

**SENNA HILLS  
MUNICIPAL UTILITY DISTRICT**

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

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

# SENNA HILLS MUNICIPAL UTILITY DISTRICT

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# **ANNUAL FILING AFFIDAVIT**

# ANNUAL FILING AFFIDAVIT

STATE OF TEXAS

COUNTY OF TRAVIS

I, Chet A. Palesko of the  
(Name of Duly Authorized District Representative)

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
(Name of District)

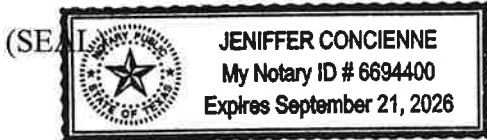
hereby swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the **31st day of January, 2025**, its annual audit report for the fiscal period ended **September 30, 2024** and that copies of the annual audit report have been filed in the District's office, located at:

12912 Hill Country Blvd., Suite F-232  
Austin, Texas 78738  
(Address of District's Office)

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

Date: January 31, 2025 By: [Signature]  
(Signature of District Representative)  
Chet A. Palesko, President  
(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this 31st day of January, 2025.



[Signature]  
(Signature of Notary)

My Commission Expires On: Sept. 21, 2026  
Notary Public in the State of Texas

# **INDEPENDENT AUDITOR'S REPORT**

# ***McCall Gibson Swedlund Barfoot Ellis PLLC***

*Certified Public Accountants*

*Chris Swedlund  
Noel W. Barfoot  
Joseph Ellis  
Ashlee Martin*

*Mike M. McCall  
(retired)  
Debbie Gibson  
(retired)*

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Senna Hills Municipal Utility District  
Travis County, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Senna Hills Municipal Utility District (the "District") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2024, 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.

### **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 Budgetary Comparison Schedule - General 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas 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 information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

### **Other Information**

Management is responsible for the Other Supplementary Information included in the annual report. The Other Supplementary Information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the Other Supplementary Information, and we do not express an opinion or any form of assurance thereon.

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

*McCall Gibson Swedlund Barfoot Ellis PLLC*

McCall Gibson Swedlund Barfoot Ellis PLLC  
Certified Public Accountants  
Houston, Texas

January 31, 2025



# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# SENNA HILLS MUNICIPAL UTILITY DISTRICT MANAGEMENT’S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2024

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

## FINANCIAL HIGHLIGHTS

- *General Fund:* At the end of the current fiscal year, the assigned and unassigned fund balance was \$3,018,098, a decrease of \$776,867 from the previous fiscal year. General Fund revenues decreased from \$1,600,154 in the previous fiscal year to \$1,484,199 in the current fiscal year due to a decrease in service and other revenue.
- *Debt Service Fund:* Fund balance restricted for debt service increased from \$529,946 in the previous fiscal year to \$593,362 in the current fiscal year. Debt Service Fund revenues decreased from \$1,052,591 in the previous fiscal year to \$1,013,895 in the current fiscal year due to a decrease in tax revenues as a result of a decrease in the debt service tax rate.
- *Governmental Activities:* On a government-wide basis for governmental activities, the District had revenues net of expenses of \$538,095. Net position increased from \$5,176,027 to \$5,714,122.

## OVERVIEW OF THE DISTRICT

The District was created by an Order from the Texas Water Commission on April 6, 1988, and confirmed by the electorate of the District at a confirmation election held on January 21, 1995. The District operates and maintains a water distribution system and a sewer treatment facility and collection system in Travis County, Texas under Chapter 54 of the Texas Water Code. The reporting entity of the District encompasses those activities and functions over which the District’s elected officials exercise significant oversight or control. The District is governed by a five-member Board of Directors which has been elected by District residents or appointed by the Board of Directors. The District is not included in any other governmental “reporting entity” as defined by Statement No. 14 of the GASB, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined by GASB standards.

# **SENNA HILLS MUNICIPAL UTILITY DISTRICT MANAGEMENT’S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2024**

## **USING THIS ANNUAL REPORT**

This annual report consists of five parts:

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

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

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the information presented in the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances*.

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

# SENNA HILLS MUNICIPAL UTILITY DISTRICT MANAGEMENT’S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2024

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

### Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

#### Summary Statement of Net Position

|                                  | Governmental<br>Activities |              | Change<br>Increase<br>(Decrease) |
|----------------------------------|----------------------------|--------------|----------------------------------|
|                                  | 2024                       | 2023         |                                  |
| Current and other assets         | \$ 4,207,049               | \$ 4,755,660 | \$ (548,611)                     |
| Capital and non-current assets   | 8,788,790                  | 8,234,120    | 554,670                          |
| Total Assets                     | 12,995,839                 | 12,989,780   | 6,059                            |
| Deferred Outflows of Resources   | 41,708                     | 46,474       | (4,766)                          |
| Current Liabilities              | 1,330,204                  | 1,141,543    | 188,661                          |
| Long-term Liabilities            | 5,993,221                  | 6,718,684    | (725,463)                        |
| Total Liabilities                | 7,323,425                  | 7,860,227    | (536,802)                        |
| Net Investment in Capital Assets | 2,122,277                  | 871,910      | 1,250,367                        |
| Restricted                       | 566,232                    | 500,443      | 65,789                           |
| Unrestricted                     | 3,025,613                  | 3,803,674    | (778,061)                        |
| Total Net Position               | \$ 5,714,122               | \$ 5,176,027 | \$ 538,095                       |

The District’s combined net position increased by \$538,095 to \$5,714,122 from the previous year balance of \$5,176,027. Some of the District’s assets are accounted for as capital assets or restricted for debt service. The District’s unrestricted net assets, which can be used to finance day to day operations, totaled \$3,025,613.

# SENNA HILLS MUNICIPAL UTILITY DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2024

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued) –

### Revenues and Expenses:

#### Summary Statement of Activities

|                               | Governmental<br>Activities |                     | Change<br>Increase<br>(Decrease) |
|-------------------------------|----------------------------|---------------------|----------------------------------|
|                               | 2024                       | 2023                |                                  |
| Service accounts              | \$ 857,366                 | \$ 938,442          | \$ (81,076)                      |
| Property taxes                | 1,379,488                  | 1,418,915           | (39,427)                         |
| Other                         | 260,050                    | 295,071             | (35,021)                         |
| <b>Total Revenues</b>         | <b>2,496,904</b>           | <b>2,652,428</b>    | <b>(155,524)</b>                 |
| Water/sewer service           | 257,015                    | 271,870             | (14,855)                         |
| Repairs/maintenance           | 788,097                    | 585,751             | 202,346                          |
| Contracted services           | 78,829                     | 76,626              | 2,203                            |
| Professional fees             | 187,772                    | 217,825             | (30,053)                         |
| Other                         | 116,107                    | 117,976             | (1,869)                          |
| Debt Service                  | 249,305                    | 276,175             | (26,870)                         |
| Depreciation/Amortization     | 281,684                    | 281,686             | (2)                              |
| <b>Total Expenses</b>         | <b>1,958,809</b>           | <b>1,827,909</b>    | <b>130,900</b>                   |
| <b>Change in Net Position</b> | <b>538,095</b>             | <b>824,519</b>      | <b>(286,424)</b>                 |
| <b>Beginning Net Position</b> | <b>5,176,027</b>           | <b>4,351,508</b>    | <b>824,519</b>                   |
| <b>Ending Net Position</b>    | <b>\$ 5,714,122</b>        | <b>\$ 5,176,027</b> | <b>\$ 538,095</b>                |

Revenues were \$2,496,904 for the fiscal year ended September 30, 2024 while expenses were \$1,958,809. Net position increased by \$538,095.

Property taxes totaled \$1,379,488. Included in these taxes are real and personal property taxes which are assessed October 1 and payable before the following January 31.

The District's assessed value in fiscal year 2024 was approximately \$435 million compared to approximately \$399 million in fiscal year 2024. The tax rate is set after reviewing the operating and debt service requirements and appraised values determined by Travis County. The ad valorem tax rate for fiscal years 2024 and 2023 per \$100 assessed valuation was \$0.3163 and \$0.3550, respectively. The District's primary revenue sources are service account fees and property taxes.

# SENNA HILLS MUNICIPAL UTILITY DISTRICT MANAGEMENT’S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2024

## ANALYSIS OF GOVERNMENTAL FUNDS

|   | <u>Governmental Funds by Year</u> |                     |
|---|-----------------------------------|---------------------|
|   | 2024                              | 2023                |
| Cash and cash equivalents   | \$ 4,048,550                      | \$ 4,593,403        |
| Receivables and other assets  | 151,599                           | 154,570             |
| Total Assets  | <u>\$ 4,200,149</u>               | <u>\$ 4,747,973</u> |
| Accounts payable  | 294,323                           | 128,205             |
| Other payables  | 292,668                           | 291,969             |
| Total Liabilities   | <u>586,991</u>                    | <u>420,174</u>      |
| Deferred Inflows of Resources   | <u>1,698</u>                      | <u>2,888</u>        |
| Restricted  | 593,362                           | 529,946             |
| Assigned  | 680,153                           | 1,338,077           |
| Unassigned  | 2,337,945                         | 2,456,888           |
| Total Fund Balances   | <u>3,611,460</u>                  | <u>4,324,911</u>    |
| Total Liabilities, Deferred Inflows of<br>Resources and Fund Balances | <u>\$ 4,200,149</u>               | <u>\$ 4,747,973</u> |

For the fiscal year ended September 30, 2024, the District’s governmental funds reflect a combined fund balance of \$3,611,460. This fund balance includes a \$776,867 decrease in the General Fund fund balance.

The Debt Service Fund reflects a fund balance increase of \$63,416 in fiscal year 2024. The Debt Service Fund remitted bond principal of \$690,000 and interest of \$250,962. More detailed information about the District’s debt is presented in the *Notes to the Financial Statements*.

## BUDGETARY HIGHLIGHTS

The General Fund pays for daily operating expenses. On September 22, 2023, the Board of Directors approved a budget for the fiscal year ending September 30, 2024. The budget included revenues of \$1,436,365 as compared to expenditures of \$2,774,443. When comparing actual to budget, the District had a positive variance of \$561,211. More detailed information about the District’s budgetary comparison is presented in the *Required Supplementary Information*.

# SENNA HILLS MUNICIPAL UTILITY DISTRICT MANAGEMENT’S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2024

## CAPITAL ASSETS

At September 30, 2024, the District’s governmental activities had invested \$8,788,790 in land and easements and infrastructure. The detail is reflected in the following schedule:

|                                      | <u>Summary of Capital Assets, net</u> |                     |
|--------------------------------------|---------------------------------------|---------------------|
|                                      | 9/30/2024                             | 9/30/2023           |
| Land and Easements                   | \$ 50,000                             | \$ 50,000           |
| Construction in progress             | 942,255                               | 100,992             |
| Water/Wastewater/Drainage Facilities | 12,618,247                            | 12,618,247          |
| Less: Accumulated Depreciation       | (4,821,712)                           | (4,535,119)         |
| Total Net Capital Assets             | <u>\$ 8,788,790</u>                   | <u>\$ 8,234,120</u> |

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

## LONG-TERM DEBT

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

|             | <u>Bonds<br/>Payable</u> |
|-------------|--------------------------|
| Series 2014 | \$ 4,495,000             |
| Series 2016 | 775,000                  |
| Series 2020 | 1,350,000                |
| Total       | <u>\$ 6,620,000</u>      |

The District owes approximately \$6.6 million to bond holders. During the year, the District made principal payments of \$690,000. More detailed information about the District’s long-term debt is presented in the *Notes to the Financial Statements*.

## CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The total net taxable assessed value for the 2024 tax year is approximately \$464 million. The fiscal year 2025 tax rate is \$0.2940 on each \$100 of taxable value. Approximately 31% of the property tax will fund general operating expenses, and approximately 69% of the property tax will be set aside for debt service on the District’s bonded debt.

The adopted budget for fiscal year 2024 projects an operating fund balance decrease of \$680,153.

**SENNA HILLS MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024**

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of Willatt & Flickinger, PLLC, 12912 Hill Country Blvd., Suite F-232, Austin, Texas, 78738.



# **FINANCIAL STATEMENTS**

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET**  
**SEPTEMBER 30, 2024**

|   | General<br>Fund     | Debt<br>Service<br>Fund | Governmental<br>Funds<br>Total | Adjustments<br>Note 2 | Government -<br>wide<br>Statement of<br>Net Position |
|---|---------------------|-------------------------|--------------------------------|-----------------------|--|
| <b><u>ASSETS</u></b>  |                     |                         |                                |                       |  |
| Cash and cash equivalent investments:   |                     |                         |                                |                       |  |
| Cash  | \$ 353,114          | \$ -                    | \$ 353,114                     | \$ -                  | \$ 353,114   |
| Cash equivalent investments   | 3,102,074           | 593,362                 | 3,695,436                      | -                     | 3,695,436  |
| Receivables:  |                     |                         |                                |                       |  |
| Service accounts, net provision<br>for uncollectible accounts of \$1,000          | 121,591             | -                       | 121,591                        | -                     | 121,591  |
| Taxes, no provision for<br>uncollectible accounts                                 | 615                 | 1,083                   | 1,698                          | -                     | 1,698  |
| Other   | 5,445               | -                       | 5,445                          | -                     | 5,445  |
| Prepaid costs   | 22,865              | -                       | 22,865                         | 6,900                 | 29,765   |
| Capital assets, net of<br>accumulated depreciation:                               |                     |                         |                                |                       |  |
| Land and easements  | -                   | -                       | -                              | 50,000                | 50,000   |
| Construction in progress  | -                   | -                       | -                              | 942,255               | 942,255  |
| Water/wastewater/drainage facilities  | -                   | -                       | -                              | 7,796,535             | 7,796,535  |
| <b>TOTAL ASSETS</b>   | <b>3,605,704</b>    | <b>594,445</b>          | <b>4,200,149</b>               | <b>8,795,690</b>      | <b>12,995,839</b>                                    |
| <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>                                      |                     |                         |                                |                       |  |
| Deferred charges on refunding   | -                   | -                       | -                              | 41,708                | 41,708   |
| <b>TOTAL DEFERRED OUTFLOWS<br/>OF RESOURCES</b>                                   | <b>-</b>            | <b>-</b>                | <b>-</b>                       | <b>41,708</b>         | <b>41,708</b>  |
| <b>TOTAL ASSETS AND DEFERRED<br/>OUTFLOWS OF RESOURCES</b>                        | <b>\$ 3,605,704</b> | <b>\$ 594,445</b>       | <b>\$ 4,200,149</b>            | <b>8,837,398</b>      | <b>13,037,547</b>                                    |
| <b><u>LIABILITIES</u></b>   |                     |                         |                                |                       |  |
| Accounts payable  | \$ 294,323          | \$ -                    | \$ 294,323                     | -                     | 294,323  |
| Retainage payable   | 37,705              | -                       | 37,705                         | -                     | 37,705   |
| Refundable deposits   | 65,187              | -                       | 65,187                         | -                     | 65,187   |
| Accrued interest payable  | -                   | -                       | -                              | 28,213                | 28,213   |
| Unearned revenue-TLAP   | 189,776             | -                       | 189,776                        | -                     | 189,776  |
| Bonds payable:  |                     |                         |                                |                       |  |
| Due within one year   | -                   | -                       | -                              | 715,000               | 715,000  |
| Due after one year  | -                   | -                       | -                              | 5,993,221             | 5,993,221  |
| <b>TOTAL LIABILITIES</b>  | <b>586,991</b>      | <b>-</b>                | <b>586,991</b>                 | <b>6,736,434</b>      | <b>7,323,425</b>                                     |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>                                       |                     |                         |                                |                       |  |
| Property taxes  | 615                 | 1,083                   | 1,698                          | (1,698)               | -  |
| <b>TOTAL DEFERRED INFLOWS<br/>OF RESOURCES</b>                                    | <b>615</b>          | <b>1,083</b>            | <b>1,698</b>                   | <b>(1,698)</b>        | <b>-</b>   |
| <b><u>FUND BALANCES / NET POSITION</u></b>  |                     |                         |                                |                       |  |
| Fund balances:  |                     |                         |                                |                       |  |
| Nonspendable  | 22,865              | -                       | 22,865                         | (22,865)              | -  |
| Restricted for debt service   | -                   | 593,362                 | 593,362                        | (593,362)             | -  |
| Assigned for 2025 budget deficit  | 680,153             | -                       | 680,153                        | (680,153)             | -  |
| Unassigned  | 2,315,080           | -                       | 2,315,080                      | (2,315,080)           | -  |
| <b>TOTAL FUND BALANCES</b>  | <b>3,018,098</b>    | <b>593,362</b>          | <b>3,611,460</b>               | <b>(3,611,460)</b>    | <b>-</b>   |
| <b>TOTAL LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES<br/>AND FUND BALANCES</b> | <b>\$ 3,605,704</b> | <b>\$ 594,445</b>       | <b>\$ 4,200,149</b>            |                       |  |
| Net position:   |                     |                         |                                |                       |  |
| Net investment in capital assets  |                     |                         |                                | 2,122,277             | 2,122,277  |
| Restricted for debt service   |                     |                         |                                | 566,232               | 566,232  |
| Unrestricted  |                     |                         |                                | 3,025,613             | 3,025,613  |
| <b>TOTAL NET POSITION</b>   |                     |                         |                                | <b>\$ 5,714,122</b>   | <b>\$ 5,714,122</b>                                  |

*The accompanying notes are an integral part of this statement.*

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT**  
**OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SEPTEMBER 30, 2024**

|   | General<br>Fund     | Debt<br>Service<br>Fund | Governmental<br>Funds<br>Total | Adjustments<br>Note 2 | Government -<br>wide<br>Statement of<br>Activities |
|---|---------------------|-------------------------|--------------------------------|-----------------------|--|
| <b><u>REVENUES:</u></b>                             |                     |                         |                                |                       |  |
| Service revenues, including penalties               | \$ 857,366          | \$ -                    | \$ 857,366                     | \$ -                  | \$ 857,366   |
| Property taxes, including<br>penalties and interest | 427,783             | 952,895                 | 1,380,678                      | (1,190)               | 1,379,488  |
| Interest  | 199,050             | 61,000                  | 260,050                        | -                     | 260,050  |
| <b>TOTAL REVENUES</b>                               | <b>1,484,199</b>    | <b>1,013,895</b>        | <b>2,498,094</b>               | <b>(1,190)</b>        | <b>2,496,904</b>                                   |
| <b><u>EXPENDITURES / EXPENSES:</u></b>              |                     |                         |                                |                       |  |
| Current:  |                     |                         |                                |                       |  |
| Water/wastewater purchases                          | 257,015             | -                       | 257,015                        | -                     | 257,015  |
| Repairs/maintenance                                 | 788,097             | -                       | 788,097                        | -                     | 788,097  |
| Operations/management fee                           | 78,829              | -                       | 78,829                         | -                     | 78,829   |
| Utilities/telephone                                 | 56,906              | -                       | 56,906                         | -                     | 56,906   |
| Director fees, including payroll taxes              | 18,557              | -                       | 18,557                         | -                     | 18,557   |
| Legal fees  | 84,930              | -                       | 84,930                         | -                     | 84,930   |
| Engineering fees                                    | 57,538              | -                       | 57,538                         | -                     | 57,538   |
| Accounting fees                                     | 32,054              | -                       | 32,054                         | -                     | 32,054   |
| Audit fees  | 13,250              | -                       | 13,250                         | -                     | 13,250   |
| Insurance   | 20,369              | -                       | 20,369                         | -                     | 20,369   |
| Tax appraisal/collection                            | 2,476               | 5,517                   | 7,993                          | -                     | 7,993  |
| Public notice                                       | 2,391               | -                       | 2,391                          | -                     | 2,391  |
| Other   | 7,391               | 2,500                   | 9,891                          | -                     | 9,891  |
| Debt service:                                       |                     |                         |                                |                       |  |
| Principal   | -                   | 690,000                 | 690,000                        | (690,000)             | -  |
| Interest  | -                   | 250,962                 | 250,962                        | (3,157)               | 247,805  |
| Fiscal agent fees                                   | -                   | 1,500                   | 1,500                          | -                     | 1,500  |
| Capital outlay                                      | 841,263             | -                       | 841,263                        | (841,263)             | -  |
| Depreciation/amortization                           | -                   | -                       | -                              | 281,684               | 281,684  |
| <b>TOTAL EXPENDITURES /<br/>EXPENSES</b>            | <b>2,261,066</b>    | <b>950,479</b>          | <b>3,211,545</b>               | <b>(1,252,736)</b>    | <b>1,958,809</b>                                   |
| Changes in fund balances / net position             | (776,867)           | 63,416                  | (713,451)                      | 1,251,546             | 538,095  |
| <b><u>FUND BALANCES / NET POSITION:</u></b>         |                     |                         |                                |                       |  |
| Beginning of the year                               | 3,794,965           | 529,946                 | 4,324,911                      | 851,116               | 5,176,027  |
| End of the year                                     | <u>\$ 3,018,098</u> | <u>\$ 593,362</u>       | <u>\$ 3,611,460</u>            | <u>\$ 2,102,662</u>   | <u>\$ 5,714,122</u>                                |

*The accompanying notes are an integral part of this statement.*

# **NOTES TO THE FINANCIAL STATEMENTS**

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity** - The District was created by an Order from the Texas Water Commission on April 6, 1988, and confirmed by the electorate of the District at a confirmation election held on January 21, 1995. The District operates and maintains a water distribution system and a sewer treatment facility and collection system in Travis County, Texas under Chapter 54 of the Texas Water Code. The reporting entity of the District encompasses those activities and functions over which the District’s elected officials exercise significant oversight or control. The District is governed by a five member Board of Directors which has been elected by District residents or appointed by the Board of Directors. The District is not included in any other governmental “reporting entity” as defined by GASB standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in GASB standards which are included in the District’s reporting entity.

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

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

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

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

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

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

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

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

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

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

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

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

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

***Basis of Accounting***

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

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

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

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

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

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

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

***Budgets and Budgetary Accounting*** - An unappropriated budget was adopted on September 22, 2023, for the General Fund on a basis consistent with generally accepted accounting principles. The District's Board of Directors utilizes the budget as a management tool for planning and cost control purposes. The budget was not amended during the fiscal year. The Budgetary Comparison Schedule – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

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

***Cash and Cash Equivalent Investments*** - Cash and cash equivalent investments includes cash on deposit as well as investments with maturities of three months or less. The investments, consisting of obligations in the Local Government Investment Cooperative investment pool, are recorded at amortized cost.

***Accounts Receivable*** - The District provides for uncollectible service accounts receivable using the allowance method of accounting for bad debts. Under this method of accounting, a provision for uncollectible accounts is charged to earnings. The allowance account is increased or decreased based on past collection history and management’s evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance account, and recoveries of previously charged off accounts are added to the allowance. The District had an allowance for uncollectible accounts of \$1,000 at September 30, 2024.

***Capital Assets*** - Capital assets, which include land and easements, construction in progress and water, wastewater and drainage facilities, are reported in the government-wide column in the Statement of Net Position. Public domain ("infrastructure") capital assets, including water, wastewater and drainage systems, are capitalized. Items purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded as capital assets at their estimated acquisition value at the time received. In accordance with GASB Statement No. 89, interest incurred during construction of capital facilities is not capitalized.

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

Water, Wastewater and Drainage Facilities

10 - 50

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



**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

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

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

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

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

- *Nonspendable*: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- *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. At September 30, 2024, the District had \$680,153 in assigned fund balance to cover the budget deficit for fiscal year 2025.
- *Unassigned*: all other spendable amounts in the General Fund.

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

**Accounting Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**2. RECONCILIATION OF THE GOVERNMENTAL FUNDS -**

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

|  |                    |                            |
|--|--------------------|----------------------------|
| Fund Balances - Total Governmental Funds   |                    | \$ 3,611,460               |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds -  |                    |                            |
| Capital assets   | \$ 13,610,502      |                            |
| Less: Accumulated depreciation   | <u>(4,821,712)</u> | 8,788,790                  |
| Revenue is recognized when earned in the government statements, regardless of availability. Governmental funds report deferred inflows of resources for revenues earned but not available. |                    | 1,698                      |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:  |                    |                            |
| Bonds payable  | \$ (6,620,000)     |                            |
| Bond discounts, net  | 33,843             |                            |
| Bond premiums, net   | (122,064)          |                            |
| Deferred charge on refunding, net  | 41,708             |                            |
| Bond insurance premium, net  | 6,900              |                            |
| Accrued interest   | <u>(28,213)</u>    | <u>(6,687,826)</u>         |
| Net Position - Governmental Activities   |                    | <u><u>\$ 5,714,122</u></u> |

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

|  |                |                          |
|--|----------------|--------------------------|
| Changes in Fund Balances - Governmental Funds  |                | \$ (713,451)             |
| Amounts reported for governmental activities in the Statement of Activities are different because: |                |                          |
| Governmental funds report:   |                |                          |
| Bond principal payments as expenditures in year paid   | \$ 690,000     |                          |
| Interest expenditures in year paid   | 3,157          |                          |
| Tax revenue when collected   | (1,190)        |                          |
| Capital outlay   | <u>841,263</u> | 1,533,230                |
| Governmental funds do not report:  |                |                          |
| Depreciation/amortization  |                | <u>(281,684)</u>         |
| Change in Net Position - Governmental Activities   |                | <u><u>\$ 538,095</u></u> |

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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**3. CASH AND CASH EQUIVALENT INVESTMENTS**

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

**Cash** - At September 30, 2024, the carrying amount of the District's deposits was \$353,114 and the bank balance was \$376,983. The bank balance was covered by federal depository insurance.

**Cash Equivalent Investments** -

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

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

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

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

# SENNA HILLS MUNICIPAL UTILITY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

### SEPTEMBER 30, 2024

### 3. CASH AND INVESTMENTS (continued) –

At September 30, 2024, the District held the following investments:

| Investment | Fair Value<br>at 9/30/2024 | Governmental Fund |                |                  | Investment Rating |                  |
|------------|----------------------------|-------------------|----------------|------------------|-------------------|------------------|
|            |                            | General           | Debt Service   | Capital Projects | Rating            | Rating Agency    |
|            |                            | Unrestricted      | Restricted (1) | Restricted (2)   |                   |                  |
| LOGIC      | \$ 3,695,436               | \$ 3,102,074      | \$ 593,362     | \$ -             | AAAm              | Standard & Poors |

(1) Restricted for payment of debt service and cost of assessing and collecting taxes.

(2) Restricted for purchase of capital assets.

The District invests in the Local Government Investment Cooperative (“LOGIC”), a public funds investment pool created pursuant to the Interlocal Cooperation Act of the State of Texas. The District has delegated the authority to hold legal title to LOGIC as custodian and to make investment purchases with the District’s funds. LOGIC is a member-owned, member-governed public funds investment pool. The Board of Trustees, who have governance responsibilities, is comprised of participants in LOGIC and members of the Texas Association of School Business Officials (“TASBO”). LOGIC measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in LOGIC at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from LOGIC.

*Concentration of credit risk.* In accordance with the District’s investment policy, investments in individual securities are to be limited to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. As of September 30, 2024, the District did not own any investments in individual securities.

*Custodial credit risk-deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The government’s investment policy requires that the District’s deposits be fully insured by FDIC insurance or collateralized with obligations of the United States or its agencies and instrumentalities. As of September 30, 2024, the District’s bank deposits were covered by FDIC insurance.

**SENNA HILLS MUNICIPAL UTILITY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024**

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**4. PROPERTY TAXES**

Property taxes attach as an enforceable lien on January 1. Taxes are levied on or about October 1, are due on November 1, and are past due the following February 1. The Travis Central Appraisal District established appraisal values in accordance with requirements of the Texas Legislature. The District levies taxes based upon the appraised values. The Travis County Tax Assessor Collector bills and collects the District's property taxes. The Board of Directors set tax rates for the 2023 tax year on September 22, 2023.

The property tax rates, established in accordance with State law, were based on 100% of the net assessed valuation of real property within the District on the 2023 tax roll. The tax rate, based on total taxable assessed valuation of \$435,317,627, was \$0.3163 on each \$100 valuation and was allocated as follows:

|                   | <u><b>Tax Rate</b></u> |
|-------------------|------------------------|
| General Fund      | \$ 0.0980              |
| Debt Service Fund | 0.2183                 |
|                   | <u>\$ 0.3163</u>       |

The maximum allowable maintenance tax of \$1.00 was established by the voters on January 21, 1995.

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

|                     | <b>General<br/>Fund</b> | <b>Debt<br/>Service<br/>Fund</b> | <b>Total</b>    |
|---------------------|-------------------------|----------------------------------|-----------------|
| Current year levy   | \$ -                    | \$ -                             | \$ -            |
| Prior years' levies | 615                     | 1,083                            | 1,698           |
|                     | <u>\$ 615</u>           | <u>\$ 1,083</u>                  | <u>\$ 1,698</u> |

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

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**5. CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets follows:

|  | <b>Balance</b><br><b>10/1/2023</b> | <b>Additions</b> | <b>Deletions</b> | <b>Balance</b><br><b>9/30/2024</b> |
|--|------------------------------------|------------------|------------------|------------------------------------|
| Capital assets not being depreciated:                                      |                                    |                  |                  |                                    |
| Land and easements   | \$ 50,000                          | \$ -             | \$ -             | \$ 50,000                          |
| Construction in progress   | 100,992                            | 841,263          | -                | 942,255                            |
| Total capital assets not being depreciated                                 | 150,992                            | 841,263          | -                | 992,255                            |
| Capital assets being depreciated -   |                                    |                  |                  |                                    |
| Water/wastewater/drainage facilities                                       | 12,618,247                         | -                | -                | 12,618,247                         |
| Total capital assets being depreciated                                     | 12,618,247                         | -                | -                | 12,618,247                         |
| Less accumulated depreciation for -  |                                    |                  |                  |                                    |
| Water/wastewater/drainage facilities                                       | (4,535,119)                        | (286,593)        | -                | (4,821,712)                        |
| Total accumulated depreciation   | (4,535,119)                        | (286,593)        | -                | (4,821,712)                        |
| Total capital assets being depreciated,<br>net of accumulated depreciation | 8,083,128                          | (286,593)        | -                | 7,796,535                          |
| Total capital assets, net  | \$ 8,234,120                       | \$ 554,670       | \$ -             | \$ 8,788,790                       |

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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**6. BONDED DEBT**

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

|  | <b>Combination Unlimited<br/>Tax Bonds</b> |
|--|--|
| Bonds payable at October 1, 2023               | \$ 7,310,000                               |
| Bonds retired                                  | (690,000)                                  |
| Bond discount, net of accumulated amortization | (33,843)                                   |
| Bond premium, net of accumulated amortization  | 122,064                                    |
| Bonds payable at September 30, 2024            | <u>\$ 6,708,221</u>                        |

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

**Unlimited Tax and Waterworks and Sewer System Revenue Bonds:**

\$775,000 - 2016 Unlimited Tax and Waterworks and Sewer System Revenue Bonds paid serially through the year 2036 at interest rates which range from 3.375% to 4.00%. Bonds maturing on August 15th of each of the years on or after 2027 are redeemable on August 15, 2026 or on any date thereafter. Bonds maturing on August 15, 2028, 2030, 2033 and 2036 are subject to mandatory redemption.

**Unlimited Tax and Waterworks and Sewer System Revenue Refunding Bonds:**

\$4,495,000 - 2014 Unlimited Tax and Waterworks and Sewer System Revenue Refunding Bonds paid serially through the year 2033 at interest rates which range from 3.25% to 4.00%. Current interest bonds maturing on or after August 15, 2024 are subject to optional redemption on February 15, 2024 or on any date thereafter.

\$1,350,000 - 2020 Unlimited Tax and Waterworks and Sewer System Revenue Refunding Bonds paid serially through the year 2033 at interest rates which range from 2.00% to 4.00%. Current interest bonds maturing on or after August 15, 2027 are subject to optional redemption on August 15, 2026 or on any date thereafter.

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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**6. BONDED DEBT (continued) -**

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

| <b>Year Ended<br/>September 30,</b> | <b>Principal</b>    | <b>Interest</b>     | <b>Total</b>        |
|-------------------------------------|---------------------|---------------------|---------------------|
| 2025                                | \$ 715,000          | \$ 225,706          | \$ 940,706          |
| 2026                                | 740,000             | 201,313             | 941,313             |
| 2027                                | 765,000             | 178,174             | 943,174             |
| 2028                                | 790,000             | 153,639             | 943,639             |
| 2029                                | 630,000             | 127,176             | 757,176             |
| 2030 - 2034                         | 2,825,000           | 292,662             | 3,117,662           |
| 2035 - 2036                         | 155,000             | 9,400               | 164,400             |
|                                     | <u>\$ 6,620,000</u> | <u>\$ 1,188,070</u> | <u>\$ 7,808,070</u> |

\$593,362 is available in the Debt Service Fund to service the bonded debt. All authorized bonds have been issued as of September 30, 2024.

**7. COMMITMENTS AND CONTINGENCIES**

On June 22, 2012, the District entered into an agreement with the Lower Colorado River Authority ("LCRA") that replaced an earlier agreement dated January 11, 1993 and amended March 25, 1999. Under this agreement, the District is entitled to a maximum quantity of 404 acre feet of raw water. Effective January 1, 2022 the LCRA increased raw water rates to \$155 per acre foot for water usage and \$77.50 per acre foot for reserved capacity.

On September 2, 1994, the District entered into a water supply agreement with the LCRA. The term of the agreement is for 40 years. Under this agreement, the LCRA agrees to provide certain water services to the District for raw water which the District purchases pursuant to the District's Raw Water Contract. The District is obligated to pay the LCRA a connection fee for each new retail water connection. Additionally, the District pays a monthly charge each month and a volume rate for the amount of water delivered to the District. During a prior fiscal year, this agreement was assigned by the LCRA to the West Travis County Public Utility Agency.



**SENNA HILLS MUNICIPAL UTILITY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024**

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**8. 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 changes in coverage from the prior year and settlements have not exceeded coverage in the past three years.

# **REQUIRED SUPPLEMENTARY INFORMATION**

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**SEPTEMBER 30, 2024**

|  | <u>Actual</u>              | <u>Original<br/>and Final<br/>Budget</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|--|---|
| <b>REVENUES:</b>                       |                            |  |   |
| Service revenues, including penalties  | \$ 857,366                 | \$ 905,976                               | \$ (48,610)                                 |
| Property taxes, including penalties    | 427,783                    | 422,389                                  | 5,394                                       |
| Interest                               | 199,050                    | 108,000                                  | 91,050                                      |
| <b>TOTAL REVENUES</b>                  | <u>1,484,199</u>           | <u>1,436,365</u>                         | <u>47,834</u>                               |
| <b>EXPENDITURES:</b>                   |                            |  |   |
| Current:                               |                            |  |   |
| Water/wastewater purchases             | 257,015                    | 300,654                                  | 43,639                                      |
| Repairs/maintenance                    | 788,097                    | 558,550                                  | (229,547)                                   |
| Operations/management fees             | 78,829                     | 93,000                                   | 14,171                                      |
| Utilities/telephone                    | 56,906                     | 60,000                                   | 3,094                                       |
| Director fees, including payroll taxes | 18,557                     | 22,839                                   | 4,282                                       |
| Legal fees                             | 84,930                     | 84,000                                   | (930)                                       |
| Engineering fees                       | 57,538                     | 54,000                                   | (3,538)                                     |
| Accounting fees                        | 32,054                     | 30,100                                   | (1,954)                                     |
| Audit fees                             | 13,250                     | 13,000                                   | (250)                                       |
| Insurance                              | 20,369                     | 20,000                                   | (369)                                       |
| Tax appraisal/collection               | 2,476                      | 4,300                                    | 1,824                                       |
| Public notice                          | 2,391                      | 2,000                                    | (391)                                       |
| Other                                  | 7,391                      | 7,000                                    | (391)                                       |
| Capital outlay                         | 841,263                    | 1,525,000                                | 683,737                                     |
| <b>TOTAL EXPENDITURES</b>              | <u>2,261,066</u>           | <u>2,774,443</u>                         | <u>513,377</u>                              |
| Change in fund balance                 | (776,867)                  | <u><u>\$ (1,338,078)</u></u>             | <u><u>\$ 561,211</u></u>                    |
| <b>FUND BALANCE:</b>                   |                            |  |   |
| Beginning of the year                  | <u>3,794,965</u>           |  |   |
| End of the year                        | <u><u>\$ 3,018,098</u></u> |  |   |

# **TEXAS SUPPLEMENTARY INFORMATION**

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**TSI-1. SERVICES AND RATES**  
**SEPTEMBER 30, 2024**

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

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

**2. Retail Service Providers**

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

|             | Minimum Charge | Minimum Usage | Flat Rate Y/N | Rate per 1000 Gallons Over Minimum | Usage Levels    |
|-------------|----------------|---------------|---------------|------------------------------------|-----------------|
| WATER:      | \$ 24.80       | -             | N             | \$ 5.00                            | 0,001-20,000    |
|             |                |               |               | \$ 7.00                            | 20,001-30,000   |
|             |                |               |               | \$ 9.00                            | 30,001-45,000   |
|             |                |               |               | \$ 10.00                           | 45,001-60,000   |
|             |                |               |               | \$ 12.00                           | 60,001-75,000   |
|             |                |               |               | \$ 14.00                           | 75,001-90,000   |
|             |                |               |               | \$ 16.00                           | 90,001-105,000  |
|             |                |               |               | \$ 18.00                           | 105,001-135,000 |
|             |                |               |               | \$ 20.00                           | Over 135,000    |
| WASTEWATER: | \$ 70.00       | 10,000        | N             | \$ 2.85                            | 10,001 and over |
| SURCHARGE:  | \$ -           | -             | -             | \$ -                               |                 |

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

Total charges per 10,000 gallons usage: Water \$ 74.80 Wastewater \$ 70.00

**b. Water and Wastewater Retail Connections:**

| Meter Size       | Total Connections | Active Connections | ESFC Factor | Active ESFC's |
|------------------|-------------------|--------------------|-------------|---------------|
| Unmetered        | 0.0               | 0.0                | 1.0         | 0.0           |
| ≤ 3/4"           | 407.0             | 407.0              | 1.0         | 407.0         |
| 1"               | 5.0               | 5.0                | 2.5         | 13.0          |
| 1 1/2"           | 0.0               | 0.0                | 5.0         | 0.0           |
| 2"               | 1.0               | 1.0                | 8.0         | 8.0           |
| 3"               | 0.0               | 0.0                | 15.0        | 0.0           |
| 4"               | 0.0               | 0.0                | 25.0        | 0.0           |
| 6"               | 0.0               | 0.0                | 50.0        | 0.0           |
| 8"               | 0.0               | 0.0                | 80.0        | 0.0           |
| 10"              | 0.0               | 0.0                | 115.0       | 0.0           |
| Total Water      | 413.0             | 413.0              |             | 428.0         |
| Total Wastewater | 406.0             | 406.0              | 1.0         | 406.0         |

**SENNA HILLS MUNICIPAL UTILITY DISTRICT  
TSI-1. SERVICES AND RATES  
SEPTEMBER 30, 2024**

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

Gallons pumped into system: 67,474,000

Gallons billed to customers: 62,808,000

**Water Accountability Ratio**

(Gallons billed / Gallons Pumped)

93.1%

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

Does the District assess standby fees? Yes ☐ No ☒

If yes, Date of the most recent Commission Order: \_\_\_\_\_

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

If yes, Date of the most recent Commission Order: \_\_\_\_\_

**5. Location of District**

County(ies) in which district is located: Travis

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

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

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

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

Entirely ☒ Partly ☐ Not at all ☐

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

Are Board members appointed by an office outside the district?

Yes ☐ No ☒

If Yes, by whom? \_\_\_\_\_

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**TSI-2. GENERAL FUND EXPENDITURES**  
**SEPTEMBER 30, 2024**

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Professional Fees:

|             |           |
|-------------|-----------|
| Auditing    | \$ 13,250 |
| Legal       | 84,930    |
| Engineering | 57,538    |

Purchased Services For Resale:

|                                     |         |
|-------------------------------------|---------|
| Bulk Water and Wastewater Purchases | 257,015 |
|-------------------------------------|---------|

Contracted Services:

|                                  |        |
|----------------------------------|--------|
| General Manager                  | 78,829 |
| Bookkeeping                      | 32,054 |
| Appraisal District/Tax Collector | 2,476  |

|           |        |
|-----------|--------|
| Utilities | 56,906 |
|-----------|--------|

|                         |         |
|-------------------------|---------|
| Repairs and Maintenance | 788,097 |
|-------------------------|---------|

Administrative Expenditures:

|                                   |        |
|-----------------------------------|--------|
| Directors' Fees                   | 18,557 |
| Insurance                         | 20,369 |
| Other Administrative Expenditures | 9,782  |

Capital Outlay:

|                    |         |
|--------------------|---------|
| Capitalized Assets | 841,263 |
|--------------------|---------|

**TOTAL EXPENDITURES**

\$ 2,261,066

Number of persons employed by the District:

☐ Full-Time

☐ Part-Time

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**TSI-3. TEMPORARY INVESTMENTS**  
**SEPTEMBER 30, 2024**

| <b>Funds</b>              | <b>Identification<br/>or Certificate<br/>Number</b> | <b>Interest<br/>Rate</b> | <b>Maturity<br/>Date</b> | <b>Balance<br/>at End<br/>of Year</b> | <b>Accrued<br/>Interest<br/>Receivable<br/>at End<br/>of Year</b> |
|---------------------------|---|--------------------------|--------------------------|---------------------------------------|---|
| <b>General Fund:</b>      |   |                          |                          |                                       |   |
| LOGIC Investment Pool     | XXX8010   | Varies                   | N/A                      | \$ 2,870,019                          | \$ -  |
| LOGIC Investment Pool     | XXX8080   | Varies                   | N/A                      | 232,055                               | -   |
| <b>Total</b>              |   |                          |                          | 3,102,074                             | -   |
| <b>Debt Service Fund:</b> |   |                          |                          |                                       |   |
| LOGIC Investment Pool     | XXX8020   | Varies                   | N/A                      | 584,503                               | -   |
| LOGIC Investment Pool     | XXX8050   | Varies                   | N/A                      | 8,859                                 | -   |
| <b>Total</b>              |   |                          |                          | 593,362                               | -   |
| <b>Total - All Funds</b>  |   |                          |                          | \$ 3,695,436                          | \$ -  |



**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**TSI-4. TAXES LEVIED AND RECEIVABLE**  
**SEPTEMBER 30, 2024**

|  | <b>Maintenance<br/>Taxes</b> | <b>Debt Service<br/>Taxes</b> |
|--|------------------------------|-------------------------------|
| <b>Taxes Receivable, Beginning of Year</b> | \$ 1,021                     | \$ 1,867                      |
| 2023 Original Tax Levy                     | 426,774                      | 950,661                       |
| Adjustments                                | (178)                        | (232)                         |
| Total to be accounted for                  | <u>427,617</u>               | <u>952,296</u>                |
| Tax collections:                           |                              |                               |
| Current year                               | 426,280                      | 949,560                       |
| Prior years                                | 722                          | 1,653                         |
| Total collections                          | <u>427,002</u>               | <u>951,213</u>                |
| <b>Taxes Receivable, End of Year</b>       | <u><u>\$ 615</u></u>         | <u><u>\$ 1,083</u></u>        |
| <b>Taxes Receivable, By Years</b>          |                              |                               |
| 2022 and before                            | \$ 615                       | \$ 1,083                      |
| 2023                                       | -                            | -                             |
| <b>Taxes Receivable, End of Year</b>       | <u><u>\$ 615</u></u>         | <u><u>\$ 1,083</u></u>        |

|   | <b>2023</b>                  | (a) | <b>2022</b>                  | (a) | <b>2021</b>                  | (a) | <b>2020</b>                  |
|---|------------------------------|-----|------------------------------|-----|------------------------------|-----|------------------------------|
| <b>Property Valuations:</b>                             |                              |     |                              |     |                              |     |                              |
| Land and improvements                                   | \$ 435,317,627               |     | \$ 399,510,773               |     | \$ 345,304,807               |     | \$ 316,645,951               |
| <b>Total Property Valuations</b>                        | <u><u>\$ 435,317,627</u></u> |     | <u><u>\$ 399,510,773</u></u> |     | <u><u>\$ 345,304,807</u></u> |     | <u><u>\$ 316,645,951</u></u> |
| <b>Tax Rates per \$100 Valuation:</b>                   |                              |     |                              |     |                              |     |                              |
| Debt Service tax rates                                  | \$ 0.2183                    |     | \$ 0.2500                    |     | \$ 0.2985                    |     | \$ 0.3200                    |
| Maintenance tax rates                                   | 0.0980                       |     | 0.1050                       |     | 0.1140                       |     | 0.1300                       |
| <b>Total Tax Rates per \$100 Valuation:</b>             | <u><u>\$ 0.3163</u></u>      |     | <u><u>\$ 0.3550</u></u>      |     | <u><u>\$ 0.4125</u></u>      |     | <u><u>\$ 0.4500</u></u>      |
| <b>Original Tax Levy</b>                                | <u><u>\$ 1,377,435</u></u>   |     | <u><u>\$ 1,416,830</u></u>   |     | <u><u>\$ 1,424,382</u></u>   |     | <u><u>\$ 1,424,907</u></u>   |
| <b>Percent of Taxes Collected<br/>to Taxes Levied *</b> | <u><u>100.0%</u></u>         |     | <u><u>100.0%</u></u>         |     | <u><u>100.0%</u></u>         |     | <u><u>100.0%</u></u>         |

**Maximum Maintenance Tax Rate Approved by Voters:**     \$ 1.00 on 1/21/1995

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

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

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS**  
**SEPTEMBER 30, 2024**

| Fiscal<br>Year<br>Ending | Unlimited Tax Refunding Bonds<br>Series 2014 |                               |                     | Unlimited Tax Bonds<br>Series 2016 |                               |                   | Unlimited Tax Refunding Bonds<br>Series 2020 |                               |                     | Total - All Issues       |                               |                     |
|--------------------------|--|-------------------------------|---------------------|------------------------------------|-------------------------------|-------------------|--|-------------------------------|---------------------|--------------------------|-------------------------------|---------------------|
|                          | Principal<br>Due<br>8/15                     | Interest<br>Due<br>2/15, 8/15 | Total               | Principal<br>Due<br>8/15           | Interest<br>Due<br>2/15, 8/15 | Total             | Principal<br>Due<br>8/15                     | Interest<br>Due<br>2/15, 8/15 | Total               | Principal<br>Due<br>8/15 | Interest<br>Due<br>2/15, 8/15 | Total               |
|                          |  |                               |                     |                                    |                               |                   |  |                               |                     |                          |                               |                     |
| 2025                     | \$ 515,000                                   | \$ 166,712                    | \$ 681,712          | \$ 55,000                          | \$ 28,394                     | \$ 83,394         | \$ 145,000                                   | \$ 30,600                     | \$ 175,600          | \$ 715,000               | \$ 225,706                    | \$ 940,706          |
| 2026                     | 545,000                                      | 149,975                       | 694,975             | 55,000                             | 26,538                        | 81,538            | 140,000                                      | 24,800                        | 164,800             | 740,000                  | 201,313                       | 941,313             |
| 2027                     | 570,000                                      | 132,262                       | 702,262             | 55,000                             | 24,612                        | 79,612            | 140,000                                      | 21,300                        | 161,300             | 765,000                  | 178,174                       | 943,174             |
| 2028                     | 610,000                                      | 112,313                       | 722,313             | 60,000                             | 22,826                        | 82,826            | 120,000                                      | 18,500                        | 138,500             | 790,000                  | 153,639                       | 943,639             |
| 2029                     | 395,000                                      | 90,200                        | 485,200             | 60,000                             | 20,876                        | 80,876            | 175,000                                      | 16,100                        | 191,100             | 630,000                  | 127,176                       | 757,176             |
| 2030                     | 420,000                                      | 74,400                        | 494,400             | 65,000                             | 18,776                        | 83,776            | 170,000                                      | 12,600                        | 182,600             | 655,000                  | 105,776                       | 760,776             |
| 2031                     | 450,000                                      | 57,600                        | 507,600             | 65,000                             | 16,500                        | 81,500            | 160,000                                      | 9,200                         | 169,200             | 675,000                  | 83,300                        | 758,300             |
| 2032                     | 480,000                                      | 39,600                        | 519,600             | 65,000                             | 14,062                        | 79,062            | 155,000                                      | 6,000                         | 161,000             | 700,000                  | 59,662                        | 759,662             |
| 2033                     | 510,000                                      | 20,400                        | 530,400             | 70,000                             | 11,624                        | 81,624            | 145,000                                      | 2,900                         | 147,900             | 725,000                  | 34,924                        | 759,924             |
| 2034                     | -  | -                             | -                   | 70,000                             | 9,000                         | 79,000            | -  | -                             | -                   | 70,000                   | 9,000                         | 79,000              |
| 2035                     | -  | -                             | -                   | 75,000                             | 6,200                         | 81,200            | -  | -                             | -                   | 75,000                   | 6,200                         | 81,200              |
| 2036                     | -  | -                             | -                   | 80,000                             | 3,200                         | 83,200            | -  | -                             | -                   | 80,000                   | 3,200                         | 83,200              |
|                          | <u>\$ 4,495,000</u>                          | <u>\$ 843,462</u>             | <u>\$ 5,338,462</u> | <u>\$ 775,000</u>                  | <u>\$ 202,608</u>             | <u>\$ 977,608</u> | <u>\$ 1,350,000</u>                          | <u>\$ 142,000</u>             | <u>\$ 1,492,000</u> | <u>\$ 6,620,000</u>      | <u>\$ 1,188,070</u>           | <u>\$ 7,808,070</u> |

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**TSI-6. CHANGES IN LONG-TERM BONDED DEBT**  
**SEPTEMBER 30, 2024**

|   | Bond Issues                          |                                      |                                      | Total               |
|---|--------------------------------------|--------------------------------------|--------------------------------------|---------------------|
|   | Series 2014                          | Series 2016                          | Series 2020                          |                     |
| Interest Rate   | 3.25% to 4.00%                       | 3.375% to 4.00%                      | 2.00% to 4.00%                       |                     |
| Dates Interest Payable                                | 2/15, 8/15                           | 2/15, 8/15                           | 2/15, 8/15                           |                     |
| Maturity Dates  | 8/15/2033                            | 8/15/2036                            | 8/15/2033                            |                     |
| Bonds Outstanding at Beginning of Current Fiscal Year | \$ 4,720,000                         | \$ 825,000                           | \$ 1,765,000                         | \$ 7,310,000        |
| Bonds Sold During the Current Fiscal Year             | -                                    | -                                    | -                                    | -                   |
| Retirements During the Current Fiscal Year:           |                                      |                                      |                                      |                     |
| Principal   | (225,000)                            | (50,000)                             | (415,000)                            | (690,000)           |
| Refunded  | -                                    | -                                    | -                                    | -                   |
| Bonds Outstanding at End of Current Fiscal Year       | <u>\$ 4,495,000</u>                  | <u>\$ 775,000</u>                    | <u>\$ 1,350,000</u>                  | <u>\$ 6,620,000</u> |
| Interest Paid During the Current Fiscal Year          | <u>\$ 173,744</u>                    | <u>\$ 30,018</u>                     | <u>\$ 47,200</u>                     | <u>\$ 250,962</u>   |
| Paying Agent's Name and Address:                      | <u>BOKF, NA</u><br><u>Austin, TX</u> | <u>BOKF, NA</u><br><u>Austin, TX</u> | <u>BOKF, NA</u><br><u>Dallas, TX</u> |                     |
| Bond Authority:                                       | <u>Tax Bonds</u>                     | <u>Refunding Bonds *</u>             |                                      |                     |
| Amount Authorized by Voters                           | \$ 16,000,000                        | N/A                                  |                                      |                     |
| Amount Issued   | <u>(16,000,000)</u>                  | <u>\$ 15,640,000</u>                 |                                      |                     |
| Remaining To Be Issued                                | <u>\$ -</u>                          | <u>N/A</u>                           |                                      |                     |

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

Debt Service Fund Cash and Temporary Investments balances as of September 30, 2024: \$ 593,362

Average Annual Debt Service Payment (Principal and Interest) for the remaining term of all debt: \$ 650,673

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**TSI-7. COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES -**  
**GENERAL AND DEBT SERVICE FUNDS - FIVE YEARS**  
**SEPTEMBER 30, 2024**

|   | Amounts             |                   |                   |                    |                    | Percent of<br>Fund Total Revenues |               |               |               |               |
|---|---------------------|-------------------|-------------------|--------------------|--------------------|-----------------------------------|---------------|---------------|---------------|---------------|
|   | 2024                | 2023              | 2022              | 2021               | 2020               | 2024                              | 2023          | 2022          | 2021          | 2020          |
| <b>GENERAL FUND REVENUES:</b>   |                     |                   |                   |                    |                    |                                   |               |               |               |               |
| Property taxes, including penalties and interest  | \$ 427,783          | \$ 419,759        | \$ 394,267        | \$ 412,636         | \$ 462,213         | 28.8%                             | 26.2%         | 27.9%         | 30.4%         | 32.7%         |
| Service revenues, including penalties   | 857,366             | 938,442           | 981,452           | 898,884            | 905,945            | 57.8%                             | 58.6%         | 69.4%         | 66.1%         | 64.1%         |
| Interest  | 199,050             | 180,022           | 25,906            | 2,889              | 30,168             | 13.4%                             | 11.3%         | 1.8%          | 0.2%          | 2.1%          |
| Other   | -                   | 61,931            | 12,390            | 44,195             | 15,154             | -                                 | 3.9%          | 0.9%          | 3.3%          | 1.1%          |
| <b>TOTAL GENERAL FUND REVENUES AND OTHER SOURCES</b>  | <b>1,484,199</b>    | <b>1,600,154</b>  | <b>1,414,015</b>  | <b>1,358,604</b>   | <b>1,413,480</b>   | <b>100.0%</b>                     | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |
| <b>GENERAL FUND EXPENDITURES:</b>   |                     |                   |                   |                    |                    |                                   |               |               |               |               |
| Current:  |                     |                   |                   |                    |                    |                                   |               |               |               |               |
| Water/wastewater purchases  | 257,015             | 271,870           | 288,305           | 300,306            | 265,494            | 17.3%                             | 17.0%         | 20.6%         | 22.2%         | 18.9%         |
| Repairs/maintenance   | 788,097             | 585,751           | 449,118           | 480,701            | 440,381            | 53.1%                             | 36.6%         | 31.8%         | 35.4%         | 31.2%         |
| Operations/management fees  | 78,829              | 76,626            | 77,941            | 74,543             | 74,027             | 5.3%                              | 4.8%          | 5.5%          | 5.5%          | 5.2%          |
| Utilities/telephone   | 56,906              | 62,913            | 48,768            | 47,106             | 52,206             | 3.8%                              | 3.9%          | 3.4%          | 3.5%          | 3.7%          |
| Director fees, including payroll taxes  | 18,557              | 20,149            | 14,371            | 16,632             | 14,533             | 1.3%                              | 1.3%          | 1.0%          | 1.2%          | 1.0%          |
| Legal fees  | 84,930              | 122,433           | 88,210            | 80,601             | 92,005             | 5.7%                              | 7.7%          | 6.2%          | 5.9%          | 6.5%          |
| Engineering fees  | 57,538              | 58,242            | 50,609            | 45,053             | 37,588             | 3.9%                              | 3.6%          | 3.6%          | 3.3%          | 2.7%          |
| Accounting fees   | 32,054              | 24,900            | 24,400            | 24,150             | 24,150             | 2.2%                              | 1.6%          | 1.7%          | 1.8%          | 1.7%          |
| Audit fees  | 13,250              | 12,250            | 11,500            | 11,250             | 10,750             | 0.9%                              | 0.8%          | 0.8%          | 0.8%          | 0.8%          |
| Insurance   | 20,369              | 18,441            | 15,051            | 4,507              | 4,813              | 1.4%                              | 1.2%          | 1.1%          | 0.3%          | 0.3%          |
| Tax appraisal/collection  | 2,476               | 2,079             | 1,897             | 1,862              | 2,243              | 0.2%                              | 0.1%          | 0.1%          | 0.1%          | 0.2%          |
| Public notice   | 2,391               | 2,059             | 1,965             | 1,837              | 628                | 0.2%                              | 0.1%          | 0.1%          | 0.1%          | 0.0%          |
| Other   | 7,391               | 4,885             | 4,902             | 5,285              | 6,346              | 0.5%                              | 0.3%          | 0.3%          | 0.4%          | 0.4%          |
| Capital Outlay  | 841,263             | 40,590            | 24,518            | 35,431             | 453                | 56.7%                             | 2.5%          | 1.7%          | 2.6%          | -             |
| <b>TOTAL GENERAL FUND EXPENDITURES AND OTHER USES</b>   | <b>2,261,066</b>    | <b>1,303,188</b>  | <b>1,101,555</b>  | <b>1,129,264</b>   | <b>1,025,617</b>   | <b>152.5%</b>                     | <b>81.5%</b>  | <b>77.9%</b>  | <b>83.1%</b>  | <b>72.6%</b>  |
| <b>EXCESS OF GENERAL FUND REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>                           | <b>\$ (776,867)</b> | <b>\$ 296,966</b> | <b>\$ 312,460</b> | <b>\$ 229,340</b>  | <b>\$ 387,863</b>  | <b>-52.5%</b>                     | <b>18.5%</b>  | <b>22.1%</b>  | <b>16.9%</b>  | <b>27.4%</b>  |
| <b>DEBT SERVICE FUND REVENUES:</b>  |                     |                   |                   |                    |                    |                                   |               |               |               |               |
| Property taxes, including penalties and interest  | \$ 952,895          | \$ 999,473        | \$ 1,032,353      | \$ 1,015,605       | \$ 1,019,232       | 94.0%                             | 95.0%         | 99.3%         | 99.9%         | 88.9%         |
| Interest and other  | 61,000              | 53,118            | 7,784             | 976                | 12,608             | 6.0%                              | 5.0%          | 0.7%          | 0.1%          | 1.1%          |
| Bond proceeds, net  | -                   | -                 | -                 | -                  | 114,386            | -                                 | -             | -             | -             | 10.0%         |
| <b>TOTAL DEBT SERVICE FUND REVENUES AND OTHER SOURCES</b>   | <b>1,013,895</b>    | <b>1,052,591</b>  | <b>1,040,137</b>  | <b>1,016,581</b>   | <b>1,146,226</b>   | <b>100.0%</b>                     | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |
| <b>DEBT SERVICE FUND EXPENDITURES:</b>  |                     |                   |                   |                    |                    |                                   |               |               |               |               |
| Tax appraisal/collection  | 5,517               | 4,950             | 4,966             | 4,583              | 4,947              | 0.5%                              | 0.5%          | 0.5%          | 0.5%          | 0.4%          |
| Financial advisor fees and other  | 4,000               | 4,000             | 4,000             | 1,290              | 1,540              | 0.4%                              | 0.4%          | 0.4%          | 0.1%          | 0.1%          |
| Bond principal  | 690,000             | 745,000           | 720,000           | 685,000            | 670,000            | 68.1%                             | 70.8%         | 69.2%         | 67.3%         | 58.5%         |
| Bond interest   | 250,962             | 278,063           | 303,738           | 336,000            | 308,047            | 24.8%                             | 26.4%         | 29.2%         | 33.1%         | 26.9%         |
| Bond issue costs  | -                   | -                 | -                 | -                  | 177,405            | -                                 | -             | -             | -             | 15.5%         |
| <b>TOTAL DEBT SERVICE FUND EXPENDITURES AND OTHER USES</b>  | <b>950,479</b>      | <b>1,032,013</b>  | <b>1,032,704</b>  | <b>1,026,873</b>   | <b>1,161,939</b>   | <b>93.8%</b>                      | <b>98.1%</b>  | <b>99.3%</b>  | <b>101.0%</b> | <b>101.4%</b> |
| <b>EXCESS (DEFICIENCY) OF DEBT SERVICE FUND REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b> | <b>\$ 63,416</b>    | <b>\$ 20,578</b>  | <b>\$ 7,433</b>   | <b>\$ (10,292)</b> | <b>\$ (15,713)</b> | <b>6.2%</b>                       | <b>1.9%</b>   | <b>0.7%</b>   | <b>(1.0)%</b> | <b>(1.4)%</b> |
| <b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>  | <b>413</b>          | <b>413</b>        | <b>409</b>        | <b>411</b>         | <b>410</b>         |                                   |               |               |               |               |
| <b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>   | <b>406</b>          | <b>405</b>        | <b>404</b>        | <b>405</b>         | <b>403</b>         |                                   |               |               |               |               |

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**TSI-8. BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**SEPTEMBER 30, 2024**

**Complete District Mailing Address:**

c/o Willatt & Flickinger, PLLC  
12912 Hill Country Blvd., Suite F-232, Austin TX 78738

**District Business Telephone Number:**

(512) 476-6604

**Submission Date of the most recent District  
Registration Form (TWC Sections 36.054 and 49.054):**

November 2024

**Limits on Fees of Office that a Director may receive  
during a fiscal year: (Set by Board Resolution  
TWC Section 49.060)**

\$7,200

| <b>Name and Address:</b>           | <b>Term of Office<br/>(Elected or<br/>Appointed)<br/>or Date Hired</b> | <b>Fees of<br/>Office Paid *<br/>9/30/2024</b> | <b>Expense<br/>Reimbursements<br/>9/30/2024</b> | <b>Title at Year End</b> |
|------------------------------------|--|--|---|--------------------------|
| <b><i>Board Members:</i></b>       |  |  |   |                          |
| <b>CHET PALESKO</b>                | (Elected)<br>11/2022 - 11/2026   | \$ 4,199                                       | \$ -  | President                |
| <b>DAVID I. PERL</b>               | (Elected)<br>11/2022 - 11/2026   | \$ 4,199                                       | \$ -  | Vice-President           |
| <b>LISA S. MCKENZIE</b>            | (Elected)<br>11/2024 - 11/2028   | \$ 3,094                                       | \$ -  | Secretary                |
| <b>COREY NEWHOUSE</b>              | (Elected)<br>11/2024 - 11/2028   | \$ 2,652                                       | \$ -  | Assistant Secretary      |
| <b>RON PRESTON</b>                 | (Elected)<br>11/2024 - 11/2028   | \$ 2,431                                       | \$ -  | Assistant Secretary      |
| <b><i>Former Board Member:</i></b> |  |  |   |                          |
| <b>JOSEPH MATTHEW SZOO</b>         | (Elected)<br>11/2020 - 12/2023   | \$ 663   | \$ -  | Assistant Secretary      |

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

***Consultants:***

|  |            |            |        |                   |
|--|------------|------------|--------|-------------------|
| <b>Inframark LLC</b>                             | 9/1/2012   | \$ 593,523 | \$ -   | Operator/Manager  |
| <b>Willatt &amp; Flickinger, PLLC</b>            | 9/8/2005   | \$ 86,630  | \$ -   | Attorney          |
| <b>McCall Gibson Swedlund Barfoot Ellis PLLC</b> | 9/26/2014  | \$ 13,250  | \$ -   | Auditor           |
| <b>Murfee Engineering</b>                        | 7/13/2011  | \$ 116,362 | \$ -   | Engineer          |
| <b>SAMCO Capital Markets</b>                     | 10/15/1997 | \$ 2,500   | \$ -   | Financial Advisor |
| <b>Bott &amp; Douthitt, PLLC</b>                 | 3/1/2012   | \$ 31,150  | \$ 985 | Bookkeeper        |
| <b>Travis County Tax Collector</b>               | 2/27/1995  | \$ 268     | \$ -   | Tax Collector     |

# **OTHER SUPPLEMENTARY INFORMATION**

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**OSI-1. PRINCIPAL TAXPAYERS**  
**SEPTEMBER 30, 2024**

| Taxpayer                      | Type of Property | Tax Roll Year        |                      |                      |
|-------------------------------|------------------|----------------------|----------------------|----------------------|
|                               |                  | 2024                 | 2023                 | 2022                 |
| Homeowner                     | N/A              | \$ 1,745,982         | \$ 1,879,369         | \$ 1,908,720         |
| Homeowner                     | N/A              | 1,698,734            | 1,690,644            | 1,878,828            |
| Homeowner                     | N/A              | 1,595,020            | 1,661,097            | 1,744,964            |
| Homeowner                     | N/A              | 1,583,277            | 1,650,000            | 1,633,774            |
| Homeowner                     | N/A              | 1,559,413            | 1,604,176            | 1,622,563            |
| Homeowner                     | N/A              | 1,530,650            | 1,577,332            | 1,608,731            |
| Homeowner                     | N/A              | 1,518,000            | 1,535,643            | 1,542,263            |
| Homeowner                     | N/A              | 1,513,956            | 1,533,130            | -                    |
| Homeowner                     | N/A              | 1,513,613            | 1,526,934            | -                    |
| Tara Trust                    | N/A              | 1,502,769            | -                    | -                    |
| Homeowner                     | N/A              | 1,495,709            | -                    | -                    |
| Macko Family Trust            | N/A              | -                    | 1,590,736            | 1,596,145            |
| Scharf Family Revocable Trust | N/A              | -                    | -                    | 1,646,225            |
| Purslane Prop LLC             | N/A              | -                    | -                    | 1,565,155            |
| <b>Total</b>                  |                  | <b>\$ 17,257,123</b> | <b>\$ 16,249,061</b> | <b>\$ 16,747,368</b> |
| Percent of Assessed Valuation |                  | <b>3.7%</b>          | <b>3.7%</b>          | <b>4.2%</b>          |

**SENNA HILLS MUNICIPAL UTILITY DISTRICT  
OSI-2. ASSESSED VALUE BY CLASSIFICATION  
SEPTEMBER 30, 2024**

| Type of Property             | Tax Roll Year         |               |                       |               |                       |               |
|------------------------------|-----------------------|---------------|-----------------------|---------------|-----------------------|---------------|
|                              | 2024                  |               | 2023                  |               | 2022                  |               |
|                              | Amount                | %             | Amount                | %             | Amount                | %             |
| Single Family                | \$ 526,601,417        | 113.6%        | \$ 610,001,901        | 140.1%        | \$ 616,281,688        | 154.2%        |
| Vacant Lot                   | 460,000               | 0.1%          | 10,000                | -             | 62,500                | -             |
| Non-Qualified Land           | -                     | -             | 2,500                 | -             | 2,500                 | -             |
| Commercial Real Property     | 1,916,095             | 0.4%          | 618,856               | 0.1%          | 648,367               | 0.2%          |
| Commercial Personal Property | 223,488               | -             | 282,760               | 0.1%          | 359,440               | 0.1%          |
| Industrial and Manufacturing | 624,759               | 0.1%          | -                     | -             | 1,450                 | -             |
| Exempt                       | 32,522                | -             | 32,522                | -             | 32,522                | -             |
| Less: Adjustments            | (65,981,998)          | (14.2)%       | (175,630,912)         | (40.3)%       | (217,877,694)         | (54.5)%       |
| Total Taxable                | <u>\$ 463,876,283</u> | <u>100.0%</u> | <u>\$ 435,317,627</u> | <u>100.0%</u> | <u>\$ 399,510,773</u> | <u>100.0%</u> |