

**BEAR CREEK SPECIAL UTILITY DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2023**

**RUTHERFORD, TAYLOR & COMPANY, P.C.**  
*Certified Public Accountants*  
3500 Joe Ramsey Blvd.  
Greenville, Texas 75401  
(903) 455-6252

**BEAR CREEK SPECIAL UTILITY DISTRICT  
ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2023**

**TABLE OF CONTENTS**

	<u>Page</u>	<u>Exhibits</u>
<b>INTRODUCTORY SECTION</b>		
Annual Filing Affidavit.....	3	
<b>FINANCIAL SECTION</b>		
<u>Independent Auditor's Reports:</u>		
Report on Basic Financial Statements Accompanied by Required Supplementary Information, and Other Information .....	5	
Management's Discussion and Analysis (Required Supplementary Information) .....	7	
<u>Basic Financial Statements:</u>		
<u>Fund Financial Statements:</u>		
Statement of Fund Net Position – Proprietary Funds .....	11	
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds .....	13	
Statement of Cash Flows – Proprietary Funds .....	14	
Notes to the Financial Statements .....	16	
<u>Other Supplementary Information:</u>		
<b>TEXAS SUPPLEMENTARY INFORMATION (TSI)</b>		
Budgetary Comparison Schedule – Enterprise Fund.....	24	
Services and Rates .....	25	TSI-1
Enterprise Fund Expenditures.....	27	TSI-2
Temporary Investments .....	28	TSI-3
Long-Term Debt Service Requirements by Years .....	29	TSI-5
Changes in Long-Term Bonded Debt.....	31	TSI-6
Comparative Schedule of Revenues and Expenses - Enterprise Fund - Five Years .....	32	TSI-7
Board Members, Key Personnel and Consultants .....	33	TSI-8

BEAR CREEK SPECIAL UTILITY DISTRICT

ANNUAL FILING AFFIDAVIT

State of Texas  
County of Collin

I, Chris Elder of the Bear Creek Special Utility District hereby

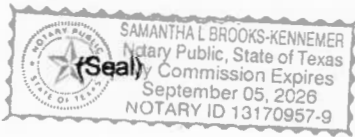
swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the 22 day of April, 2024 it's annual audit report for the fiscal period ended December 31, 2023 and that copies of the annual report have been filed in the District's office, located at P.O. Box 188, Lavon, Texas 75166

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

Date April 22, 2024 By [Signature]  
(Signature of District Representative)

Chris Elder / BOD President  
(Printed Name and Title of District Representative)

Sworn to and Subscribed to before me this 22 day of April, 2024



S. Kennemer  
(Signature of Notary)

My Commission Expires on: September 05, 2026

FINANCIAL SECTION

RUTHERFORD,  
TAYLOR &  
COMPANY, P.C.  
*Certified Public Accountants*

---

3500 Joe Ramsey Blvd.

Greenville, Texas 75401

(903) 455-6252

Fax (903) 455-6667

INDEPENDENT AUDITOR'S REPORT

---

Members of the Board

**Opinion**

We have audited the accompanying financial statements of the business-type activities, which are the proprietary funds of the Bear Creek Special Utility District (District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, which are the proprietary funds of the Bear Creek Special Utility District, as of December 31, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 opinion.

**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 know information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibility 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 opinion. 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 GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgement 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 judgement, 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 management's discussion and analysis be presented along with pension benefit information 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 Government 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 response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the schedules identified as Texas Supplementary Information (TSI) but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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



April 18, 2024  
Greenville, Texas

**BEAR CREEK SPECIAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

This section of Bear Creek Special Utility District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year. The fiscal year reflects a 12 month calendar year. This financial statement presents information as of December 31 and the financial activities for the fiscal year ended December 31, 2023. Please read it in conjunction with the District's basic financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The District's total net position was \$ 29,647,660 at year end.
- During the year, the District's expenses were \$ 5,460,082 less than the \$ 10,708,476 generated from charges for services and other revenues for business-type activities.
- The District received customer and developer contributions for infrastructure improvements and expansions totaling \$ 2,529,740.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The District is a special purpose government agency and is not considered a component unit of any other government. The District conducts its financial operations in a business-type approach and is defined as a governmental enterprise fund by the Governmental Accounting Standards Board (GASB). Because of this, the District is required to present its financial statements in the format of enterprise fund financial statements.

The enterprise fund financial statements consist of three documents:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Fund Net Position
- Statement of Cash Flows

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference being reported as net position. This financial statement is often referred to as the balance sheet in non-governmental entities.

The Statement of Revenues, Expenses and Changes in Fund Net Position presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported in the proprietary (enterprise) fund financial statements based on full accrual of revenues and expenses, regardless of the timing of cash flows. As a result, the accrual of revenues and expenses as reported in this statement would affect cash flows in future periods. Revenues, whether received or not, are properly recorded in the fiscal period in which they are earned; expenses, whether paid or not, are properly recorded in the fiscal period in which the related obligation is incurred.

The Statement of Cash Flows presents information on cash flows from operating activities. The accrual of revenue and expenses from prior accounting periods would affect the cash flows in the current fiscal period.

Following the financial statements listed here are the notes to the financial statements. These notes provide additional information that is essential to a complete understanding of the data provided by the District in the proprietary (enterprise) fund financial statements.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Statement of Net Position**

The District ended the year with total assets of \$ 38,555,517. Unrestricted cash and cash equivalents comprised \$ 10,460,171 (27.13%) of total assets. Net capital assets totaled \$ 24,939,266 (64.68%) of total assets. Restricted Assets totaled \$ 2,204,056 (5.72%) of total assets. The remaining assets including receivables, prepaid items and other noncurrent assets complete the total assets of the District.

The District has only \$ 949,336 in current liabilities at year end. This represents 9.08% of the available unrestricted cash. Noncurrent liabilities include the outstanding debt to be paid in future periods beyond 12 months and remaining customer deposits held by the District securing customers billed and unbilled water receivables. Noncurrent liabilities total \$ 7,958,521 or 20.64% of total assets. What remains is net position of \$ 29,647,660 which is \$ 5,460,082 higher than the beginning of the year.

Ending net position totaling \$ 29,647,660 is comprised of three components. The first, net investment in capital assets, which represents the net value of capital assets after deducting depreciation and reducing further the value of any capital asset outstanding debt, totals \$ 16,938,169 or 57.13% of the total net position. This amount is not available for current operations. Restricted net position represents funds restricted by Board action for future capital improvements and totaled \$ 2,130,459 or 7.19% of total net position. The unrestricted net position, \$ 10,579,032 is available for use to fund current operational activities.

**BEAR CREEK SPECIAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

The following condensed financial statements are presented to provide a comparative analysis of the current and preceding year.

	District's Net Position		Table A-1
	2023	2022	Total Percentage Change 2022 - 2023
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 10,460,171	\$ 6,418,647	62.97%
Other Assets	883,430	714,196	23.70%
Non-Current Assets	25,007,860	25,168,171	-0.64%
Restricted Assets	2,204,056	4,248,948	-48.13%
<b>Total Assets</b>	<b>\$ 38,555,517</b>	<b>\$ 36,549,962</b>	<b>5.49%</b>
<b>Liabilities:</b>			
Current Liabilities	\$ 949,336	\$ 2,570,283	-63.06%
Long-term Liabilities	7,958,521	9,792,101	-18.73%
<b>Total Liabilities</b>	<b>\$ 8,907,857</b>	<b>\$ 12,362,384</b>	<b>-27.94%</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	\$ 16,938,169	\$ 15,038,733	12.63%
Restricted	2,130,459	1,186,489	79.56%
Unrestricted	10,579,032	7,962,356	32.86%
<b>Total Net Position</b>	<b>\$ 29,647,660</b>	<b>\$ 24,187,578</b>	<b>22.57%</b>

**Statement of Revenues, Expenses and Changes in Fund Net Position**

The following condensed financial statements are presented to provide a comparative analysis of the current and preceding year.

	District's Statement of Net Position		Table A-2
	2023	2022	Total Percentage Change 2022 - 2023
<b>Program Revenues:</b>			
Charges for Services	\$ 8,104,795	\$ 7,065,475	14.71%
<b>Total Revenues</b>	<b>\$ 8,104,795</b>	<b>\$ 7,065,475</b>	<b>14.71%</b>
<b>Expenses:</b>			
Water Utilities	\$ 5,045,509	\$ 3,860,636	30.69%
<b>Total Operating Expenses</b>	<b>\$ 5,045,509</b>	<b>\$ 3,860,636</b>	<b>30.69%</b>
<b>Operating Revenue (Expenses)</b>	<b>\$ 3,059,286</b>	<b>\$ 3,204,839</b>	<b>-4.54%</b>
<b>Non-Operating Revenues (Expenses):</b>			
Developer/Customer Contributions	\$ 2,529,740	\$ 3,061,511	-17.37%
Interest Income	53,941	22,142	143.61%
Interest Expense	(202,885)	(208,405)	-2.65%
Rental Income	20,000	7,200	177.78%
<b>Net Non-Operating Revenues</b>	<b>\$ 2,400,796</b>	<b>\$ 2,882,448</b>	<b>-16.71%</b>
<b>Change in Net Position</b>	<b>\$ 5,460,082</b>	<b>\$ 6,087,287</b>	<b>-10.30%</b>
Net Position (Beginning) - January 1	24,187,578	18,100,291	33.63%
<b>Net Position (Ending) - December 31</b>	<b>\$ 29,647,660</b>	<b>\$ 24,187,578</b>	<b>22.57%</b>

Operating revenues include charges for water usage as well as other service fees, penalties, and administration fees. The total operating revenues, \$ 8,104,795, exceeded the operating expenses by \$ 3,059,286. Non-operating revenues include developer and customer contributions as well as investment income. Non-operating expense is interest expense incurred on outstanding debt.



**BEAR CREEK SPECIAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets*

At year end, the District had invested \$ 28,748,948 in a broad range of capital assets, including land, water distribution system, buildings, equipment, and vehicles (see Table A-3). More detailed information is included in the notes to financial statements.

	District's Capital Assets		Table A-3
	2023	2022	Total Percentage Change 2022 - 2023
Land	\$ 775,759	\$ 775,759	0.00%
Construction in Progress	471,615	8,593,150	-94.51%
Water Distribution System	25,919,647	17,410,885	48.87%
Buildings and Improvements	451,870	451,870	0.00%
Vehicles and Equipment	1,130,057	838,900	34.71%
Totals at Historical Cost	\$ 28,748,948	\$ 28,070,564	2.42%
Total Accumulated Depreciation	(3,809,682)	(2,902,393)	31.26%
Net Capital Assets	\$ 24,939,266	\$ 25,168,171	-0.91%

*Long Term Debt*

At year end, the District had \$ 8,074,514 in debt outstanding as shown in Table A-4. More detailed information about the District's debt is presented in the notes to the financial statements.

	District's Long Term Debt		Table A-4
	2023	2022	Total Percentage Change 2022 - 2023
Bonds	\$ 6,725,000	\$ 6,920,000	-2.82%
Loans Payable	1,349,514	4,121,257	-67.25%
Total Debt Payable	\$ 8,074,514	\$ 11,041,257	-26.87%

**BUDGET, ECONOMIC ENVIRONMENT AND RATES**

At this time Bear Creek Special Utility District is not aware of any decisions or conditions that would impact the District's operations through 2024. The District is experiencing continued growth and is reflected in the subsequent budget with increased water sales along with increased developer contributions.

**REQUEST 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 request for additional financial information should be addressed to Camille Reagan, General Manager for the District.

## BASIC FINANCIAL STATEMENTS

**BEAR CREEK SPECIAL UTILITY DISTRICT**  
**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS**  
**DECEMBER 31, 2023**

		Enterprise Fund
		Water Utilities
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$	10,460,171
Accounts Receivable		383,400
Prepaid Expenses - Supplies and Materials		470,667
Prepaid Expenses		29,363
Total Current Assets	\$	11,343,601
Restricted Assets:		
Cash - Texas Infrastructure	\$	180
Cash with Fiscal Agent - GTUA		1,296,162
Cash - Board Restricted		906,761
Accrued Interest Receivable		953
Total Restricted Assets	\$	2,204,056
Non-Current Assets:		
Capital Assets:		
Land	\$	775,759
Construction in Progress		471,615
Water Distribution System		25,919,647
Buildings and Improvements		451,870
Vehicles and Equipment		1,130,057
Accumulated Depreciation		(3,809,682)
Total Capital Assets, Net	\$	24,939,266
Tower Rental Receivable		68,594
Total Non-Current Assets	\$	25,007,860
<b>Total Assets</b>	<b>\$</b>	<b>38,555,517</b>

The accompanying notes are an integral part of this statement

**BEAR CREEK SPECIAL UTILITY DISTRICT**  
**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS**  
**DECEMBER 31, 2023**

		Enterprise Fund
		Water Utilities
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$	152,667
Payroll Liabilities Payable		16,319
TCEQ Assessment Payable		18,756
Accrued Benefits Payable		74,092
Accrued Interest Payable		61,532
Direct Borrowings Payable, Current Portion		96,687
Bonds Payable, Current Portion		195,000
Retainage Payable - GTUA Contract		334,283
Total Current Liabilities	\$	949,336
Non-current Liabilities:		
Customer Deposits	\$	107,100
Direct Borrowings Payable, less Current Portion		1,252,827
Bond Payable, Less Current Portion		6,530,000
Deferred Tower Rental Income		68,594
Total Non-current Liabilities	\$	7,958,521
<b>Total Liabilities</b>	<b>\$</b>	<b>8,907,857</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$	16,938,169
Restricted		2,130,459
Unrestricted		10,579,032
<b>Total Net Position</b>	<b>\$</b>	<b>29,647,660</b>

The accompanying notes are an integral part of this statement.

**BEAR CREEK SPECIAL UTILITY DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET POSITION - PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

		Enterprise Fund
		Water Utilities
<b>OPERATING REVENUES</b>		
Water Sales	\$	6,003,532
Customer Charges/Fees		2,101,263
 Total Operating Revenues	 \$	 8,104,795
<b>OPERATING EXPENSES</b>		
Payroll and Benefits	\$	853,130
Water Purchases		1,751,779
Repairs and Maintenance		145,930
Utilities		103,307
Supplies		472,340
Insurance		78,904
Dues and Fees		15,454
Professional and Legal Fees		443,067
Depreciation and Amortization		907,289
Other Operating Expenses		274,309
 Total Operating Expenses	 \$	 5,045,509
 Net Operating Revenue (Expenses)	 \$	 3,059,286
<b>NON-OPERATING REVENUE (EXPENSES)</b>		
Developer/Customer Contributions	\$	2,529,740
Interest Income		53,941
Interest Expense		(202,885)
Tower Rental Income		20,000
 Net Non-Operating Revenue (Expenses)	 \$	 2,400,796
 <b>Change in Net Position</b>	 \$	 5,460,082
 Total Net Position - Beginning (January 1)		24,187,578
 <b>Total Net Position - Ending (December 31)</b>	 \$	 <b>29,647,660</b>

The accompanying notes are an integral part of this statement.

**BEAR CREEK SPECIAL UTILITY DISTRICT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	Enterprise Fund
	Water Utilities
<b>Cash Flows Provided by (Used for) Operating Activities:</b>	
Cash Received from Customers	\$ 8,108,572
Cash Payments for Goods and Services	(3,454,194)
Cash Payments to Employees	(815,843)
Change in Customer Deposits	(597,450)
Net Cash Provided by (Used for) Operating Activities	\$ 3,241,085
<b>Cash Flows Provided by (Used for) Investing Activities:</b>	
Interest Received	\$ 54,245
Net Cash Provided by (Used for) Investing Activities	\$ 54,245
<b>Cash Flows Provided by (Used for) Capital and Other Related Financing Activities:</b>	
Acquisition and Construction of Capital Assets	\$ (677,272)
Payments of Principal on Long-term Financing	(2,966,743)
Payments of Interest on Long-term Financing	(204,119)
Developer/Customer Contributions Received	2,529,740
Rental Income Received	20,000
Net Cash Provided by (Used for) Capital and Other Related Financing Activities	\$ (1,298,394)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 1,996,936
Cash and Cash Equivalents - Beginning (January 1)	10,666,338
<b>Cash and Cash Equivalents - Ending (December 31)</b>	<b>\$ 12,663,274</b>
<b>Reconciliation of Cash and Cash Equivalents to Statement of Net Position</b>	
Cash and Cash Equivalents in Current Assets	\$ 10,460,171
Restricted Cash and Cash Equivalents	2,203,103
<b>Total Cash and Cash Equivalents</b>	<b>\$ 12,663,274</b>

The accompanying notes are an integral part of this statement.

**BEAR CREEK SPECIAL UTILITY DISTRICT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

**Reconciliation of Change in Equity to Net Cash**

**Provided by (Used for) Operating Activities**

Net Operating Revenue(Expenses)	\$	3,059,286
Adjustments to Reconcile Operating Income to Net Cash		
Provided by (Used for) Operating Activities:		
Depreciation and Amortization Expense		907,289
Change in Customer Deposits		(597,450)
Change in Assets and Liabilities:		
(Increase) Decrease in Prepaid Expenses - Supplies, and Materials		(170,663)
(Increase) Decrease in Accounts Receivable		3,777
(Increase) Decrease in Prepaid Expenses		(2,348)
Increase (Decrease) in Accounts Payable		11,320
Increase (Decrease) in Payroll Liabilities Payable		(1,127)
Increase (Decrease) in Accrued Benefits Payable		38,414
Increase (Decrease) in TCEQ Assessment Payable		3,447
Increase (Decrease) in PUC - Rate Change Payable		(10,860)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$</b>	<b><u>3,241,085</u></b>

The accompanying notes are an integral part of this statement.

**BEAR CREEK SPECIAL UTILITY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

A. Summary of Significant Accounting Policies

The Lavon Special Utility District was approved by the voters within the District on May 14, 2011. Effective January 1, 2016, the Lavon Special Utility District became known as the Bear Creek Special Utility District (District). The District is an organization as set forth under the terms and conditions of Article XVI, Section 59 of the Texas Constitution and Chapter 65 of the Texas Water Code.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

1. Reporting Entity

The Board of Directors (Board), a seven-member group constituting an on-going entity, is the level of government which has governance responsibilities over all activities related to providing water services within the jurisdiction of the Bear Creek Special Utility District. Members of the Board are elected by the public; have the authority to make decisions, appoint administrators and managers, and significantly influence operations; and have the primary accountability for fiscal matters. The District is not included in any other governmental "Reporting Entity" as defined by GASB in its Statement No. 14, *The Financial Reporting Entity*. There are no component units presented.

2. Basis of Presentation

The District is a special purpose government engaged in only business-type activities. In accordance with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the District is required to present only financial statements for enterprise funds, along with management's discussion and analysis (MD&A), notes of the financial statements and other required supplementary information (RSI).

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenue, and expenses. The fund type utilized by the District is described below:

a. Proprietary fund types include the following –

The *Enterprise Fund* is used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) the governing body has decided periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary fund types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets, deferred resource outflows, liabilities and deferred resource inflows associated with the operation of these funds are included in the balance sheet. Fund equity is identified as net position.

4. Budget

The Board adopts an annual budget for the Enterprise Fund. The Budget for the Enterprise Fund is adopted under a basis consistent with GAAP. The Board approves amendments to the annual budget as prepared by the General Manager of the District.



**BEAR CREEK SPECIAL UTILITY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

A. Summary of Significant Accounting Policies (Continued)

5. Capital Assets

Additions to the utility system are recorded at cost or, if contributed property, at its estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recovered by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income. Items exceeding \$ 2,500 are capitalized in the financial statements.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	30 years
Office Equipment	5-10 years
Equipment	7-10 years
Water Distribution System	40 years
Vehicles	5-7 years

6. Prepaid Expenses - Supplies and Materials

Prepaid expenses consist of items paid for in the current period to be used in the following accounting period. Prepaid supplies and materials consist of supplies and repair parts for the distribution system, valued at cost. The cost of supplies and materials is recorded as an expense when consumed rather than when purchased.

7. Cash and Cash Equivalents

Cash and Cash Equivalents are comprised of deposits in financial institutions, including time deposits. For the purpose of the statement of cash flows, a cash equivalent is considered any highly liquid investment with a maturity of ninety days or less.

8. Retirement Plan

The District participates in a Simple IRA plan to provide retirement benefits for its employees. Employees may contribute up to the maximum annual amount as set periodically by the Internal Revenue Service. The District matches employee contributions dollar for dollar up to a maximum of 3% of the employee's compensation or the limit set by the Internal Revenue Service, whichever is less. All matching contributions vest immediately. The District's matching contributions to the Simple IRA plan during the fiscal year totaled approximately \$ 15,312.

10. Compensated Absences

District employees are entitled to certain compensated absences based on their length of employment. Sick leave does not vest, but accumulates and is recorded as an expense as it is paid. Accrued vacation is paid at time of termination of employment. At year end, accrued vacation totaled approximately \$ 74,092.

11. Right of Use Assets and Liabilities

GASB Statement 87, *Leases* created new financial statement accounts "Right of Use" assets and similar offsetting liabilities. A "right of use" asset accounts for the net present value of future payments attached to a leased asset. Common examples of "right of use" assets are copiers, printers, and other types of equipment that the District does not take ownership of but use under the lease agreement. The asset value will be amortized over the life of the lease using a straight-line method. The liability offsetting the "right of use" asset is presented as lease payable.

GASB Statement 87 also impacts the District's rental agreements (leases) related to property and equipment in which the District is the lessor. Rental agreements that extend beyond a twelve month period are recognized as earned when executed with an offsetting long term receivable. Future collections are offset against the receivable.

**BEAR CREEK SPECIAL UTILITY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

**B. Deposits, Securities, and Investments**

The District's funds appear to be deposited and invested under the terms of a depository contract. The contract requires the depository to pledge approved securities in an amount significant to protect the District's day-to-day balances. The pledge is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. At December 31, 2023, it appears that District cash deposits were properly covered by FDIC insurance or by pledged collateral.

The District's investment policies and types of investments are governed by the Public Funds Investment Act. The Act requires specific training, reporting and establishment of local policies. The District appears to be in compliance with the requirements of the Act.

State statutes and local policy authorize the District to invest in the following types of investment goods:

- a. obligations of the U.S. or its agencies or instrumentalities,
- b. obligations of the State of Texas or its agencies,
- c. obligations guaranteed by the U.S. or State of Texas or their agencies or instrumentalities,
- d. obligations of other states, agencies or political subdivisions having a national investment rating of "A" or greater,
- e. guaranteed or securitized certificates of deposit issued by a bank domiciled in the State of Texas, or
- f. fully collateralized repurchase agreements.

District investments include deposits in money market accounts and certificates of deposit with Edward Jones. All money market accounts and certificates of deposit are reported at share price (fair value) and are presented as cash and cash equivalents.

The following table categorizes the District's investment at year end:

	Credit Rating	Fair Value
Edward Jones - Certificate of Deposit	n/a	\$ 598,276
Edward Jones - Money Market Account	n/a	164,373
Total		\$ 762,649

In addition, the following is disclosed regarding coverage of combined cash balances on the date of highest balance:

- a. Name of bank: Independent Financial, McKinney, Texas.
- b. Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$ 12,671,779.
- c. Largest cash, savings and time deposit combined account balances amounted to \$ 12,430,836 and occurred during the month of September 2023.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$ 250,000.

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

b. **Custodial Credit Risk**

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the Districts' name. At year end, the District was not exposed to custodial credit risk.

**BEAR CREEK SPECIAL UTILITY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

**B. Deposits, Securities, and Investments**

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

**C. Capital Assets**

The following is a summary of changes in capital assets for the year:

	Beginning Balances	Increases	Decreases	Ending Balances
Land	\$ 775,759	\$ -	\$ -	\$ 775,759
Construction in Progress	8,593,150	387,227	8,508,762	471,615
Water Distribution System	17,410,885	8,508,762	-	25,919,647
Buildings and Improvements	451,870	-	-	451,870
Vehicles and Equipment	838,900	291,157	-	1,130,057
<b>Totals at Historical Cost</b>	<b>\$ 28,070,564</b>	<b>\$ 9,187,146</b>	<b>\$ 8,508,762</b>	<b>\$ 28,748,948</b>
Less Accumulated Depreciation for:				
Water Distribution System	\$ 2,424,811	\$ 810,235	\$ -	\$ 3,235,046
Buildings and Improvements	125,621	14,406	-	140,027
Vehicles and Equipment	351,961	82,648	-	434,609
<b>Total Accumulated Depreciation</b>	<b>\$ 2,902,393</b>	<b>\$ 907,289</b>	<b>\$ -</b>	<b>\$ 3,809,682</b>
<b>Net Capital Assets</b>	<b>\$ 25,168,171</b>	<b>\$ 8,279,857</b>	<b>\$ 8,508,762</b>	<b>\$ 24,939,266</b>

**D. Long - Term Obligations**

The following schedule presents changes in long-term obligations for the fiscal year:

	Balance Beginning	Increases	Decreased	Balance Ending	Current Portion of Debt
Bonds	\$ 6,920,000	\$ -	\$ 195,000	\$ 6,725,000	\$ 195,000
Direct Borrowings	4,121,257	-	2,771,743	1,349,514	96,687
<b>Total</b>	<b>\$ 11,041,257</b>	<b>\$ -</b>	<b>\$ 2,966,743</b>	<b>\$ 8,074,514</b>	<b>\$ 291,687</b>

**BEAR CREEK SPECIAL UTILITY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

D. Long - Term Obligations (Continued)

Bonds

Under the terms of long-term water supply contracts between the District and Greater Texoma Utility Authority (GTUA), the District recognizes that GTUA has an undivided ownership interest in the District's water facilities equivalent to the percentage of the total cost of the facilities provided by GTUA through the issuance and sale of GTUA bonds. The District has a contractual obligation to make payments as specified in the contract with GTUA to pay the principal and interest on the bonds, maintain cash reserves for the security and payment of the bonds similarly secured, pay the administrative and overhead expenses of GTUA directly attributable to the bonds, and pay any extraordinary expenses incurred by GTUA in connection with the bonds.

Under terms of the contracts, the District's obligation to make payments to GTUA and GTUA's ownership interest in the facilities will terminate when all of GTUA's bonds issued in connection with construction of the facilities and have been paid in full, are retired, and are no longer outstanding. The District is obligated for the repayment of principal and interest on the debt through a pledging of revenues. The structure of the transaction has the qualities of a financing arrangement; therefore, the amounts are included in long-term liabilities and capital assets with the associated accumulated depreciation.

The original total principal obligation of the 2019 water contract was \$ 7,490,000 with interest rates varying between 1.03% and 2.61%. The District obligation to GTUA under the long-term contract expires with the retirement of the GTUA bonds in the fiscal year ending December 31, 2049. At that time, the undivided interest in the property transfers from GTUA to the District. The bonds issued by GTUA for the benefit of the District are styled "Greater Texoma Utility Authority (Bear Creek SUD) Contract Revenue Bonds, Series 2019" and will mature August 15, 2049. Considered conduit debt, the proceeds and all activity will be reported in the District's financial statements. As of December 31, 2023, the outstanding principal balance of the obligation was \$ 6,725,000.

Maturity requirements on outstanding bonds are as follows:

Year Ending December 31	Principal	Interest	Total Requirements
2024	\$ 195,000	\$ 155,315	\$ 350,315
2025	200,000	152,370	352,370
2026	205,000	149,190	354,190
2027	205,000	145,746	350,746
2028	210,000	142,118	352,118
2029-2033	1,125,000	646,788	1,771,788
2034-2038	1,250,000	518,215	1,768,215
2039-2043	1,400,000	359,348	1,759,348
2044-2048	1,590,000	171,110	1,761,110
2049-2052	345,000	9,005	354,005
Totals	<u>\$ 6,725,000</u>	<u>\$ 2,449,205</u>	<u>\$ 9,174,205</u>

Direct Borrowings Payable

The District previously executed an agreement with Independent Financial to refinance the USDA – Rural Development loans for a savings of \$ 566,323 in interest payments over the life of the debt. The loan is for a 20-year term and requires monthly payments of \$ 11,566 which consist of principal reductions and interest on the unpaid principal at 3.25%.

Below is a summary of the outstanding direct borrowings of year end:

Payee	Interest Rate	Maturity Date	Original Issue	Current Outstanding
Independent Financial	3.250%	9/4/2035	\$ 2,030,468	<u>\$ 1,349,514</u>
Total				<u>\$ 1,349,514</u>

**BEAR CREEK SPECIAL UTILITY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

D. Long - Term Obligations (Continued)

Debt retirement requirements to maturity on outstanding direct borrowings are as follows:

Year Ending December 31	Principal	Interest	Total Requirements
2024	\$ 96,687	\$ 42,099	\$ 138,786
2025	99,856	38,930	138,786
2026	103,129	35,657	138,786
2027	106,510	32,277	138,787
2028	110,001	28,785	138,786
2029-2033	606,513	87,420	693,933
2034-2036	226,818	4,492	231,310
Totals	\$ 1,349,514	\$ 269,660	\$ 1,619,174

E. Customer Deposits

The District amended its Rate Order to eliminate future customer deposits and replaced them with a non-refundable administrative fee of \$325. The District adopted a policy to remove customer deposits in the current year by awarding a credit on water bills or refunding the deposit. At year end, the District's obligation for these deposits totaled \$ 50,000. The District also allows construction developers to access water through fire hydrant connections. These connections require a \$ 2,000 refundable deposit. At year end, the District has accumulated \$ 57,100 in fire hydrant deposits.

F. Litigation

As of year end, the District was not involved in any pending litigation.

G. 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; injuries to employees; and natural disasters. During fiscal year end, the District purchased commercial insurance to cover these liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

H. Subsequent Events

Management has evaluated all events or transactions that occurred after December 31, 2023, up through April 18, 2024, the date the financial statements were issued.

I. Commitments and Contingencies

The District is responsible for complying with certain laws and regulations that impact the operations of the water distribution system and overall financial position. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the various rules and regulations in which the District operates.

J. Economic Dependency

The District procures its water from North Texas Municipal Water District under a water supply contract. The contract is the sole source of water for the District. The loss of the water source would impact the District's ability to provide water needed for delivery to its customers.

K. Change in Accounting Principles

The Governmental Accounting Standards Board (GASB) issued Statement 96, *Subscription-Based Information Technology Arrangements (SBITA)*, with an effective date of fiscal year beginning after June 15, 2022. This required the District to implement the provisions of the Statement during the year. The Statement requires the recognition of longer than 12 month agreements to utilize other types of subscription based technology. As such, there are new financial statement captions on the financial statements. The net present value of the future payments is recognized as an expense in the initial year of the agreement with subsequent payments represented as debt retirement payments. The Statement requires retroactive restatement of assets and liabilities with the difference modifying the beginning net position. The District identified no agreements classified as SBITA's in the current year.

TEXAS SUPPLEMENTARY INFORMATION (TSI)  
(Other Supplementary Information)

**BEAR CREEK SPECIAL UTILITY DISTRICT  
 SUPPLEMENTARY SCHEDULES INCLUDED WITHIN THIS REPORT  
 YEAR ENDED DECEMBER 31, 2023**

Exhibit ID	Exhibit Title	Page
	Budgetary Comparison – Enterprise Fund	24
TSI-1	Services and Rates	25
TSI-2	Enterprise Fund Expenditures	27
TSI-3	Temporary Investments	28
TSI-5	Long-Term Debt Service Requirements by Years	29
TSI-6	Changes in Long-Term Bonded Debt	31
TSI-7	Comparison Schedule of Revenues and Expenses- Enterprise Fund – Five Years	32
TSI-8	Board Members, Key Personnel and Consultants	33

The following schedules are not applicable to this District.

TSI-4            Analysis of Taxes Levied and Receivable

**BEAR CREEK SPECIAL UTILITY DISTRICT  
ENTERPRISE FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>OPERATING REVENUES</b>				
Water Sales	\$ 3,500,000	\$ 3,500,000	\$ 6,003,532	\$ 2,503,532
Charges for Services	2,500,000	2,500,000	2,101,263	(398,737)
<b>Total Operating Revenues</b>	<b>\$ 6,000,000</b>	<b>\$ 6,000,000</b>	<b>\$ 8,104,795</b>	<b>\$ 2,104,795</b>
<b>OPERATING EXPENSES</b>				
Payroll and Benefits	\$ 960,000	\$ 1,060,000	\$ 853,130	\$ 206,870
Water Purchases	2,000,000	2,000,000	1,751,779	248,221
Repairs and Maintenance	572,800	822,800	145,930	676,870
Utilities	121,000	121,000	103,307	17,693
Supplies	691,000	691,000	472,340	218,660
Insurance	80,000	80,000	78,904	1,096
Dues and Fees	25,000	25,000	15,454	9,546
Professional and Legal Fees	400,000	1,020,000	443,067	576,933
Depreciation and Amortization	-	-	907,289	(907,289)
Other Operating Costs	722,500	382,500	274,309	108,191
<b>Total Operating Expenses</b>	<b>\$ 5,572,300</b>	<b>\$ 6,202,300</b>	<b>\$ 5,045,509</b>	<b>\$ 1,156,791</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Developer/Member Contributions	\$ 1,720,000	\$ 1,720,000	\$ 2,529,740	\$ 809,740
Interest Income	12,000	12,000	53,941	41,941
Interest Expense	(18,000)	(48,000)	(202,885)	(154,885)
Rental Income	7,200	7,200	20,000	12,800
<b>Net Non-Operating Revenues (Expenses)</b>	<b>\$ 1,721,200</b>	<b>\$ 1,691,200</b>	<b>\$ 2,400,796</b>	<b>\$ 709,596</b>
<b>Change in Net Position</b>	<b>\$ 2,148,900</b>	<b>\$ 1,488,900</b>	<b>\$ 5,460,082</b>	<b>\$ 3,971,182</b>
Net Position - Beginning (January 1)	24,187,578	24,187,578	24,187,578	-
<b>Net Position - Ending (December 31)</b>	<b>\$ 26,336,478</b>	<b>\$ 25,676,478</b>	<b>\$ 29,647,660</b>	<b>\$ 3,971,182</b>
<b>OTHER BURDGETARY INFORMATION</b>				
Principal on Debt	\$ 2,256,000	\$ 3,269,070	\$ 2,966,743	\$ (302,327)
Capital Outlay	1,110,000	780,000	231,631	(548,369)



**BEAR CREEK SPECIAL UTILITY DISTRICT  
SERVICES AND RATES  
YEAR ENDED DECEMBER 31, 2023**

1. Services provided by the District:

- |            |  |     |                      |     |            |
|------------|--|-----|----------------------|-----|------------|
| <u> X </u> | 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. a. Retail Rates Based on 3/4" Meter:

Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1000 Gallons Over Minimum	Usage Levels
\$ 40.25	0	N	\$ 7.78	0 to 5,000
			8.60	5,001 to 10,000
			9.82	10,001 to 15,000
			12.08	15,001 to 25,000
			13.57	25,001 to unlimited

District employs winter averaging for wastewater usage. Yes \_\_\_ No  X

Total charges per 10,000 gallons usage: Water \$  122.15

b. Water Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered	0	0	x 1.0	0
≤ 3/4"	4,144	4,126	x 1.0	4,126
1"	69	69	x 2.5	173
1 1/2"	0	0	x 5.0	0
2"	28	28	x 8.0	224
3"	1	1	x 15.0	15
4"	1	1	x 25.0	25
Total Water	4,243	4,225		4,563
Total Wastewater	0	0	x 1.0	0

3. Total water consumption (rounded to the nearest 1,000) during the fiscal year:

Gallons pumped into system:	<u> 551,119,000 </u>
Gallons billed to customers:	<u> 437,061,000 </u>
Water Accountability Percent:	<u> 79.30% </u>

**BEAR CREEK SPECIAL UTILITY DISTRICT  
SERVICES AND RATES  
YEAR ENDED DECEMBER 31, 2023**

4. Standby Fees: District does not levy standby fees.

5. Location of District:

County(ies) in which district is located Collin & Rockwall

Is the District located entirely in one county? Yes \_\_\_\_\_ No X

Is the District located within a city? Entirely \_\_\_\_\_ Partly X Not at all \_\_\_\_\_

City(ies) in which District is located. Lavon / Fate

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

Entirely \_\_\_\_\_ Partly X Not at all \_\_\_\_\_

ETJ's in which District is located Lavon, Rockwall, Fate, and Royse City

Is the general membership of the Board appointed by an office outside the District?

Yes \_\_\_\_\_ No X

If Yes, by whom? N/A

**BEAR CREEK SPECIAL UTILITY DISTRICT  
ENTERPRISE FUND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2023**

Payroll and Benefits	\$	853,130
Water Purchases		1,751,779
Repairs and Maintenance		145,930
Utilities		103,307
Supplies		472,340
Insurance		78,904
Dues and Fees		15,454
Professional and Legal Fees		443,067
Depreciation and Amortization		907,289
Other Operating Costs		274,309
Interest Expense		<u>202,885</u>
Total Expenses	\$	<u><u>5,248,394</u></u>

Number of persons employed by the District:

Full Time	<u>12</u>
Part Time	<u>-</u>

**BEAR CREEK SPECIAL UTILITY DISTRICT  
TEMPORARY INVESTMENTS  
YEAR ENDED DECEMBER 31, 2023**

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at Year End
Edward Jones - Money Market Acct	1554213	0.100%	N/A	\$ 164,373	\$ *
CD - BMW Bk North Amer Salt Lake	N/A	0.500%	12/18/2025	200,000	33
CD - Goldman Sachs Bk USA New York	N/A	0.950%	7/28/2026	200,000	812
CD - State Bank - India	N/A	0.950%	12/10/2024	198,276	108
Total				<u>\$ 762,649</u>	<u>\$ 953</u>

\* Interest is paid on a monthly basis - No accruals at year end.

**BEAR CREEK SPECIAL UTILITY DISTRICT  
LONG-TERM DEBT SERVICE REQUIREMENTS  
INDEPENDENT BANK - BY YEARS  
YEAR ENDED DECEMBER 31, 2023**

Year Ending December 31	Principal	Interest	Total Requirements
2024	\$ 96,687	\$ 42,099	\$ 138,786
2025	99,856	38,930	138,786
2026	103,129	35,657	138,786
2027	106,510	32,277	138,787
2028	110,001	28,785	138,786
2029	113,607	25,180	138,787
2030	117,331	21,456	138,787
2031	121,176	17,610	138,786
2032	125,148	13,638	138,786
2033	129,251	9,536	138,787
2034	134,432	4,354	138,786
2035	92,386	138	92,524
Total	<u>\$ 1,349,514</u>	<u>\$ 269,660</u>	<u>\$ 1,619,174</u>

**BEAR CREEK SPECIAL UTILITY DISTRICT  
LONG-TERM DEBT SERVICE REQUIREMENTS  
GREATER TEXOMA UTILITY AUTHORITY BOND - BY YEARS  
YEAR ENDED DECEMBER 31, 2023**

Year Ending December 31	Principal	Interest	Total Requirements
2024	\$ 195,000	\$ 155,315	\$ 350,315
2025	200,000	152,370	352,370
2026	205,000	149,190	354,190
2027	205,000	145,746	350,746
2028	210,000	142,118	352,118
2029	215,000	138,211	353,211
2030	220,000	134,019	354,019
2031	225,000	129,575	354,575
2032	230,000	124,918	354,918
2033	235,000	120,065	355,065
2034	240,000	114,918	354,918
2035	245,000	109,518	354,518
2036	250,000	103,883	353,883
2037	255,000	98,008	353,008
2038	260,000	91,888	351,888
2039	265,000	85,518	350,518
2040	275,000	78,973	353,973
2041	280,000	72,098	352,098
2042	285,000	65,013	350,013
2043	295,000	57,746	352,746
2044	300,000	50,194	350,194
2045	310,000	42,484	352,484
2046	320,000	34,486	354,486
2047	325,000	26,198	351,198
2048	335,000	17,748	352,748
2049	345,000	9,005	354,005
<b>Total</b>	<b>\$ 6,725,000</b>	<b>\$ 2,449,205</b>	<b>\$ 9,174,205</b>

**BEAR CREEK SPECIAL UTILITY DISTRICT  
CHANGES IN LONG-TERM BONDED DEBT  
YEAR ENDED DECEMBER 31, 2023**

	<u>Bond Issues</u>
	<u>Series</u>
	<u>2019</u>
Interest Rate	2.41%
Dates Interest Payable	2/15 - 8/15
Maturity Date	8/15/2049
Beginning Bonds Outstanding	\$ 6,920,000
Bonds Sold During the Fiscal Year	-
Bonds Retired During the Fiscal Year	<u>195,000</u>
Ending Bonds Outstanding	<u>\$ 6,725,000</u>
Interest Paid During the Fiscal Year	\$ 158,006

Paying Agent's Name and City Bank of Texas

Bond Authority:	Tax Bonds		Other Bonds		Refunding Bonds
Amount Authorized By Voters	\$	-	\$	-	\$
Amount Issued	\$	-	\$	-	\$
Remaining To Be Issued	\$	-	\$	-	\$

Debt Service Fund cash and temporary investment balances as of December 31, 2023: \$ 491,967

Average annual debt service payment (Principal and Interest) for remaining term of all debt: \$ 352,854

**BEAR CREEK SPECIAL UTILITY DISTRICT  
COMPARATIVE STATEMENT OF REVENUES AND EXPENSES  
ALL PROPRIETARY FUND TYPES  
FIVE YEARS ENDED DECEMBER 31, 2023**

	AMOUNTS					PERCENT OF FUND TOTAL REVENUE				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
<b>OPERATING REVENUE</b>										
Water Sales	\$ 6,003,532	\$ 4,412,281	\$ 3,139,653	\$ 1,710,111	\$ 1,594,442	74.07%	62.45%	54.25%	53.00%	58.35%
Customer Charges/Fees	2,101,263	2,653,194	2,647,725	1,516,321	1,138,184	25.93%	37.55%	45.75%	47.00%	41.65%
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 8,104,795</b>	<b>\$ 7,065,475</b>	<b>\$ 5,787,378</b>	<b>\$ 3,226,432</b>	<b>\$ 2,732,626</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>OPERATING EXPENSES</b>										
Payroll and Benefits	\$ 853,130	\$ 733,641	\$ 656,236	\$ 600,935	\$ 547,753	10.53%	10.38%	11.34%	18.63%	20.04%
Water Purchases	1,751,779	1,293,036	881,111	755,086	727,047	21.61%	18.30%	15.22%	23.40%	26.61%
Repairs and Maintenance	145,930	281,467	32,245	47,034	54,725	1.80%	3.98%	0.56%	1.46%	2.00%
Utilities	103,307	81,846	67,265	75,074	68,560	1.27%	1.16%	1.16%	2.33%	2.51%
Supplies	472,340	368,995	231,883	232,232	86,668	5.83%	5.22%	4.01%	7.20%	3.17%
Insurance	78,904	58,916	49,792	41,975	33,913	0.97%	0.83%	0.86%	1.30%	1.24%
Dues and Fees	15,454	12,648	10,811	10,261	9,849	0.19%	0.18%	0.19%	0.32%	0.36%
Professional and Legal Fees	443,067	154,672	346,413	517,327	530,140	5.47%	2.19%	5.99%	16.03%	19.40%
Depreciation and Amortization	907,289	621,897	526,705	309,041	271,642	11.19%	8.80%	9.10%	9.58%	9.94%
Other Operating Costs	274,309	253,518	157,219	190,610	158,117	3.38%	3.59%	2.72%	5.91%	5.79%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 5,045,509</b>	<b>\$ 3,860,636</b>	<b>\$ 2,959,680</b>	<b>\$ 2,779,575</b>	<b>\$ 2,488,414</b>	<b>62.25%</b>	<b>54.64%</b>	<b>51.14%</b>	<b>86.15%</b>	<b>91.06%</b>
<b>NET OPERATING REVENUE (EXPENSES)</b>	<b>\$ 3,059,286</b>	<b>\$ 3,204,839</b>	<b>\$ 2,827,698</b>	<b>\$ 446,857</b>	<b>\$ 244,212</b>	<b>37.75%</b>	<b>45.36%</b>	<b>48.86%</b>	<b>13.85%</b>	<b>8.94%</b>
<b>NON-OPERATING REVENUE (EXPENSES)</b>										
Developer/Customer Contributions	\$ 2,529,740	\$ 3,061,511	\$ 3,386,841	\$ 3,898,401	\$ 195,557	31.21%	43.33%	58.52%	120.83%	7.16%
Interest Income	53,941	22,142	59,256	164,453	62,233	0.67%	0.31%	1.02%	5.10%	2.28%
Interest Expense	(202,885)	(208,405)	(213,605)	(218,636)	(208,456)	-2.50%	-2.95%	-3.69%	-6.78%	-7.63%
Rental Income	20,000	7,200	7,200	7,200	7,200	0.25%	0.10%	0.12%	0.22%	0.26%
<b>NET NON-OPERATING REVENUE (EXPENSES)</b>	<b>\$ 2,400,796</b>	<b>\$ 2,882,448</b>	<b>\$ 3,239,692</b>	<b>\$ 3,851,418</b>	<b>\$ 56,534</b>	<b>29.62%</b>	<b>40.80%</b>	<b>55.98%</b>	<b>119.37%</b>	<b>2.07%</b>
<b>NET REVENUE (EXPENSES)</b>	<b>\$ 5,460,082</b>	<b>\$ 6,087,287</b>	<b>\$ 6,067,390</b>	<b>\$ 4,298,275</b>	<b>\$ 300,746</b>	<b>67.37%</b>	<b>86.16%</b>	<b>104.84%</b>	<b>133.22%</b>	<b>11.01%</b>



**BEAR CREEK SPECIAL UTILITY DISTRICT  
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
YEAR ENDED DECEMBER 31, 2023**

Complete District Mailing Address: P.O. Box 188, Lavon, TX 75166  
 District Business Telephone Number: 972-843-2101  
 Submission Date of the most recent District Registration Form: February 23, 2023  
 Limit on Fees of Office that a Director may receive during a fiscal year: \$ 1,200

<u>Names:</u>	<u>Term of Office (Elected or Appointed or Date Hired)</u>	<u>Fees of Office Paid FYE Date</u>	<u>Expense Reimbursements FYE Date</u>	<u>Title at Year End</u>
<b>Board Members:</b>				
Chris Elder	3 Yrs	\$ 1,100	\$ -	President
Robert Haynes	3 Yrs	\$ 1,000	\$ -	Vice-Pres
Lisa Block	3 Yrs	\$ 1,200	\$ -	Secretary
Herman Stork	3 Yrs	\$ 1,200	\$ -	Treasurer
Colby McClendon	3 Yrs	\$ 1,000	\$ -	Director
Leticia Harrison	3 Yrs	\$ 1,100	\$ -	Director
James Watts	3 Yrs	\$ 800	\$ -	Director

**Key Administrative Personnel:**

Camille Reagan		\$ 130,904	General Manager
----------------	--	------------	-----------------

**Consultants:**

Rutherford, Taylor & Company, P.C		\$ 12,400	Auditor
Kimley Horn		\$ 667,094	Engineer
Fancher Legal		\$ 35,635	Attorney
The Carlton Law Firm		\$ 1,532	Attorney