719		410,719
2039	350,000	47,813		397,813
2040	350,000	34,688		384,688
2041	375,000	21,094		396,094
2042	375,000	7,031		382,031
2043				
2044				
2045				
	\$ 6,375,000	\$ 2,172,531	\$	8,547,531

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2023**

REFUNDING SERIES - 2017 A

Due During Fiscal Years Ending April 30	Principal Due October 1	Interest Due October 1/ April 1	Total
2024	\$ 360,000	\$ 141,944	\$ 501,944
2025	350,000	134,406	484,406
2026	370,000	125,844	495,844
2027	385,000	116,406	501,406
2028	405,000	106,025	511,025
2029	420,000	94,156	514,156
2030	460,000	80,956	540,956
2031	505,000	66,481	571,481
2032	540,000	50,131	590,131
2033	530,000	32,744	562,744
2034	715,000	12,066	727,066
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
	<u>\$ 5,040,000</u>	<u>\$ 961,159</u>	<u>\$ 6,001,159</u>

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2023**

S E R I E S - 2 0 1 8				
Due During Fiscal Years Ending April 30	Principal Due October 1	Interest Due October 1/ April 1	Total	
2024	\$ 200,000	\$ 289,906	\$	489,906
2025	200,000	282,906		482,906
2026	200,000	276,906		476,906
2027	200,000	270,906		470,906
2028	200,000	264,906		464,906
2029	200,000	258,906		458,906
2030	200,000	252,906		452,906
2031	200,000	246,906		446,906
2032	200,000	240,781		440,781
2033	200,000	234,531		434,531
2034	200,000	228,157		428,157
2035	200,000	221,657		421,657
2036	375,000	212,313		587,313
2037	425,000	199,047		624,047
2038	500,000	183,438		683,438
2039	550,000	165,375		715,375
2040	675,000	143,938		818,938
2041	925,000	115,938		1,040,938
2042	950,000	83,125		1,033,125
2043	950,000	49,875		999,875
2044	950,000	16,625		966,625
2045				
	\$ 8,700,000	\$ 4,239,048	\$	12,939,048

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2023**

REFUNDING SERIES - 2019

Due During Fiscal Years Ending April 30	Principal Due October 1	Interest Due October 1/ April 1	Total
2024	\$ 425,000	\$ 180,587	\$ 605,587
2025	445,000	167,538	612,538
2026	445,000	154,187	599,187
2027	485,000	142,663	627,663
2028	480,000	133,012	613,012
2029	495,000	123,263	618,263
2030	505,000	112,631	617,631
2031	495,000	99,525	594,525
2032	785,000	80,325	865,325
2033	775,000	56,925	831,925
2034	760,000	33,900	793,900
2035	750,000	11,250	761,250
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
	<u>\$ 6,845,000</u>	<u>\$ 1,295,806</u>	<u>\$ 8,140,806</u>

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2023**

S E R I E S - 2 0 2 1				
Due During Fiscal Years Ending April 30	Principal Due October 1	Interest Due October 1/ April 1	Total	
2024	\$ 400,000	\$ 129,000	\$	529,000
2025	400,000	125,000		525,000
2026	400,000	121,000		521,000
2027	400,000	117,000		517,000
2028	400,000	113,000		513,000
2029	400,000	109,000		509,000
2030	400,000	105,000		505,000
2031	400,000	101,000		501,000
2032	400,000	96,500		496,500
2033	400,000	91,500		491,500
2034	400,000	86,000		486,000
2035	400,000	80,000		480,000
2036	400,000	74,000		474,000
2037	400,000	67,500		467,500
2038	400,000	60,000		460,000
2039	400,000	52,000		452,000
2040	400,000	44,000		444,000
2041	400,000	36,000		436,000
2042	400,000	28,000		428,000
2043	400,000	20,000		420,000
2044	400,000	12,000		412,000
2045	400,000	4,000		404,000
	\$ 8,800,000	\$ 1,671,500	\$	10,471,500

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2023**

REFUNDING SERIES - 2021A

Due During Fiscal Years Ending April 30	Principal Due October 1	Interest Due October 1/ April 1	Total
2024	\$ 60,000	\$ 158,000	\$ 218,000
2025	60,000	155,600	215,600
2026	65,000	153,100	218,100
2027	65,000	150,500	215,500
2028	65,000	148,550	213,550
2029	65,000	147,250	212,250
2030	65,000	145,950	210,950
2031	65,000	144,650	209,650
2032	140,000	142,600	282,600
2033	140,000	139,800	279,800
2034	240,000	136,000	376,000
2035	1,035,000	123,250	1,158,250
2036	1,370,000	99,200	1,469,200
2037	1,400,000	71,500	1,471,500
2038	1,425,000	43,250	1,468,250
2039	1,450,000	14,500	1,464,500
2040			
2041			
2042			
2043			
2044			
2045			
	<u>\$ 7,710,000</u>	<u>\$ 1,973,700</u>	<u>\$ 9,683,700</u>

See accompanying independent auditor's report.

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**SPRING CREEK UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2023**

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending April 30	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2024	\$ 2,650,000	\$ 1,617,718	\$ 4,267,718
2025	2,700,000	1,550,177	4,250,177
2026	2,735,000	1,478,417	4,213,417
2027	2,765,000	1,403,625	4,168,625
2028	2,830,000	1,326,631	4,156,631
2029	2,855,000	1,247,487	4,102,487
2030	2,900,000	1,166,207	4,066,207
2031	2,960,000	1,080,524	4,040,524
2032	3,005,000	991,725	3,996,725
2033	3,080,000	901,497	3,981,497
2034	3,165,000	808,655	3,973,655
2035	3,285,000	718,063	4,003,063
2036	3,420,000	628,779	4,048,779
2037	3,500,000	534,735	4,034,735
2038	3,600,000	436,001	4,036,001
2039	3,700,000	333,126	4,033,126
2040	2,375,000	240,439	2,615,439
2041	1,700,000	173,032	1,873,032
2042	1,725,000	118,156	1,843,156
2043	1,350,000	69,875	1,419,875
2044	1,350,000	28,625	1,378,625
2045	400,000	4,000	404,000
	<u>\$ 58,050,000</u>	<u>\$ 16,857,494</u>	<u>\$ 74,907,494</u>

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED APRIL 30, 2023**

Description	Original Bonds Issued	Bonds Outstanding May 1, 2022
Spring Creek Utility District Unlimited Tax Refunding Bonds - Series 2014	\$ 7,735,000	\$ 2,680,000
Spring Creek Utility District Unlimited Tax Bonds - Series 2015	9,375,000	8,175,000
Spring Creek Utility District Unlimited Tax Refunding Bonds - Series 2016	5,305,000	4,815,000
Spring Creek Utility District Unlimited Tax Bonds - Series 2017	8,325,000	6,700,000
Spring Creek Utility District Unlimited Tax Refunding Bonds - Series 2017A	5,400,000	5,045,000
Spring Creek Utility District Unlimited Tax Bonds - Series 2018	9,500,000	8,900,000
Spring Creek Utility District Unlimited Tax Refunding Bonds - Series 2019	7,300,000	7,045,000
Spring Creek Utility District Unlimited Tax Bonds - Series 2021	9,600,000	9,200,000
Spring Creek Utility District Unlimited Tax Refunding Bonds - Series 2021A	<u>7,770,000</u>	<u>7,770,000</u>
TOTAL	<u>\$ 70,310,000</u>	<u>\$ 60,330,000</u>

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding April 30, 2023</u>	<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>		
\$	\$ 825,000	\$ 70,381	\$ 1,855,000	The Bank Of New York Mellon Trust Company, N.A. Dallas, TX
	200,000	284,313	7,975,000	The Bank Of New York Mellon Trust Company, N.A. Dallas, TX
	65,000	188,950	4,750,000	The Bank Of New York Mellon Trust Company, N.A. Dallas, TX
	325,000	208,937	6,375,000	The Bank Of New York Mellon Trust Company, N.A. Dallas, TX
	5,000	485,544	5,040,000	The Bank Of New York Mellon Trust Company, N.A. Dallas, TX
	200,000	297,906	8,700,000	The Bank Of New York Mellon Trust Company, N.A. Dallas, TX
	200,000	189,963	6,845,000	The Bank Of New York Mellon Trust Company, N.A. Dallas, TX
	400,000	133,000	8,800,000	The Bank Of New York Mellon Trust Company, N.A. Dallas, TX
	<u>60,000</u>	<u>160,400</u>	<u>7,710,000</u>	The Bank Of New York Mellon Trust Company, N.A. Dallas, TX
<u>\$ - 0 -</u>	<u>\$ 2,280,000</u>	<u>\$ 2,019,394</u>	<u>\$ 58,050,000</u>	

See accompanying independent auditor's report.

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**SPRING CREEK UTILITY DISTRICT
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED APRIL 30, 2023**

Bond Authority:	<u>Tax Bonds *</u>	<u>Refunding Bonds</u>
Amount Authorized by Voters	\$ 217,000,000	\$ 144,000,000
Amount Issued	<u>78,785,000</u>	<u>4,644,308</u>
Remaining to be Issued	<u>\$ 138,215,000</u>	<u>\$ 139,355,692</u>

Debt Service Fund cash, investments and cash with paying agent balances as of
April 30, 2023: \$ 9,299,729

Average annual debt service payment (principal and interest) for remaining term
of all debt: \$ 3,404,886

See Note 3 for interest rate, interest payment dates and maturity dates.

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

See accompanying independent auditor's report.

SPRING CREEK UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2023	2022	2021
REVENUES			
Property Taxes	\$ 2,877,655	\$ 2,119,908	\$ 1,799,194
Water Service	1,495,350	1,277,535	1,257,399
Wastewater Service	1,852,248	1,718,001	1,704,178
Water Authority Fee	1,105,037	954,035	974,872
Penalty and Interest	58,908	61,839	25,198
Sales Tax Revenue	830,906	562,362	497,693
Tap Connection and Inspection Fees	95,158	129,498	231,970
Investment Revenues	362,952	13,141	32,273
Miscellaneous Revenues	<u>218,230</u>	<u>133,327</u>	<u>195,742</u>
TOTAL REVENUES	<u>\$ 8,896,444</u>	<u>\$ 6,969,646</u>	<u>\$ 6,718,519</u>
EXPENDITURES			
Professional Fees	\$ 398,309	\$ 293,854	\$ 234,032
Contracted Services	1,732,941	1,815,972	1,637,280
Purchased Stormwater Service	58,783	280,340	61,057
Utilities	162,800	160,500	185,513
Purchased Water/Pumpage Fees	1,090,500	952,752	969,072
Repairs and Maintenance	1,383,034	1,085,336	1,075,968
Other	711,147	639,417	540,607
Capital Lease, Principal and Interest	991,338	177,876	177,877
Capital Outlay	<u>428,784</u>	<u>103,060</u>	<u>191,716</u>
TOTAL EXPENDITURES	<u>\$ 6,957,636</u>	<u>\$ 5,509,107</u>	<u>\$ 5,073,122</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 1,938,808</u>	<u>\$ 1,460,539</u>	<u>\$ 1,645,397</u>
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	\$ (34,151)	\$ (1,568,061)	\$
Capital Lease Proceeds	<u> </u>	<u> </u>	<u> </u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (34,151)</u>	<u>\$ (1,568,061)</u>	<u>\$ -0-</u>
NET CHANGE IN FUND BALANCE	\$ 1,904,657	\$ (107,522)	\$ 1,645,397
BEGINNING FUND BALANCE	<u>14,318,041</u>	<u>14,425,563</u>	<u>12,780,166</u>
ENDING FUND BALANCE	<u>\$ 16,222,698</u>	<u>\$ 14,318,041</u>	<u>\$ 14,425,563</u>

Note: Purchased water/pumpage fees for fiscal years 2019 thru 2022 have been restated due to correction of an error. See Note 16.

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2020	2019	2023	2022	2021	2020	2019
\$ 1,730,320	\$ 1,584,905	32.3 %	30.4 %	26.7 %	24.3 %	27.0 %
1,168,645	905,619	16.8	18.3	18.7	16.3	15.5
1,613,649	1,497,074	20.8	24.6	25.4	22.5	25.6
929,918	879,320	12.4	13.7	14.5	13.0	15.1
67,945	57,006	0.7	0.9	0.4	0.9	1.0
425,225	377,397	9.3	8.1	7.4	5.9	6.5
816,385	185,578	1.1	1.9	3.5	11.4	3.2
205,748	174,383	4.1	0.2	0.5	2.9	3.0
198,436	178,176	2.5	1.9	2.9	2.8	3.1
<u>\$ 7,156,271</u>	<u>\$ 5,839,458</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 249,988	\$ 291,266	4.5 %	4.2 %	3.5 %	3.5 %	5.0 %
1,537,290	1,286,447	19.5	26.1	24.4	21.5	22.0
66,606	48,161	0.7	4.0	0.9	0.9	0.8
200,119	168,799	1.8	2.3	2.8	2.8	2.9
858,378	848,464	12.3	13.7	14.4	12.0	14.5
919,649	802,712	15.5	15.6	16.0	12.9	13.7
770,911	514,187	8.0	9.2	8.0	10.8	8.8
177,876	177,877	11.1	2.6	2.6	2.5	3.0
112,666	2,355,013	4.8	1.5	2.9	1.6	40.3
<u>\$ 4,893,483</u>	<u>\$ 6,492,926</u>	<u>78.2 %</u>	<u>79.2 %</u>	<u>75.5 %</u>	<u>68.5 %</u>	<u>111.0 %</u>
<u>\$ 2,262,788</u>	<u>\$ (653,468)</u>	<u>21.8 %</u>	<u>20.8 %</u>	<u>24.5 %</u>	<u>31.5 %</u>	<u>(11.0) %</u>
\$ 659,033	\$					
	1,516,077					
<u>\$ 659,033</u>	<u>\$ 1,516,077</u>					
\$ 2,921,821	\$ 862,609					
9,858,345	8,995,736					
<u>\$ 12,780,166</u>	<u>\$ 9,858,345</u>					

See accompanying independent auditor's report.

SPRING CREEK UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2023	2022	2021
REVENUES			
Property Taxes	\$ 5,077,058	\$ 4,988,468	\$ 4,563,912
Penalty and Interest	63,331	165,375	69,573
Investment Revenues	214,074	7,415	21,720
Miscellaneous Revenues	7,440	4,787	8,494
TOTAL REVENUES	\$ 5,361,903	\$ 5,166,045	\$ 4,663,699
EXPENDITURES			
Tax Collection Expenditures	\$ 140,484	\$ 168,889	\$ 137,093
Debt Service Principal	2,280,000	3,730,000	2,155,000
Debt Service Interest and Fees	2,026,394	2,114,867	1,840,320
Bond Issuance Costs		274,291	
Payment to Refunded Bond Escrow Agent		75,000	
TOTAL EXPENDITURES	\$ 4,446,878	\$ 6,363,047	\$ 4,132,413
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 915,025	\$ (1,197,002)	\$ 531,286
OTHER FINANCING SOURCES (USES)			
Transfers In	\$	\$ 1,500,000	\$
Refunding Bonds		7,770,000	
Payment to Refunded Bond Escrow Agent		(7,377,797)	
Bond Discount		(104,915)	
Bond Premium			
TOTAL OTHER FINANCING SOURCES (USES)	\$ -0-	\$ 1,787,288	\$ -0-
NET CHANGE IN FUND BALANCE	\$ 915,025	\$ 590,286	\$ 531,286
BEGINNING FUND BALANCE	8,374,827	7,784,541	7,253,255
ENDING FUND BALANCE	\$ 9,289,852	\$ 8,374,827	\$ 7,784,541
TOTAL ACTIVE RETAIL WATER CONNECTIONS	3,762	3,730	3,693
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	3,692	3,662	3,520

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2020	2019	2023	2022	2021	2020	2019
\$ 4,450,139	\$ 4,079,893	94.7 %	96.6 %	97.8 %	96.4 %	96.0 %
47,003	49,841	1.2	3.2	1.5	1.0	1.2
107,626	106,700	4.0	0.1	0.5	2.3	2.5
13,374	12,674	0.1	0.1	0.2	0.3	0.3
<u>\$ 4,618,142</u>	<u>\$ 4,249,108</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 117,823	\$ 120,659	2.6 %	3.3 %	2.9 %	2.6 %	2.8 %
2,060,000	1,820,000	42.5	72.2	46.2	44.6	42.8
1,850,522	2,039,101	37.8	40.9	39.5	40.1	48.0
155,985			5.3		3.4	
109,893			1.5		2.4	
<u>\$ 4,294,223</u>	<u>\$ 3,979,760</u>	<u>82.9 %</u>	<u>123.2 %</u>	<u>88.6 %</u>	<u>93.1 %</u>	<u>93.6 %</u>
\$ 323,919	\$ 269,348	17.1 %	(23.2) %	11.4 %	6.9 %	6.4 %
\$ 7,300,000	\$					
(7,185,041)						
41,026						
<u>\$ 155,985</u>	<u>\$ - 0 -</u>					
\$ 479,904	\$ 269,348					
6,773,351	6,504,003					
<u>\$ 7,253,255</u>	<u>\$ 6,773,351</u>					
3,634	3,579					
<u>3,525</u>	<u>3,518</u>					

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
APRIL 30, 2023**

District Mailing Address - Spring Creek Utility District
Roach & Associates, PLLC
200 Timberloch Place, Suite 500
The Woodlands, TX 77380

District Telephone Number - (832) 789-1899

Board Members	<u>Term of Office (Elected or Appointed)</u>	<u>Fees of Office for the year ended April 30, 2023</u>	<u>Expense Reimbursements for the year ended April 30, 2023</u>	<u>Title</u>
Claude Humbert	05/2022 05/2026 (Elected)	\$ 5,550	\$ 2,308	President
Mark Fusca	11/2020 05/2024 (Elected)	\$ 6,900	\$ 3,976	Vice President
Frederick Sunderman	05/2022 05/2026 (Elected)	\$ 6,750	\$ 1,034	Secretary
Leslie Gourley	11/2020 05/2024 (Elected)	\$ 6,300	\$ 254	Assistant Secretary
Melvin Willcockson	11/2020 05/2024 (Elected)	\$ 6,150	\$ -0-	Director

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

Submission date of most recent District Registration Form: July 15, 2023

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution (TWC Section 49.060). Fees of Office are the amounts actually paid to a Director during the District's fiscal year.

See accompanying independent auditor's report.

**SPRING CREEK UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
APRIL 30, 2023**

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended April 30, 2023</u>	<u>Title</u>
Roach & Associates, PLLC	08/16/16	\$ 194,791 \$ 20,562	General Counsel Delinquent Tax Attorney
McCall Gibson Swedlund Barfoot PLLC	05/27/22	\$ 25,000	Auditor
Myrtle Cruz, Inc.	05/20/03	\$ 58,473	Bookkeeper
Cobb, Fendley & Associates, Inc.	09/19/22	\$ 189,002	Engineer
A&S Engineers, Inc.	06/07/11- 09/07/22	\$ 181,312	Prior Engineer
Masterson Advisors LLC	05/21/18	\$ -0-	Financial Advisor
Mary Jarmon		\$ -0-	Investment Officer
Municipal Operations & Consulting, Inc.	01/01/10	\$ 883,562	Operator
Utility Tax Service, LLC	07/28/14	\$ 54,049	Tax Assessor/ Collector

See accompanying independent auditor's report.

