AMENDED AGENDA

TO: THE BOARD OF DIRECTORS OF NORTH HAYS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1, HAYS COUNTY, TEXAS, AND TO ALL OTHER INTERESTED PERSONS:

Notice is hereby given that the Board of Directors of North Hays County Municipal Utility District No. 1 will hold a special meeting on Monday, January 25, 2021, at 12:00 p.m.

In accordance with the Governor's emergency proclamation suspending certain provisions of the Texas Open Meetings Act effective March 16, 2020 in response to the COVID-19 virus, the meeting will be conducted telephonically. All persons, including members of the public, may participate in the meeting by videoconference or telephonically using the instructions below.

Videoconference Instructions:

Members of the public may join the meeting through the following web link: https://global.gotomeeting.com/join/625904901

Telephonic Instructions:

Members of the public may join the meeting telephonically by dialing the following telephone number: +1 (669) 224-3412

When your call is answered and when prompted, enter in the following Meeting ID below followed by the pound sign (#): 625-904-901

Public Comment:

Public comment will be allowed during the Public Comment agenda item. Members of the public that desire to provide public comment may do so by videoconference or by telephone.

Meeting Topics:

The meeting will be held for the following purposes:

1. Receive Public Comment.

2. Approve meeting minutes for December 15, 2020, Board of Directors' meeting.

3. Consider and take action regarding Engineer's Report:

    a. Plans and Specifications Approvals
    b. Construction Bid Awards
    c. Construction Pay Estimates

d. Construction Change Orders

e. Construction Completion Approvals and Acceptances

f. Other Engineering Matters

4. Consider and take action regarding Potential Annexation by the City of Kyle of certain lands owned by the District to facilitate full purpose municipal annexation of lands outside the District.

5. Consider and take action in response to request relating to the availability of service in connection with the proposed creation of East Hays County Municipal Utility District No. 1.

6. Consider and take action regarding dedication of right of way to Hays County for Lois Lane roadway improvement project.

7. Consider and take action regarding the District's municipal stormwater program.

   a. Status report by District Engineer;

   b. Discussion regarding retaining a MS4 stormway consultant to manage the District's MS4 stormwater program; and

   c. Other action related thereto.

8. Consider and take action regarding approval of renewal of insurance.

9. Consider and take action regarding approval of the District's Fiscal Year 2020 Audit Report.

10. Consider and take action regarding Payment of Bills and Invoices.

Anthony S. Corbett

Attorney for the District

(SEAL)

The Board of Directors may go into Executive Session if necessary, pursuant to the applicable section of Subchapter D, Chapter 551, Texas Government Code, of the Texas Open Meetings Act, on any of the above matters. No final action, decision or vote will be taken on any subject or matter in Executive Session.

The District is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please call 512-328-2008 for further information.

MINUTES OF SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF
NORTH HAYS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
Tuesday, December 15, 2020

STATE OF TEXAS §
§
COUNTY OF HAYS §

The Board of Directors of North Hays County Municipal Utility District No. 1 (the "District") held a special meeting, open to the public, commencing at 12:00 p.m., on December 15, 2020. Notices of the time, place and the subject of the meeting, and the actions to be taken at the meeting, were posted at the places and for the time required by the laws of the State of Texas. In accordance with the Governor's emergency proclamation suspending certain provisions of the Texas Open Meetings Act effective March 16, 2020 in response to the COVID-19 virus, the meeting was conducted telephonically.

At 12:00 p.m., the roll was called of the directors of the Board, to-wit:

Michael Chase	President
Mark Piening	Vice President
Michael Hieber	Secretary
Scott Redding	Assistant Secretary
Kurt Sell	Assistant Secretary

and all persons were present, thus constituting a quorum.

Also present were Hank Smith from Atwell, LLC; Jeff Monzingo of Montoya & Monzingo, L.L.P.; Richard Topfer from Castletop Capital; Jimmy Romell from Maxwell, Locke & Ritter, LP; and Anthony S. Corbett and Lauren Hughes of McLean & Howard, L.L.P.

1. The Board first considered public comments. No public comments were received.

2. The Board then considered approval of the minutes from the Board's September 3, 2020 meeting. Upon a motion made by Director Chase and a second by Director Hieber, the Board unanimously approved the meeting minutes as presented (5-0).

3. Next, the Board considered an engagement letter from Maxwell, Locke & Ritter, LLP for preparation of an Agreed Upon Procedures Report in connection with the proposed disbursement of surplus funds from the District's $9,000,000 Unlimited Tax Bonds, Series 2019A (the "Bonds"). Director Chase made a motion to approve the engagement letter. Director Piening seconded the motion, which the Board passed unanimously (5-0). A copy of the engagement letter is attached as an exhibit to these minutes.

4. The Board then considered two Agreed Upon Procedures Reports relating to the disbursement of funds from the Bonds. Mr. Romell presented both reports to the Board. After discussion, Director Hieber made a motion to approve the Agreed Upon Procedures Report relating to the disbursement of funds from the Bonds, and the Agreed Upon Procedures Report relating to the disbursement of surplus funds from the Bonds. Director Chase seconded the motion, which the Board passed unanimously (5-0). Copies of the Reports are attached as exhibits to these minutes.

5. Next, Director Chase made a motion to approve the following: (i) Conveyance Instruments providing for the Conveyance of Facilities and/or Contract Service Rights in exchange for payment of proceeds from the Bonds; (i) approve disbursement of Bond proceeds to Continental Homes of Texas, L.P., and Hays NHCMP, LP, in accordance with the Agreed Upon Procedures Reports and the Utility Construction and Reimbursement Agreement dated December 3, 2018; and (iii) other action as necessary to disburse the Bond proceeds in accordance with the Agreed Upon Procedures Reprots. Director Piening seconded the motion, which the Board passed unanimously (5-0).

6. Mr. Monzingo presented for Board approval the Bookkeepers Report, including bills and invoices, and a Quarterly Investment Report. After discussion, Director Chase moved that the Board approve the Bookkeepers Report, the payment of bills and invoices as recommended, the transfer of funds necessary to pay bills, and the Quarterly Investment Report. The motion was seconded by Director Piening and passed unanimously (5-0). A copy of the Bookkeeper's Report, including the approved bills and Quarterly Investment Report, is attached to these minutes.

There being no further business to come before the Board, by unanimous acclamation, the Board meeting was adjourned at approximately 12:35 p.m.

_____

Secretary, Board of Directors

(SEAL

ATWELL

CONSULTING. ENGINEERING. CONSTRUCTION.

North Hays County MUD No. 1

Engineer's Summary

January 25, 2021

MS4:

- Pond areas are being maintained by the landscape contractor.
- We worked with the HOA to stabilize a drainage way and prevent erosion along the concrete walkway
    - Phase 1 is complete and invoice from Holman Services in the amount of $22,215.60
    - Phase 2 is complete and invoice from Holman Services in the amount of $226,740
- Working to prepare RFP to hand off MS4 work to consultant

Trails at Windy Hill Regional Lift Station

- Construction of the force main through the Trails at Windy Hill Phase 1 subdivision area is complete by J.L. Gray (the Phase 1 subdivision contractor).
- The lift station construction is complete, and the station has been started up (Liberty Civil is the general contractor for the lift station).
- There are 11 Pay Apps and one change order approved for the Lift Station Work (Original Contract Price - $1,125,206.40)
    - Pay App #2- $19,651.50 (Approved and needs to be signed)
    - Pay App #3- $293,024.16 (Approved and needs to be signed)
    - Pay App #4- $147,146.40 (Approved and needs to be signed)
    - Pay App #5- $230,880.87 (Approved and needs to be signed)
    - Pay App #6- $184,520.25 (Approved and needs to be signed)
    - Pay App #7 $82,532.70 (Approved and needs to be signed) – Over paid by $5,000 for total of $87,532.70
    - Pay App #8 $30,854.88 (Approved and needs to be signed) – Under paid by $5,000 for a total of $25,854.88
    - Pay App #9 $13,589.10 (Approved and needs to be signed)
    - Pay App #10 $18,149.40 (Approved and Needs to be Signed)
    - Pay App #11 $114,875.44 (Approved and Needs to be Signed) 10% Retainage Payment
    - Change Order #1 $23,548.00

Trails at Windy Hill Phase 1

- **<u>This subdivision has been formally accepted by the MUD</u>**

Trails at Windy Hill Phase 2

- There are 9 Pay Apps and 3 change orders Approved and Signed for the Phase 2 Subdivision work (Contract Amount - $4,123,771.55 / $1,832,768.02 Reimbursable):
    - Pay App #1 - $265,617.68 (Approved and Needs to be signed)
    - Pay App #2 - $166,326.62 (Approved and Needs to be signed)
    - Pay App #3- $375,171.30 (Approved and Needs to be signed)
    - Pay App #4- $524,877.21 (Approved and Needs to be signed)
    - Pay App #5- $815,443.10 (Approved and Need to be signed)

- Pay App #6- $60,398.83 (Approved and Need to be signed)
- Pay App #7- $427,091.18 (Approved and Needs to be Signed)
- Pay App #8- $137,638.74 (Approved and Needs to be Signed)
- Pay App #9- $577,864.97 (Approved and Needs to be Signed**)**
- Change Order #1 & #2 $148,595.00 (Not Reimbursable so does not Need to be approved or Signed)
- Change Order #3 $142,865.75- (Not Reimbursable so does not Need to be approved or Signed)

Trails at Windy Hill Phase 3

- There are 4 Pay Apps Approved and Signed for the Phase 3 Subdivision work (Contract Amount - $3,015,126.65 / $TBD Reimbursable):
  - Pay App #1 - $118,881.18 (Approved and Needs to be Signed)
  - Pay App #2 - $600,844.72 (Approved and Needs to be Signed)
  - Pay App #3- $282,874.83 (Approved and Needs to be Signed)
  - Pay App #4- $538,611.16 (Approved and Needs to be Signed)

Shadow Creek WWTP Expansion Contract Price - $3,991,200.00)

- Request from GBRA to leave fence expanded location permanently
- Contractor is on schedule for Start-up and walk through December 15th (substantial completion).
- There are 15 Pay Apps and 2 change orders approved for the WWTP (Contract Price - $3,991,200.00)
  - Pay App #5 - $391,687.50 (Approved and Need to be signed)
  - Pay App #6 - $269,998.70 (Approved and Need to be signed)
  - Pay App #7 - $555,551.02 (Approved and Need to be signed)
  - Pay App #8- $289,467.81 (Approved and Need to be signed)
  - Pay App #9- $421,468.88 (Approved and Need to be signed)
  - Pay App #10- $246,561.02 (Approved and Need to be signed)
  - Pay App #11- $179,133.75 (Approved and Need to be signed)
  - Pay App #12- $175,953.13 (Approved and Needs to be Signed)
  - Pay App #13- $48,674.52 (Approved and Needs to be Signed)
  - Pay App #14- $87,120.67 (Approved and Needs to be Signed)
  - Pay App #15- $384,382.98 (Approved and Needs to be Signed)
  - Change Order #1 – Dechlor System $99,319 (Approved and Need to be signed)
  - Change Order #2 –$17,903 Fencing and Clarifier Bar (Approved and Needs to be Signed)

General MUD

- Out of District wastewater Service request
- Invoice from GBRA for lift station work
- Road ROW dedication to Hays County for connection to Dacy Lane

December 14, 2020

North Hays County Municipal Utility District No. 1
c/o Hank Smith, P.E.
Atwell, LLC
3815 S Capital of Texas Hwy
Austin, TX 78704-6639

Re: Creation of East Hays County Municipal Utility District No. 1 (EHCMUD 1) – Request for Utility Services

Dear Mr. Smith:

BGE, Inc. is in the process of obtaining City of Niederwald consent to the creation of EHCMUD 1. The City of Niederwald requests that applicants correspond with nearby water and wastewater providers to determine if said providers have the necessary water and wastewater availability to serve the proposed MUD.

We have identified North Hays County MUD No. 1 as being a nearby district to EHCMUD 1 and are therefore requesting a response from you as to whether or not North Hays County MUD No. 1 has the direct availability of water and wastewater utilities and the ability to provide permanent water and wastewater capacity to EHCMUD 1.

For Review
01/03/2021 8:41:16 PM

It is anticipated that EHCMUD 1's ultimate number of Equivalent Single Family Connections (ESFC's) is 1,020 ESFC's while the adjacent EHCMUD 2 (also being created as part of this development) will require 1,578 ESFC's (total of 2,598 ESFC's).

Your response to this request is greatly appreciated. Responses can be sent by email to RRychlik@bgeinc.com, or by regular mail, to my attention. If you have any questions, please call me at (512) 879-4060.

Sincerely,

Richard Rychlik Jr., P.E.

___ YES, there is existing water and sewer utilities directly available and sufficient capacity to serve the proposed District.

___ NO, there is not existing water and sewer utilities directly available and sufficient capacity to serve the proposed District.

_____ _____
Signature Date
District Engineer

North Hays County
Municipal Utility District No. 1

Financial Statements and
Supplemental Information
for the Year Ended
September 30, 2020 and
Independent Auditors' Report

This document is a draft for internal review and discussion and is not intended for external distribution.

North Hays County Municipal Utility District No. 1

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This document is a draft for internal review and discussion and is not intended for external distribution.

Annual Filing Affidavit

The State of Texas

County of Hays

I, _____ of the
(Name of Duly Authorized District Representative)

North Hays County Municipal Utility District No. 1

hereby swear, or affirm, that the District named above has reviewed and approved at a meeting of the Board of Directors of the District on the _____day of _____, 20_____, its audit report for the year ended September 30, 2020, and that copies of the audit report have been filed in the District's office, located at c/o McLean & Howard, LLP, Barton Oaks Plaza, Building II, 901 S. Mopac Expressway Suite 225, Austin, Texas 78746.

The annual filing affidavit and the attached copy of the audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code 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: _____, 20___. By: _____
(Signature of District Representative)

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

Sworn to and subscribed to before me this _____ day of _____, 20____.

_____
(Signature of Notary)

(SEAL)

_____
(Printed Name of Notary)

My Commission Expires On: _____
Notary Public in and for the State of Texas.

This document is a draft for internal review and discussion and is not intended for external distribution.

Independent Auditors' Report

To the Board of Directors of
North Hays County Municipal Utility District No. 1:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of North Hays County Municipal Utility District No. 1 (the "District"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

This document is a draft for internal review and discussion and is not intended for external distribution.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information required by the Texas Commission on Environmental Quality (the "TCEQ") listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information required by the TCEQ listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information required by the TCEQ listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Austin, Texas
January XX, 2021

Management's Discussion and Analysis
For the Year Ended September 30, 2020

In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, the management of North Hays County Municipal Utility District No. 1 (the "District") offers the following narrative on the financial performance of the District for the year ended September 30, 2020. Please read it in connection with the District's financial statements that follow.

For purposes of GASB Statement No. 34, the District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the "Total Governmental Funds" column. An adjustment column includes those entries needed, if any, 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*.

Financial Highlights

- The liabilities of the District exceeded its assets and deferred outflows of resources by approximately $3.7 million.
- The District levied an ad valorem tax of $0.88 on each $100 of taxable property within the District. Property within the District was valued at approximately $345.6 million, which resulted in a property tax levy of approximately $3.0 million.

Overview of the Basic Financial Statements

The District's reporting is comprised of two parts:

- *Management's Discussion and Analysis* (this section)
- *Basic Financial Statements*
  - *Statement of Net Position and Governmental Funds Balance Sheet*
  - *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances*
  - *Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund*
  - *Notes to Basic Financial Statements*

Other supplementary information is also included.

The *Statement of Net Position and Governmental Funds Balance Sheet* includes a column (titled "Total Governmental Funds") that represents a balance sheet prepared using the modified accrual basis of accounting. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District's net position will indicate financial health.

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

The *Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund* presents a comparison statement between the District's adopted budget to its actual results.

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

Schedules required by the Texas Commission on Environmental Quality are presented immediately following the *Notes to Basic Financial Statements*.

Comparative Financial Statements

Statement of Net Position

	Governmental Activities		
	2020	2019	% Change
Current assets	$ 7,153,894	$ 7,453,445	(4.0%)
Capital and other assets	23,242,902	18,527,681	25.4%
Total assets	$ 30,396,796	$ 25,981,126	17.0%
Deferred outflows of resources	$ 275,375	$ 297,044	(7.3%)
Current liabilities	$ 2,464,778	$ 5,432,928	(54.6%)
Long-term liabilities	31,936,283	24,487,769	30.4%
Total liabilities	$ 34,401,061	$ 29,920,697	15.0%
Net investment in capital assets	$ (6,986,230)	$ (6,333,928)	(10.3%)
Restricted for debt service	1,540,982	1,439,527	7.0%
Unrestricted	1,716,358	1,251,875	37.1%
Total net position	$ (3,728,890)	$ (3,642,527)	(2.4%)

The District's total assets were approximately $30.4 million as of September 30, 2020. Of this amount, approximately $23.2 million is accounted for by capital assets. The District had outstanding liabilities of approximately $34.4 million of which approximately $33.0 million represents bonds payable.

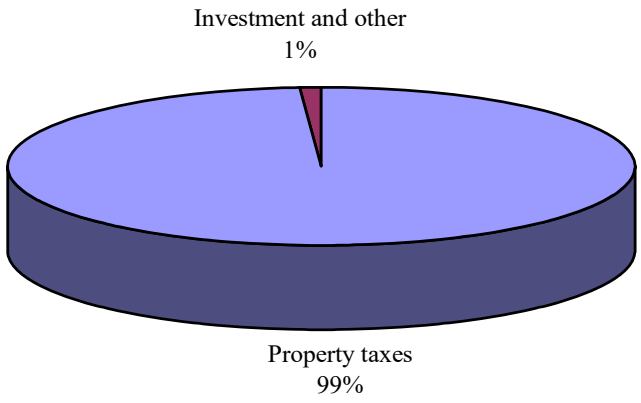
The District's property tax assessed value in fiscal year 2020 (which is based on the 2019 tax levy) was approximately $345.6 million compared to approximately $292.7 million in fiscal year 2019. The tax rate is set after reviewing operations and maintenance requirements and interest and sinking fund requirements. The District's main revenue source is property taxes.

Statement of Activities

	Governmental Activities		
	2020	2019	% Change
Property tax revenue	$ 3,043,044	$ 2,583,322	17.8%
Investment earnings and other	174,040	73,318	137.4%
Total revenues	3,217,084	2,656,640	21.1%
Engineering fees	118,862	61,109	94.5%
Maintenance and repairs	59,535	73,583	(19.1%)
Legal fees	21,890	23,983	(8.7%)
Accounting	24,736	20,547	20.4%
Audit fees	13,000	12,500	4.0%
Directors' fees	6,150	3,750	64.0%
Insurance	25,365	9,692	161.7%
Other	23,608	21,351	10.6%
Debt service	1,662,253	1,102,139	50.9%
Depreciation	1,347,648	979,899	37.5%
Disposal of capital assets	-	47,249	(100.0%)
Total expenses and other financing uses	3,303,447	2,355,802	40.2%
Change in net position	(86,363)	300,838	(128.7%)
Beginning net position	(3,642,527)	(3,943,365)	7.6%
Ending net position	$ (3,728,890)	$ (3,642,527)	(2.4%)

Operating revenues increased by approximately $560,000 to approximately $3,217,000 for the fiscal year ended September 30, 2020. Property taxes generated approximately $3,043,000 in revenues. Total expenses and other financing uses increased approximately $948,000 to approximately $3,303,000 for the fiscal year ended September 30, 2020. Net position decreased approximately $86,000 to an ending deficit balance of approximately $3,729,000 for the fiscal year ended September 30, 2020.

Sources of Revenue



Analysis of Governmental Funds

Governmental Funds by Year

	2020	2019	2018
Cash and cash equivalents	$ 6,265,789	$ 6,547,995	$ 1,305,538
Investments	795,602	788,418	770,398
Receivables	19,924	41,805	27,729
Due from other funds	80,229	84,871	10,289
Prepaid items	72,579	75,227	2,596
Total assets	$ 7,234,123	$ 7,538,316	$ 2,116,550
Accounts payable	$ 656,240	$ 274,304	$ 21,093
Due to other funds	80,229	84,871	10,289
Due to developer	594,509	4,343,329	-
Other	620	482	734
Total liabilities	1,331,598	4,702,986	32,116
Deferred inflows of resources	19,924	14,743	8,917
Nonspendable fund balance	169	25,309	2,596
Restricted fund balance	4,170,766	1,572,052	1,217,917
Unassigned fund balance	1,711,666	1,223,226	855,004
Total fund balances	5,882,601	2,820,587	2,075,517
Total liabilities, deferred inflows of resources, and fund balances	$ 7,234,123	$ 7,538,316	$ 2,116,550

The *General Fund* pays for daily operating expenditures. When comparing actual to the final budget, actual expenditures were lower than budgeted by approximately $318,000 primarily due to no expenditures for system repair and replacement. Actual revenues were higher than budgeted by approximately $68,000. More detailed information about the District's budgetary comparison is presented in the *Basic Financial Statements*.

The *Debt Service Fund* primarily includes debt service taxes and other revenues collected to retire bond principal and pay for interest due.

The *Capital Projects Fund* primarily purchases the District's infrastructure and had $6,032,670 in capital outlay expenditures for the year ended September 30, 2020.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. While the disruption is expected to be temporary, there is uncertainty around the duration. Due to the nature of the District's services, the pandemic may negatively impact the District's business, results of operations, and financial position; however, the related financial impact cannot be reasonably estimated at this time.

Capital Assets and Long-Term Debt Activity

Capital Assets

	2020	2019
Land	$ 56,234	$ 56,234
Water, wastewater, and drainage systems	30,183,513	24,150,843
Subtotal	30,239,747	24,207,077
Accumulated depreciation	(7,152,518)	(5,804,870)
Total	$ 23,087,229	$ 18,402,207

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

Long-Term Debt Activity

	2020	2019
Series 2009 bonds	$ -	$ 105,000
Series 2012R bonds	235,000	460,000
Series 2015 bonds	5,980,000	6,120,000
Series 2015R bonds	2,450,000	2,480,000
Series 2016 bonds	5,200,000	5,200,000
Series 2018 bonds	7,140,000	7,340,000
Series 2019R bonds	3,440,000	3,440,000
Series 2019A bonds	8,500,000	-
Total bonds outstanding	$ 32,945,000	$ 25,145,000

At September 30, 2020, the District owes $32,945,000 to bond holders. During the year, the District issued $9,000,000 of Series 2019A bonds and made principal payments of $1,200,000. At September 30, 2020, unlimited tax bonds of $13,285,000 were authorized by the voters of the District, but unissued. More detailed information about the District's long-term debt is presented in the *Notes to Basic Financial Statements*.

Currently Known Facts, Decisions, or Conditions

For fiscal year 2021, the tax rate has been set at $0.87 per $100 of assessed valuation with $0.21 for maintenance and operating expenditures and $0.66 for debt service. The adopted budget for fiscal year 2021 projects revenues of approximately $741,000 and expenditures of approximately $605,000 for the General Fund.

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 c/o McLean & Howard, LLP, Barton Oaks Plaza, Building II, 901 S. Mopac Expressway Suite 225, Austin, Texas 78746.

North Hays County Municipal Utility District No. 1

Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Note 2)	Statement of Net Position
Assets:						
Cash and cash equivalents	$ 1,451,912	1,083,428	3,730,449	6,265,789	-	6,265,789
Investments	212,221	583,381	-	795,602	-	795,602
Receivables-						
Taxes receivable	4,523	15,401	-	19,924	-	19,924
Prepaid items	169	-	72,410	72,579	-	72,579
Interfund receivable	80,229	-	-	80,229	(80,229)	-
Bond insurance costs	-	-	-	-	155,673	155,673
Capital assets (net of accumulated depreciation):						
Land	-	-	-	-	56,234	56,234
Water, wastewater and drainage systems	-	-	-	-	23,030,995	23,030,995
Total assets	$ 1,749,054	1,682,210	3,802,859	7,234,123	23,162,673	30,396,796
Deferred Outflows of Resources-						
Deferred charges on bond refundings	-	-	-	-	275,375	275,375
Liabilities:						
Accounts payable	$ 32,076	-	624,164	656,240	-	656,240
Interfund payable	-	7,819	72,410	80,229	(80,229)	-
Bond interest payable	-	-	-	-	133,409	133,409
Due to developer	-	-	594,509	594,509	-	594,509
Other	620	-	-	620	-	620
Long-term liabilities:						
Due within one year	-	-	-	-	1,080,000	1,080,000
Due after one year	-	-	-	-	31,936,283	31,936,283
Total liabilities	32,696	7,819	1,291,083	1,331,598	33,069,463	34,401,061
Deferred Inflows of Resources-						
Property taxes	4,523	15,401	-	19,924	(19,924)	-
Fund Balances/Net Position:						
Fund balances:						
Nonspendable-						
Prepaid items	169	-	-	169	(169)	-
Restricted for:						
Debt service	-	1,658,990	-	1,658,990	(1,658,990)	-
Capital projects	-	-	2,511,776	2,511,776	(2,511,776)	-
Unassigned	1,711,666	-	-	1,711,666	(1,711,666)	-
Total fund balances	1,711,835	1,658,990	2,511,776	5,882,601	(5,882,601)	-
Total liabilities, deferred inflows of resources and fund balances	$ 1,749,054	1,682,210	3,802,859	7,234,123		
Net position:						
Net investment in capital assets					(6,986,230)	(6,986,230)
Restricted for debt service					1,540,982	1,540,982
Unrestricted					1,716,358	1,716,358
Total net position					$ (3,728,890)	(3,728,890)

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

North Hays County Municipal Utility District No. 1

Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Note 2)	Statement of Activities
Expenditures/expenses:						
Service operations:						
Engineering fees	$ 118,862	-	-	118,862	-	118,862
Maintenance and repairs	59,535	-	-	59,535	-	59,535
Legal fees	21,890	-	-	21,890	-	21,890
Accounting	24,736	-	-	24,736	-	24,736
Audit fees	13,000	-	-	13,000	-	13,000
Directors' fees	6,150	-	-	6,150	-	6,150
Insurance	25,365	-	-	25,365	-	25,365
Tax appraisal and collection fees	4,825	16,400	-	21,225	-	21,225
Other	2,203	-	180	2,383	-	2,383
Capital Outlay	-	-	6,032,670	6,032,670	(6,032,670)	-
Debt service:						
Principal payments	-	1,200,000	-	1,200,000	(1,200,000)	-
Interest and fiscal charges	1,250	1,035,851	-	1,037,101	37,752	1,074,853
Bond issuance costs	-	-	624,030	624,030	(36,230)	587,800
Depreciation	-	-	-	-	1,347,648	1,347,648
Total expenditures/expenses	277,816	2,252,251	6,656,880	9,186,947	(5,883,500)	3,303,447
Revenues:						
General revenues:						
Property taxes, including penalties and interest	690,491	2,347,372	-	3,037,863	5,181	3,043,044
Investment earnings and other	50,625	20,933	102,482	174,040	-	174,040
Total general revenues	741,116	2,368,305	102,482	3,211,903	5,181	3,217,084
Excess (Deficit) of revenues over (under) expenditures	463,300	116,054	(6,554,398)	(5,975,044)	5,975,044	-
Other financing sources (uses):						
Issuance of bonds	-	-	9,000,000	9,000,000	(9,000,000)	-
Premium on sale of bonds	-	-	76,823	76,823	(76,823)	-
Discount on sale of bonds	-	-	(39,765)	(39,765)	39,765	-
Total other financing sources, net	-	-	9,037,058	9,037,058	(9,037,058)	-
Change in fund balances	463,300	116,054	2,482,660	3,062,014	(3,062,014)	-
Change in net position	-	-	-	-	(86,363)	(86,363)
Fund balances/net position:						
Beginning of the year	1,248,535	1,542,936	29,116	2,820,587	(6,463,114)	(3,642,527)
End of the year	$ 1,711,835	1,658,990	2,511,776	5,882,601	(9,611,491)	(3,728,890)

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

North Hays County Municipal Utility District No. 1

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended September 30, 2020

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes, including penalties and interest	$ 667,266	690,491	23,225
Investment earnings and other	6,000	50,625	44,625
Total revenues	673,266	741,116	67,850
Expenditures:			
Service operations:			
Engineering fees	100,000	118,862	(18,862)
Maintenance and repairs	100,000	59,535	40,465
System repair and replacement	200,000	-	200,000
Legal fees	40,000	21,890	18,110
Accounting	25,000	24,736	264
Audit fees	13,000	13,000	-
Directors' fees	10,000	6,150	3,850
Insurance	30,000	25,365	4,635
Tax appraisal and collection fees	25,000	4,825	20,175
Other	8,200	2,203	5,997
Capital outlay	45,000	-	45,000
Interest and fiscal charges	-	1,250	(1,250)
Total expenditures	596,200	277,816	318,384
Excess of revenues over expenditures	77,066	463,300	386,234
Fund balance:			
Beginning of the year	1,248,535	1,248,535	-
End of the year	$ 1,325,601	1,711,835	386,234

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

1. Summary of Significant Accounting Policies

North Hays County Municipal Utility District No. 1 (the "District") was created in July 2004 by order of the Texas Commission on Environmental Quality and operates pursuant to Chapters 49 and 54 of the Texas Water Code. It is a political subdivision of the State of Texas and is governed by an elected Board of Directors (the "Board"). The District provides water, sewer, and drainage facilities.

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 which has been elected by District residents or appointed by the Board. The District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board ("GASB") since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters. In addition, there are no component units included in the District's reporting entity.

Government-wide and Fund Financial Statements

For purposes of GASB Statement No. 34, the District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the "Total Governmental Funds" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the statement of net position and the statement of activities. The government-wide financial statements report information on all of the activities of the District. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the expenses are offset by program revenues. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the District. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separated columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Major revenue sources considered susceptible to accrual include interest income. No accrual for property taxes collected within sixty days of year end has been made as such amounts are deemed immaterial; delinquent property taxes at year end are reported as deferred inflows of resources.

The District reports the following major governmental funds:

The General Fund includes financial resources used for general operations. It is a budgeted fund, and any unassigned fund balance is considered resources available for current operations.

The Debt Service Fund includes debt service taxes and other revenues collected to retire bond principal and to pay interest due.

The Capital Projects Fund is used to account for financial resources restricted for authorized construction and other capital asset acquisitions.

Budgets and Budgetary Accounting

Formal budgetary integration is employed as a management control device for the General Fund. The budget is proposed by the District Manager for the fiscal year commencing the following October 1, and is adopted on the modified accrual basis, which is consistent with generally accepted accounting principles.

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

Cash and Cash Equivalents **-** Includes cash on deposit as well as investments with maturities of three months or less. The investments, consisting of money market funds, are recorded at cost, which approximates fair value.

Investments - Temporary investments throughout the year consisted of investments in an external local government investment pool. The external local government investment pool is recognized at amortized cost as permitted by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The District is entitled to invest any and all of its funds in certificates of deposit, direct debt securities of the United States of America or the State of Texas, certain Federal agency securities and other types of municipal bonds, fully collateralized repurchase agreements, commercial paper and local government investment pools. The District's investment policies and types of investments are governed by Section 2256 of the Government Code ("Public Funds Investment Act"). The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policies. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments.

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

Capital Assets - Capital assets, which include land and infrastructure (water, wastewater and drainage systems purchased, constructed or donated), are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of at least $5,000. Such assets are recorded at historical cost if purchased or estimated acquisition value at the date of donation if donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Capital assets (other than land) are depreciated using the straight line method over the following estimated useful lives: water, wastewater and drainage systems - twenty years.

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Bond issuance costs, including bond insurance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures during the period incurred in the fund financial statements.

Ad Valorem Property Taxes - Property taxes, penalties, and interest are reported as revenue in the fiscal year in which they become available to finance expenditures of the District. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectibles are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Fund Equity - The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. See Note 11 for additional information on those fund balance classifications.

Deferred Outflows and Deferred Inflows of Resources - The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.

The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. See Note 7 for additional information on deferred outflows of resources.

Fair Value Measurements - The District complies with GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- Level 3 inputs are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities.
- Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).
- Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

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

Recently Issued Accounting Pronouncements

In June 2017, the GASB issued GASB Statement No. 87, *Leases,* effective for fiscal years beginning after June 15, 2021. The objective of GASB Statement No. 87 is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. Management is evaluating the effects that the full implementation of GASB Statement No. 87 will have on its financial statements for the year ended September 30, 2022.

In June 2018, the GASB issued GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, effective for fiscal years beginning after December 15, 2020. The objective of GASB Statement No. 89 is to enhance the relevance and comparability of information about capital assets and to simplify accounting for interest costs incurred before the end of a construction period. Under GASB Statement No. 89, interest costs will no longer be capitalized as part of the asset but will be shown as an expenditure in the fund financial statements and as an expense in the government-wide financial statements. Management is evaluating the effects that the full implementation of GASB Statement No. 89 will have on its financial statements for the year ended September 30, 2022.

2. Reconciliation of Government-Wide and Fund Financial Statements

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

Governmental funds total fund balance	$ 5,882,601
Prepaid bond insurance costs are recorded as expenditures in the funds, but are amortized over the life of the related bonds in the statement of net position	155,673
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, net of accumulated depreciation	23,087,229
Deferred tax revenue is not available to pay for current-period expenditures and, therefore, is deferred in the funds.	19,924
The following liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable, net of bond premiums and discounts	(33,016,283)
Less: Deferred charges on bond refundings	275,375
Bond interest payable	(133,409)
Total net position	$ (3,728,890)

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

Change in governmental fund balances	$ 3,062,014
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:	
Capital outlay	6,032,670
Depreciation	(1,347,648)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds-	
Change in deferred tax revenue	5,181
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:	
Bond proceeds, including premium and discount	(9,037,058)
Repayment of bond principal	1,200,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in bond interest payable	(18,596)
Amortization of bond premium	16,635
Amortization of bond discount	(8,091)
Amortization of deferred charges on bond refundings	(21,669)
Bond insurance premium	36,230
Amortization of bond insurance costs	(6,031)
Change in net position	$ (86,363)

3. Cash and Cash Equivalents

The District's deposits are required to be secured in the manner provided by law for the security of the funds. At September 30, 2020, such deposits were entirely covered by Federal Deposit Insurance Corporation ("FDIC") insurance or secured by collateral pledged by the depository.

4. Investments

The Public Funds Investment Act authorizes the District to invest in funds under a written investment policy. The District's deposits and investments are invested pursuant to the investment policy, which is approved annually by the Board. The primary objectives of the District's investment strategy, in order of priority, are safety, liquidity, and yield.

The District is entitled to invest in obligations of the United States, the State and their agencies or any state, county, city and any other political subdivisions of any state rated by a nationally recognized investment rating firm with a rating not less than A or its equivalent, certificates of deposit of state or national banks or savings and loan associations within the State, prime domestic bankers' acceptances, commercial paper with a stated maturity of 270 days or less from the date of its issuance, fully collateralized repurchase agreements, no-load money market mutual funds regulated by the United States Securities and Exchange Commission and eligible public funds investment pools

At September 30, 2020, the District had investments in an external local governmental investment pool, Texas Local Governmental Investment Pool ("TexPool"), of $795,602 which has a Standard & Poor's rating of AAAm and a weighted average maturity of one day.

Although TexPool is not registered with the SEC as an investment company, they operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. These investments are stated at amortized cost in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

TexPool is overseen by the Texas State Comptroller of Public Accounts, who is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate TexPool. TexPool also has an advisory board to advise on TexPool's investment policy. This board is made up equally of participants and nonparticipants who do not have a business relationship with TexPool. Federated Investors manages daily operations of TexPool under a contract with the Comptroller and serves as the investment manager for the pool. TexPool's investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

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

Credit Risk - At September 30, 2020, investments were included in an external local governmental investment pool with a rating from Standard & Poor's of AAAm which is in compliance with the District's investment policy.

Interest Rate Risk - The District considers the holdings in the external local governmental investment pool to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholders, unless there has been a significant change in value.

5. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds." The composition of interfund balances as of September 30, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
General	Debt Service	$ 7,819
General	Capital Projects	72,410
Total		$ 80,229

6. Capital Assets

Capital assets activity for the year ended September 30, 2020, was as follows:

	Balance September 30, 2019	Additions	Retirements and Transfers	Balance September 30, 2020
Capital assets not being depreciated-				
Land	$ 56,234	-	-	56,234
Total capital assets not being depreciated	56,234	-	-	56,234
Capital assets being depreciated-				
Water, wastewater and drainage systems	24,150,843	6,032,670	-	30,183,513
Less accumulated depreciation for-				
Water, wastewater and drainage systems	(5,804,870)	(1,347,648)	-	(7,152,518)
Total capital assets being depreciated, net	18,345,973	4,685,022	-	23,030,995
Capital assets, net	$ 18,402,207	4,685,022	-	23,087,229

7. Deferred Charges on Bond Refundings

The following is a summary of changes in deferred charges on bond refundings for the year ended September 30, 2020:

	Beginning Balance	Additions	Retirements	Ending Balance
Deferred charges on bond refundings	$ 297,044	-	(21,669)	275,375

8. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2020:

	Balance September 30, 2019	Additions	Retirements	Balance September 30, 2020
Unlimited Tax Bonds	$ 18,765,000	9,000,000	(945,000)	26,820,000
Unlimited Tax Refunding Bonds	6,380,000	-	(255,000)	6,125,000
Discount on bond issuances	(143,757)	(39,765)	8,091	(175,431)
Premium on bond issuances	186,526	76,823	(16,635)	246,714
Total	$ 25,187,769	9,037,058	(1,208,544)	33,016,283

Long-term debt at September 30, 2020 was comprised of the following individual issues:

Series	Description	Matures	Interest Rates %	Balance September 30, 2020	Due Within One Year
2012	Unlimited Tax Refunding Bonds	2021	3.00-3.50%	235,000	235,000
2015	Unlimited Tax Bonds	2045	2.00-4.00%	5,980,000	145,000
2015R	Unlimited Tax Refunding Bonds	2033	5.20-6.125%	2,450,000	145,000
2016	Unlimited Tax Bonds	2046	2.75-3.00%	5,200,000	-
2018	Unlimited Tax Bonds	2047	3.00-4.00%	7,140,000	145,000
2019	Unlimited Tax Refunding Bonds	2032	2.00-4.00%	3,440,000	10,000
2019A	Unlimited Tax Bonds	2047	2.00-4.00%	8,500,000	400,000
				$ 32,945,000	$ 1,080,000

On December 12, 2019, the District issued $9,000,000 in Unlimited Tax Bonds, Series 2019A, to reimburse the District's developer for construction, engineering and water capacity fees, pay interest on funds advanced by the developer on behalf of the District, and pay certain other costs related to the issuance of bonds. The net proceeds of $8,421,089 (after payment of $615,969 in underwriter fees, insurance, and other bond related costs), were used for the following: $2,000,000 was paid to the City of Kyle for a master development fee that was deducted was future developer reimbursements and $6,421,089 was deposited in the Capital Projects Fund to provide payments for developer reimbursements and future bond related items.

Debt service requirements to maturity for the District's bonds are as follows:

Fiscal Year	Principal	Interest	Total
2021	$ 1,080,000	1,067,269	2,147,269
2022	875,000	1,029,431	1,904,431
2023	900,000	1,003,656	1,903,656
2024	935,000	976,344	1,911,344
2025	985,000	944,194	1,929,194
2026-2030	5,610,000	4,229,864	9,839,864
2031-2035	6,080,000	3,293,570	9,373,570
2036-2040	6,365,000	2,342,639	8,707,639
2041-2045	7,785,000	1,194,780	8,979,780
2046-2047	2,330,000	108,114	2,438,114
Total	$ 32,945,000	16,189,861	49,134,861

The bonds require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and cover the cost of assessing and collecting taxes. These provisions have been met, and the cash allocated for these purposes is sufficient to meet debt service requirements through the fiscal year ended September 30, 2020.

At September 30, 2020, unlimited tax bonds of $13,285,000 were authorized by the voters of the District, but unissued.

9. Property Taxes

The Texas Water Code authorizes the District to levy a tax each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located within its boundaries. Assessed values are established annually by the Hays Central Appraisal District. District property tax revenues are recognized when levied to the extent that they are collected and become available to finance expenditures of the District in the current fiscal period. The uncollected balance is reported as deferred revenue. Taxes receivable are due January 1 and are delinquent if received after January 31 and are subject to penalty and interest charges.

In September 2019, the District levied a combined tax rate of $0.88 per $100 of assessed valuation to finance operating expenditures and debt service requirements. The maintenance tax rate and the debt tax rate were $0.20 and $0.68, respectively. The total 2019 tax levy was $3,031,162 based on a taxable valuation of $345,613,315.

10. Commitments and Contingencies

The District is currently under development and the construction of facilities is being paid by the developers of the District. The Board of the District authorized the funding of the projects and the reimbursement of the developer for the cost of the projects out of bond proceeds when the bonds are authorized and issued. The bond proceeds will be used to purchase all of the capital assets within the District including related infrastructure. As of September 30, 2020, the estimate of total bonds needed to purchase the remaining infrastructure was $13,285,000.

In November 2018, the District entered into a wastewater facilities acquisition and construction agreement (the "Agreement") with a developer that requires construction of additional wastewater treatment plant capacity (the "Project"). Under the terms of the Agreement, the developer advanced funds to the District for the related costs of the Project and the District will use these funds to pay for Project expenditures when incurred. After final completion of the Project, any remaining advances received by the District will be refunded to the developer. All costs of the Project funded by the Agreement will be eligible costs for reimbursement to the developer with future bond proceeds. As of September 30, 2020, the amount of outstanding advances received by the District was $594,509.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. While the disruption is expected to be temporary, there is uncertainty around the severity and duration. Therefore, while this issue may negatively impact the District's results of operations and financial position, the related financial impact cannot be reasonably estimated at this time. The District is actively managing its operations to maintain its cash flow and management believes that the District has adequate liquidity.

11. Fund Balances

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

Nonspendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned - For the General Fund, amounts that are appropriated by the Board or Board designee that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

The detail of the fund balances is included in the Governmental Funds Balance Sheet on page 10. Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has the authority to assign fund balance for a specific purpose.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

12. Risk Management

The District's risk management program includes coverage through third party insurance providers for automobile liability, director and officer liability, public officials' position liability and commercial umbrella and general liability. No claims were filed during the previous three years.

North Hays County Municipal Utility District No. 1

Index of Supplemental Schedules Required by the Texas Commission on Environmental Quality
Year Ended September 30, 2020

Schedule Included			
Yes	No		
X		TSI-0	Notes Required by the Water District Accounting Manual
X		TSI-1	Schedule of Services and Rates
X		TSI-2	Schedule of General Fund Expenditures
X		TSI-3	Schedule of Temporary Investments
X		TSI-4	Analysis of Taxes Levied and Receivable
X		TSI-5	Long-Term Debt Service Requirements by Years
X		TSI-6	Analysis of Changes in Long-Term Bonded Debt
X		TSI-7	Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund - Five Years Ended September 30, 2020
X		TSI-8	Board Members, Key Personnel and Consultants

The notes which follow are not necessarily required for fair presentation of the audited financial statements of the District which are contained in the preceding section of this report. They are presented in conformity with requirements of the Texas Commission on Environmental Quality to assure disclosure of specifically required facts.

(A) Creation of District

See Note 1 to basic financial statements.

(B) Contingent Liabilities

See Note 10 to basic financial statements.

(C) Pension Coverage

Not applicable.

(D) Pledge of Revenues

See Note 8 to basic financial statements.

(E) Compliance with Debt Service Requirements

The provisions of the bond resolutions as summarized in Note 8 to the basic financial statements relating to debt service requirements have been met.

(F) Redemption of Bonds

See Note 8 to basic financial statements.

North Hays County Municipal Utility District No. 1

TSI-1 Schedule of Services and Rates
Year Ended September 30, 2020

1. Services Provided by the District:

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

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

☐ Other (specify): _____

2. Retail Service Providers:

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

	Minimum Charge	Minimum Usage	Flat RateY/N	Rate per 1,000 Gallons Over Minimum Use	Usage Levels
Water	$ (1)				
Wastewater	$ (1)				
Surcharge	$				

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

Total charges per 10,000 gallons usage: Water: $ (1) Wastewater: $ (1)

(1) The District's water services are provided by Goforth Special Utility District and wastewater services are provided by Guadalupe-Blanco River Authority.

(continued)

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered	-	-	x 1.0	-
<=¾"	-	-	x 1.0	-
1"	-	-	x 2.5	-
1 ½"	-	-	x 5.0	-
2"	-	-	x 8.0	-
3"	-	-	x 15.0	-
4"	-	-	x 25.0	-
6"	-	-	x 50.0	-
8"	-	-	x 80.0	-
10"	-	-	x 115.0	-
Total Water	(1)	(1)		-
Total Wastewater	(1)	(1)	x 1.0	-

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

Gallons pumped into system:	(1)	Water Accountability Ratio: (Gallons billed/Gallons pumped)
Gallons billed to customers:	(1)	(1)

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

Does the District have Debt Service standby fees? Yes ☐ No ☒

If yes, Date of the most recent Commission Order: N/A

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

If yes, Date of the most recent Commission Order: N/A

(1) The District's water services are provided by Goforth Special Utility District and wastewater services are provided by Guadalupe-Blanco River Authority.

(continued)

5. Location of District:

County(ies) in which district is located: Hays

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: Kyle

Are Board members appointed by an office outside the District? Yes ☐ No ☒

If yes, by whom? N/A

North Hays County Municipal Utility District No. 1

TSI-2 Schedule of General Fund Expenditures
Year Ended September 30, 2020

Personnel expenditures (including benefits)	$ -
Professional fees:	
Auditing	13,000
Legal	21,890
Engineering	118,862
Financial advisor	-
Contracted services:	
Bookkeeping	24,736
General manager	-
Appraisal district	4,825
Tax collector	-
Other contracted services	-
Utilities	-
Repairs and maintenance	59,535
Administrative expenditures:	
Directors' fees	6,150
Office supplies	-
Insurance	25,365
Other administrative expenses	3,453
Capital outlay:	
Capitalized assets	-
Expenditures not capitalized	-
Tap connection expenditures	-
Solid waste disposal	-
Fire fighting	-
Parks and recreation	-
Other expenditures	-
Total expenditures	$ 277,816

Number of persons employed by the District: 0 Full-Time 5 Part-Time
(Does not include independent contractors or consultants)

North Hays County Municipal Utility District No. 1

TSI-3 Schedule of Temporary Investments
September 30, 2020

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at September 30, 2020	Accrued Interest Receivable at September 30, 2020
General Fund -					
Investment in TexPool	7936400001	Variable	N/A	$ 212,221	$ -
Total General Fund				212,221	-
Debt Service Fund -					
Investment in TexPool	7936400002	Variable	N/A	583,381	-
Total Debt Service Fund				583,381	-
Total - all funds				$ 795,602	$ -

North Hays County Municipal Utility District No. 1

TSI-4 Analysis of Taxes Levied and Receivable
Year Ended September 30, 2020

	Maintenance Taxes	Debt Service Taxes
Taxes receivable, September 30, 2019	$ 3,339	$ 11,404
2019 Tax roll	688,900	2,342,262
Adjustments	1,474	5,011
Total to be accounted for	693,713	2,358,677
Tax collections:		
Current year	688,069	2,339,436
Prior years	1,121	3,840
Total collections	689,190	2,343,276
Taxes receivable, September 30, 2020	$ 4,523	$ 15,401
Taxes receivable, by years		
2019	$ 2,887	$ 9,807
2018	1,275	4,336
2017	355	1,243
2016	-	-
2015 and prior	6	15
Taxes receivable, September 30, 2020	$ 4,523	$ 15,401

	2019	2018	2017	2016
Property valuations-				
Land improvements and personal property	$ 345,613,315	292,734,528	222,152,670	164,430,953
Tax rates per $100 valuation:				
Maintenance tax rates	$ 0.2000	0.2000	0.2000	0.2000
Debt service tax rates	0.6800	0.6800	0.7000	0.7000
Total tax rates per $100 valuation	$ 0.8800	0.8800	0.9000	0.9000
Original tax levy	$ 3,031,162 *	2,571,919 *	1,909,642 *	1,552,841
Percent of taxes collected to taxes levied	99.6%	99.8%	99.9%	100.0%

* Includes rollbacks levied during the year.

North Hays County Municipal Utility District No. 1

TSI-5 Long-Term Debt Service Requirements by Years
September 30, 2020

Due During Fiscal Years Ending 9/30	Unlimited Tax Refunding Bonds Series 2012R			Unlimited Tax Bonds Series 2015			Unlimited Tax Refunding Bonds Series 2015R			Unlimited Tax Bonds Series 2016			Unlimited Tax Bonds Series 2018		
	Principal Due 8/15	Interest Due 2/15, 8/15	Total	Principal Due 8/15	Interest Due 2/15, 8/15	Total	Principal Due 8/15	Interest Due 2/15, 8/15	Total	Principal Due 8/15	Interest Due 2/15, 8/15	Total	Principal Due 8/15	Interest Due 2/15, 8/15	Total
2021	235,000	8,225	243,225	145,000	211,175	356,175	145,000	78,988	223,988	-	154,500	154,500	145,000	249,056	394,056
2022	-	-	-	150,000	206,825	356,825	150,000	75,725	225,725	-	154,500	154,500	155,000	243,256	398,256
2023	-	-	-	155,000	202,325	357,325	155,000	72,350	227,350	-	154,500	154,500	160,000	237,056	397,056
2024	-	-	-	160,000	197,675	357,675	160,000	68,088	228,088	-	154,500	154,500	165,000	230,656	395,656
2025	-	-	-	170,000	192,875	362,875	165,000	63,688	228,688	-	154,500	154,500	175,000	225,706	400,706
2026	-	-	-	175,000	187,775	362,775	180,000	58,738	238,738	-	154,500	154,500	180,000	220,456	400,456
2027	-	-	-	180,000	182,525	362,525	185,000	53,338	238,338	-	154,500	154,500	190,000	215,056	405,056
2028	-	-	-	190,000	177,125	367,125	195,000	47,094	242,094	-	154,500	154,500	195,000	209,356	404,356
2029	-	-	-	195,000	171,425	366,425	200,000	40,513	240,513	-	154,500	154,500	205,000	203,506	408,506
2030	-	-	-	205,000	165,331	370,331	210,000	33,513	243,513	-	154,500	154,500	215,000	197,100	412,100
2031	-	-	-	210,000	158,925	368,925	220,000	26,163	246,163	-	154,500	154,500	220,000	190,381	410,381
2032	-	-	-	220,000	152,100	372,100	235,000	18,188	253,188	-	154,500	154,500	230,000	183,506	413,506
2033	-	-	-	230,000	144,950	374,950	250,000	9,368	259,368	295,000	154,500	449,500	240,000	176,031	416,031
2034	-	-	-	240,000	137,188	377,188	-	-	-	305,000	146,388	451,388	250,000	168,231	418,231
2035	-	-	-	250,000	128,788	378,788	-	-	-	315,000	138,000	453,000	260,000	160,106	420,106
2036	-	-	-	260,000	120,038	380,038	-	-	-	325,000	128,550	453,550	275,000	151,331	426,331
2037	-	-	-	270,000	110,613	380,613	-	-	-	340,000	118,800	458,800	285,000	142,050	427,050
2038	-	-	-	280,000	100,825	380,825	-	-	-	350,000	108,600	458,600	295,000	132,431	427,431
2039	-	-	-	290,000	90,325	380,325	-	-	-	360,000	98,100	458,100	310,000	122,106	432,106
2040	-	-	-	300,000	79,450	379,450	-	-	-	375,000	87,300	462,300	320,000	110,869	430,869
2041	-	-	-	315,000	68,200	383,200	-	-	-	385,000	76,050	461,050	335,000	99,269	434,269
2042	-	-	-	325,000	55,600	380,600	-	-	-	400,000	64,500	464,500	350,000	87,125	437,125
2043	-	-	-	340,000	42,600	382,600	-	-	-	415,000	52,500	467,500	365,000	74,438	439,438
2044	-	-	-	355,000	29,000	384,000	-	-	-	430,000	40,050	470,050	380,000	60,750	440,750
2045	-	-	-	370,000	14,799	384,799	-	-	-	445,000	27,150	472,150	395,000	46,500	441,500
2046	-	-	-	-	-	-	-	-	-	460,000	13,800	473,800	415,000	31,688	446,688
2047	-	-	-	-	-	-	-	-	-	-	-	-	430,000	16,125	446,125
	$ 235,000	8,225	243,225	5,980,000	3,328,457	9,308,457	2,450,000	645,754	3,095,754	5,200,000	3,108,288	8,308,288	7,140,000	4,184,144	11,324,144

(continued)

North Hays County Municipal Utility District No. 1

TSI-5 Long-Term Debt Service Requirements - by Years (continued)
September 30, 2020

Due During Fiscal Years Ending 9/30	Unlimited Tax Refunding Bonds Series 2019R			Unlimited Tax Bonds Series 2019A			Annual Requirements for All Series		
	Principal Due 8/15	Interest Due 2/15, 8/15	Total	Principal Due 8/15	Interest Due 2/15, 8/15	Total	Total Principal	Total Interest	Total
2021	10,000	116,200	126,200	400,000	249,125	649,125	1,080,000	1,067,269	2,147,269
2022	255,000	116,000	371,000	165,000	233,125	398,125	875,000	1,029,431	1,904,431
2023	260,000	110,900	370,900	170,000	226,525	396,525	900,000	1,003,656	1,903,656
2024	270,000	105,700	375,700	180,000	219,725	399,725	935,000	976,344	1,911,344
2025	285,000	94,900	379,900	190,000	212,525	402,525	985,000	944,194	1,929,194
2026	295,000	83,500	378,500	200,000	208,725	408,725	1,030,000	913,694	1,943,694
2027	310,000	71,700	381,700	205,000	204,725	409,725	1,070,000	881,844	1,951,844
2028	325,000	59,300	384,300	215,000	200,625	415,625	1,120,000	848,000	1,968,000
2029	340,000	46,300	386,300	230,000	196,056	426,056	1,170,000	812,300	1,982,300
2030	350,000	32,700	382,700	240,000	190,881	430,881	1,220,000	774,025	1,994,025
2031	360,000	22,200	382,200	250,000	185,181	435,181	1,260,000	737,350	1,997,350
2032	380,000	11,400	391,400	260,000	178,931	438,931	1,325,000	698,625	2,023,625
2033	-	-	-	275,000	172,106	447,106	1,290,000	656,955	1,946,955
2034	-	-	-	285,000	164,888	449,888	1,080,000	616,695	1,696,695
2035	-	-	-	300,000	157,050	457,050	1,125,000	583,944	1,708,944
2036	-	-	-	315,000	148,050	463,050	1,175,000	547,969	1,722,969
2037	-	-	-	330,000	138,600	468,600	1,225,000	510,063	1,735,063
2038	-	-	-	345,000	128,700	473,700	1,270,000	470,556	1,740,556
2039	-	-	-	360,000	118,350	478,350	1,320,000	428,881	1,748,881
2040	-	-	-	380,000	107,550	487,550	1,375,000	385,169	1,760,169
2041	-	-	-	395,000	96,150	491,150	1,430,000	339,669	1,769,669
2042	-	-	-	415,000	84,300	499,300	1,490,000	291,525	1,781,525
2043	-	-	-	435,000	71,850	506,850	1,555,000	241,388	1,796,388
2044	-	-	-	455,000	58,800	513,800	1,620,000	188,600	1,808,600
2045	-	-	-	480,000	45,150	525,150	1,690,000	133,599	1,823,599
2046	-	-	-	500,000	30,750	530,750	1,375,000	76,238	1,451,238
2047	-	-	-	525,000	15,750	540,750	955,000	31,875	986,875
	$ 3,440,000	870,800	4,310,800	8,500,000	4,044,193	12,544,193	$ 32,945,000	16,189,861	49,134,861

North Hays County Municipal Utility District No. 1

TSI-6 Analysis of Changes in Long-Term Bonded Debt
September 30, 2020

	Series 2009	Series 2012R	Series 2015	Series 2015R	Series 2016	Series 2018	Series 2019R	Series 2019A	Total
Interest rate	5.00%	3.00 - 3.50%	2.00 - 4.00%	5.20 - 6.125%	2.75 - 3.00%	3.00 - 4.00%	2.00 -4.00%	2.00 -4.00%	
Dates interest payable	2/15 ; 8/15	2/15 ; 8/15	2/15 ; 8/15	2/15 ; 8/15	2/15 ; 8/15	2/15 ; 8/15	2/15 ; 8/15	2/15 ; 8/15	
Maturity dates	8/15/2020	8/15/2021	8/15/2045	8/15/2033	8/15/2046	2/15/2047	2/15/2032	8/15/2047	
Bonds outstanding, beginning of year	$ 105,000	460,000	6,120,000	2,480,000	5,200,000	7,340,000	3,440,000	-	$ 25,145,000
Bonds issued during current year	-	-	-	-	-	-	-	9,000,000	9,000,000
Bonds retired during current year	(105,000)	(225,000)	(140,000)	(30,000)	-	(200,000)	-	(500,000)	(1,200,000)
Bonds refunded during current year	-	-	-	-	-	-	-	-	-
Bonds outstanding, end of year	$ -	235,000	5,980,000	2,450,000	5,200,000	7,140,000	3,440,000	8,500,000	$ 32,945,000
Interest paid during current year	$ 5,250	15,538	215,375	79,888	154,500	257,056	124,915	181,659	$ 1,034,181

Paying agent's name & address: The Bank of New York Trust Company, Dallas, Texas

	Tax Bonds	Other Bonds	Refunding Bonds
Bond authority:			
Amount authorized	$ 50,000,000	-	11,300,000
Amount issued	36,715,000	-	11,300,000
Remaining to be issued	$ 13,285,000	-	-

Debt Service Fund cash and temporary investments balances as of September 30, 2020:	$ 1,666,809
Average annual debt service payments (principal & interest) for remaining term of debt:	$ 1,819,810

North Hays County Municipal Utility District No. 1

TSI-7 Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund
Five Years Ended September 30, 2020

	Amounts					Percent of Fund Total Revenues				
	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016
General Fund										
Revenues:										
Property taxes, including penalties and interest	$ 690,491	586,495	443,772	344,698	342,467	93.2 %	96.9	98.5	98.7	99.1
Investment earnings and other	50,625	18,696	6,799	4,483	2,953	6.8	3.1	1.5	1.3	0.9
Total revenues	741,116	605,191	450,571	349,181	345,420	100.0	100.0	100.0	100.0	100.0
Expenditures:										
Service operations:										
Engineering fees	118,862	61,109	91,031	69,763	51,779	16.0	10.1	20.2	20.0	15.0
Maintenance and repairs	59,535	73,583	86,452	44,958	88,452	8.0	12.2	19.2	12.9	25.6
Water fees	-	-	63,984	-	-	-	-	14.2	-	-
Legal fees	21,890	23,983	25,271	18,232	19,937	3.0	4.0	5.6	5.2	5.8
Accounting	24,736	20,547	19,612	15,229	13,746	3.3	3.4	4.4	4.4	4.0
Audit fees	13,000	12,500	15,000	12,000	12,000	1.8	2.1	3.3	3.4	3.5
Directors' fees	6,150	3,750	5,400	4,200	4,200	0.8	0.6	1.2	1.2	1.2
Insurance	25,365	9,692	4,549	3,196	3,196	3.4	1.6	1.0	0.9	0.9
Consultant fee	-	-	4,500	-	-	-	-	1.0	-	-
Tax appraisal and collection fees	4,825	3,970	2,981	2,586	2,641	0.7	0.7	0.7	0.7	0.8
Other	3,453	5,122	1,991	1,770	6,731	0.5	0.8	0.4	0.5	1.9
Capital outlay	-	-	93,580	33,614	56,852	-	-	20.8	9.6	16.5
Total expenditures	277,816	214,256	414,351	205,548	259,534	37.5	35.5	92.0	58.8	75.2
Excess of revenues over expenditures	$ 463,300	390,935	36,220	143,633	85,886	62.5 %	64.5	8.0	41.2	24.8
Debt Service Fund										
Revenues and other sources:										
Property taxes, including penalties and interest	$ 2,347,372	1,991,001	1,553,344	1,206,458	888,677	99.1 %	35.2	99.1	99.5	99.7
Investment earnings and other	20,933	25,665	14,639	6,589	3,056	0.9	0.4	0.9	0.5	0.3
Proceeds of refunding bonds	-	3,640,874	-	-	-	-	64.4	-	-	-
Total revenues and other sources	2,368,305	5,657,540	1,567,983	1,213,047	891,733	100.0	100.0	100.0	100.0	100.0
Expenditures and other uses:										
Tax appraisal and collection fees	16,400	13,499	10,433	9,053	6,866	0.7	0.2	0.7	0.7	0.8
Principal payments	1,200,000	730,000	455,000	440,000	300,000	50.7	12.9	29.0	36.3	33.6
Payment to refunded bond escrow agent	-	3,445,000	-	-	-	-	60.9	-	-	-
Discount on refunding bonds	-	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	195,124	-	-	400	-	3.4	-	-	-
Interest and fiscal charges	1,035,851	948,729	641,868	638,597	554,641	43.7	16.8	40.9	52.6	62.2
Total expenditures and other uses	2,252,251	5,332,352	1,107,301	1,087,650	861,907	95.1	94.3	70.6	89.6	96.6
Excess of revenues and other sources over expenditures and other uses	$ 116,054	325,188	460,682	125,397	29,826	4.9 %	5.7	29.4	10.4	3.4
Total active retail water connections	(1)	(1)	(1)	(1)	(1)					
Total active retail wastewater connections	(1)	(1)	(1)	(1)	(1)					

(1) The District's water services are provided by Goforth Special Utility District and wastewater services are provided by the Guadalupe-Blanco River Authority.

North Hays County Municipal Utility District No. 1

TSI-8 Board Members, Key Personnel and Consultants
Year Ended September 30, 2020

Complete District Mailing Address:	c/o McLean & Howard, LLP Barton Oaks Plaza, Building II, 901 S. Mopac Expressway Suite 225, Austin, Texas 78746
District Business Telephone Number:	(512) 328-2008
Submission date of the most recent District Registration Form: (TWC Sections 36.054 and 49.054)	January 22, 2020
Limit on fees of office that a director may receive during a fiscal year: (Set by Board Resolution - TWC Sections 49.060)	$7,200

Name	Term of Office Elected & Expires or Date Hired	Fees 9/30/20	Expense Reimbursements 9/30/20	Title at Year End
Board Members:				
Michael Chase	Elected 5/17 - 5/21	$1,350	-	President
Mark Piening	Elected 5/17 - 5/21	$900	-	Vice President
Michael Hieber	Elected 5/19 - 5/23	$1,350	-	Secretary
Scott Redding	Elected 5/17 - 5/21	$1,350	-	Treasurer
Kurt Sell	Elected 5/19 - 5/23	$1,200	-	Director

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

(continued)

North Hays County Municipal Utility District No. 1

TSI-8 Board Members, Key Personnel and Consultants (continued)
Year Ended September 30, 2020

Name	Date Hired	Fees and Expense Reimbursements 9/30/20	Title at Year End
Consultants:			
Atwell, LLC	2019	114,935	Engineer
Jones-Heroy & Associates, Inc.	2009	12,545	Engineering Consultant
McLean & Howard, L.L.P.	2016	22,976	Attorney
Maxwell Locke & Ritter LLP	2006	20,500	Auditor
Hays Central Appraisal District	2004	21,226	Appraisal District
Montoya & Monzingo, LLP	2004	23,886	Bookkeeper
Specialized Public Finance, Inc.	2004	-	Financial Advisor