

ANDERSON MILL LIMITED DISTRICT
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2017

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

ANDERSON MILL LIMITED DISTRICT
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2017

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ANNUAL FILING AFFIDAVIT

**STATE OF TEXAS
COUNTY OF WILLIAMSON**

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

ANDERSON MILL LIMITED DISTRICT
(Name of District)

hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the District's Board of Directors on **January 11, 2018**, its annual audit report for the fiscal year or period ended **September 30, 2017** and that copies of the annual audit report have been filed in the District's office, located at

11500 El Salido Parkway, Austin, TX 78750
(Address of District's Office)

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: January 11, 2018

By: _____
(Signature of District Representative)

John T. Kiracofe, Board President
(Typed Name and Title District Representative)

Sworn to and subscribed to before me this the 11th day of January, 2018.

(Seal)

(Signature of Notary)

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

McCALL GIBSON SWEDLUND BARFOOT PLLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Anderson Mill Limited District
Austin, Texas

We have audited the accompanying financial statements of the governmental activities and the major fund of Anderson Mill Limited District (the "District"), as of and for the year ended September 30, 2017, 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.

Auditor's 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 District'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.

Member of
American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants

Board of Directors
Anderson Mill Limited District
Austin, Texas

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 the major fund of the District as of September 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Austin, Texas

January 11, 2018

**ANDERSON MILL LIMITED DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Management's discussion and analysis of Anderson Mill Limited District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2017. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The first of the government-wide statements is the Statement of Net Position. The Statement of Net Position is the District-wide statement of its financial position presenting information that includes all of the District's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

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

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has one governmental fund type. The General Fund accounts for resources not required to be accounted for in another fund, operations of the District's parks and recreation facilities, and general expenditures.

**ANDERSON MILL LIMITED DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by \$8,755,078 as of September 30, 2017.

A portion of the District's net position reflects its net investment in capital assets (e.g. land, parks and recreational facilities, buildings, the drainage system, and other capital assets, less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide services to its residents and the public.

**ANDERSON MILL LIMITED DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

	Summary of Changes in the Statement of Net Position		
	2017	2016	Change Positive (Negative)
Current and Other Assets	\$ 6,602,219	\$ 7,186,605	\$ (584,386)
Capital Assets (Net of Accumulated Depreciation)	2,265,005	2,215,267	49,738
Total Assets	<u>\$ 8,867,224</u>	<u>\$ 9,401,872</u>	<u>\$ (534,648)</u>
Long -Term Liabilities	\$ 25,541	\$ 7,772	\$ (17,769)
Other Liabilities	86,605	116,624	30,019
Total Liabilities	<u>\$ 112,146</u>	<u>\$ 124,396</u>	<u>\$ 12,250</u>
Net Position:			
Net Investment in Capital Assets	\$ 2,265,005	\$ 2,215,267	\$ 49,738
Unrestricted	6,490,073	7,062,209	(572,136)
Total Net Position	<u>\$ 8,755,078</u>	<u>\$ 9,277,476</u>	<u>\$ (522,398)</u>

The following table provides a summary of the District's operations for the years ended September 30, 2017, and September 30, 2016. The District's net position decreased by \$522,398.

	Summary of Changes in the Statement of Activities		
	2017	2016	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 945,632	\$ 855,662	\$ 89,970
Charges for Services	381,316	411,127	(29,811)
Other Revenues	83,924	106,608	(22,684)
Total Revenues	<u>\$ 1,410,872</u>	<u>\$ 1,373,397</u>	<u>\$ 37,475</u>
Expenses	<u>1,933,270</u>	<u>2,246,357</u>	<u>313,087</u>
Change in Net Position	\$ (522,398)	\$ (872,960)	\$ 350,562
Net Position, Beginning of Year	<u>9,277,476</u>	<u>10,150,436</u>	<u>(872,960)</u>
Net Position, End of Year	<u>\$ 8,755,078</u>	<u>\$ 9,277,476</u>	<u>\$ (522,398)</u>

**ANDERSON MILL LIMITED DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's General Fund fund balance as of September 30, 2017, was \$6,527,759, a decrease of \$604,456 from the prior year, primarily due to operating expenditures and capital outlay exceeding property tax revenues and charges for services.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors annually adopts an unappropriated budget for the General Fund and amended the budget during the current fiscal year. Compared to the final, amended budget, actual revenues were \$129,813 more than budgeted revenues, primarily due to higher than expected property tax and service revenues. Actual expenditures were \$133,572 less than budgeted expenditures, primarily due to lower than anticipated administrative, pools and parks operating costs.

CAPITAL ASSETS

The District's capital assets as of September 30, 2017, amount to \$2,265,005 (net of accumulated depreciation). These capital assets include land, park and recreational facilities, buildings, the drainage system and other capital assets. See additional information in Note 4.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2017	2016	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land	\$ 626,424	\$ 626,424	\$
Capital Assets, Net of Accumulated Depreciation:			
Parks and Recreational Facilities	1,239,689	1,286,165	(46,476)
Buildings	201,126	75,322	125,804
Drainage System	194,791	215,617	(20,826)
Other Capital Assets	2,975	11,739	(8,764)
Total Net Capital Assets	<u>\$ 2,265,005</u>	<u>\$ 2,215,267</u>	<u>\$ 49,738</u>

**ANDERSON MILL LIMITED DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The adopted budget for fiscal year 2018 projects a decrease in General Fund fund balance of \$551,456. Compared to the fiscal year 2017 budget, revenues are expected to increase by approximately \$97,000 and expenditures are expected to decrease by approximately \$220,000. The fiscal year 2017 tax rate has been established at \$0.0117083 on each \$100 of taxable value and will be used to fund general operations.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Anderson Mill Limited District, 11500 El Salido Parkway, Austin, Texas 78750.

ANDERSON MILL LIMITED DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2017

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Cash	\$ 784,290	\$	\$ 784,290
Investments	5,787,394		5,787,394
Receivables:			
Property Taxes	9,235		9,235
Accrued Interest	21,300		21,300
Capital Assets (Net of Accumulated Depreciation):			
Land		626,424	626,424
Parks and Recreational Facilities		1,239,689	1,239,689
Buildings		201,126	201,126
Drainage System		194,791	194,791
Other Capital Assets		2,975	2,975
TOTAL ASSETS	\$ 6,602,219	\$ 2,265,005	\$ 8,867,224
LIABILITIES			
Accounts Payable	\$ 65,225	\$	\$ 65,225
Noncurrent Liabilities:			
Compensated Absences, Due Within One Year		21,380	21,380
Compensated Absences, Due After One Year		25,541	25,541
TOTAL LIABILITIES	\$ 65,225	\$ 46,921	\$ 112,146
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 9,235	\$ (9,235)	\$ -
FUND BALANCE			
Assigned to 2018 Budget Deficit	\$ 551,456	\$ (551,456)	\$
Unassigned	5,976,303	(5,976,303)	
TOTAL FUND BALANCE	\$ 6,527,759	\$ (6,527,759)	\$
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
	\$ 6,602,219		
NET POSITION			
Net Investment in Capital Assets		\$ 2,265,005	\$ 2,265,005
Unrestricted		6,490,073	6,490,073
TOTAL NET POSITION		\$ 8,755,078	\$ 8,755,078

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

**ANDERSON MILL LIMITED DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2017**

Total Fund Balance - Governmental Fund	\$	6,527,759
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental fund.		2,265,005
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Deferred inflows of resources related to property tax revenues on delinquent taxes for the 2016 and prior tax levies became part of recognized revenue in the governmental activities of the District.		9,235
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Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental fund. These liabilities at year end consist of -

Compensated Absences		(46,921)
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Total Net Position - Governmental Activities	\$	8,755,078
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The accompanying notes to the financial statements are an integral part of this report.

ANDERSON MILL LIMITED DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
REVENUES			
Property Taxes	\$ 944,116	\$ 1,516	\$ 945,632
Charges for Services	381,316		381,316
Investment Revenues	72,873		72,873
Miscellaneous Revenues	<u>11,051</u>		<u>11,051</u>
TOTAL REVENUES	<u>\$ 1,409,356</u>	<u>\$ 1,516</u>	<u>\$ 1,410,872</u>
EXPENDITURES/EXPENSES			
Service Operations:			
Administrative	\$ 687,963	\$ (30,804)	\$ 657,159
Pools	513,260		513,260
Parks	421,585		421,585
Programs and Events	206,184		206,184
Capital Outlay	184,820	(184,820)	
Depreciation		<u>135,082</u>	<u>135,082</u>
TOTAL EXPENDITURES/EXPENSES	<u>\$ 2,013,812</u>	<u>\$ (80,542)</u>	<u>\$ 1,933,270</u>
NET CHANGE IN FUND BALANCE	\$ (604,456)	\$ 604,456	\$
CHANGE IN NET POSITION		(522,398)	(522,398)
FUND BALANCE/NET POSITION - OCTOBER 1, 2016	<u>7,132,215</u>	<u>2,145,261</u>	<u>9,277,476</u>
FUND BALANCE/NET POSITION - SEPTEMBER 30, 2017	<u>\$ 6,527,759</u>	<u>\$ 2,227,319</u>	<u>\$ 8,755,078</u>

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

**ANDERSON MILL LIMITED DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Net Change in Fund Balance - Governmental Fund	\$ (604,456)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	1,516
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Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(135,082)
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Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.	184,820
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Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.

Compensated Absences	<u>30,804</u>
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Change in Net Position - Governmental Activities	<u>\$ (522,398)</u>
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The accompanying notes to the financial statements are an integral part of this report.

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ANDERSON MILL LIMITED DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1. CREATION OF DISTRICT

Anderson Mill Municipal Utility District was created, organized, and established on April 29, 1974 by the Texas Commission on Environmental Quality (formerly the Texas Natural Resource Conservation Commission) (the “Commission”) pursuant to the provisions of Chapter 54 of the Texas Water Code. The District formally changed its name to Anderson Mill Limited District (the “District”) as of January 1, 2009. The reporting entity of the District encompasses those activities and functions over which the District’s elected officials exercise significant oversight and control. The District is empowered, among other things, to purchase, construct, operate, and maintain all works, improvements, and facilities necessary for the parks and recreation of the District.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

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

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

ANDERSON MILL LIMITED DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

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

Government-Wide Financial Statements

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

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

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

ANDERSON MILL LIMITED DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

Governmental Funds

The District has one governmental fund and considers it to be a major fund.

General Fund - To account for resources not required to be accounted for in another fund, operations of the District's parks and recreation facilities, and general expenditures.

Basis of Accounting

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

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

Budgeting

In compliance with governmental accounting principles, the Board of Directors annually adopts an unappropriated budget for the General Fund. The budget was amended during the current fiscal year.

**ANDERSON MILL LIMITED DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include, land, parks and recreational facilities, buildings, the drainage system, and other capital assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated acquisition value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Interest costs, including developer interest, engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost of \$5,000 or more and a useful life of at least two years. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Parks & Recreational Facilities	5 – 30
Buildings	7 – 30
Drainage System	50
Other Capital Assets	3 – 7

Compensated Absences

The District has established a policy to permit employees to accumulate earned but unused vacation and sick leave up to a maximum of 240 hours for each. Amounts accumulated may be paid to employees upon termination of employment or during employment in accordance with the District’s personnel policy and are generally liquidated by the General Fund.

Pensions

The District has 9 full-time employees and 26 part-time employees. Payments are made to the social security system for them. The Internal Revenue Service has determined that the District’s directors are considered to be “employees” for federal payroll tax purposes only. A separate pension plan has not been established for the directors. See Note 7 for information on the retirement plan of the District’s full-time employees.

ANDERSON MILL LIMITED DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

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

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

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District had no such amounts.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. The District had no such amounts.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District had no such amounts.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances. As of September 30, 2017, the District assigned \$551,456 of the current General Fund fund balance to cover the fiscal year 2018 budget deficit.

Unassigned: all other spendable amounts in the General Fund.

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

ANDERSON MILL LIMITED DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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

Accounting Estimates

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

**ANDERSON MILL LIMITED DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District’s deposits was \$1,674,766 and the bank balance was \$1,288,075. Of the bank balance, \$1,140,476 was covered by federal depository insurance and the remaining balance was covered by collateral pledged in the name of the District and held in a third-party depository.

The carrying values of the deposits are included in the General Fund Balance Sheet and the Statement of Net Position at September 30, 2017, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 784,290	\$ 890,476	\$ 1,674,766

Investments

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

**ANDERSON MILL LIMITED DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. Authorized investments are summarized as follows: (1) obligations of the United States or its agencies and instrumentalities, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by explicit full faith and credit of the United States, (5) certain A rated or higher obligations of states, agencies, counties, cities, and other political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) insured or collateralized certificates of deposit, (8) certain fully collateralized repurchase agreements secured by delivery, (9) certain bankers' acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

As of September 30, 2017, the District had the following investments:

Fund and Investment Type	Fair Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
<u>GENERAL FUND</u>			
TexPool	\$ 2,023	1	AAAm
Certificates of Deposit	890,476	110	Various
Federal Agency Coupon Securities:			
Federal Home Loan Bank	249,948	24	AA+
Federal Farm Credit Bank	925,109	95	AA+
Federal National Mortgage Association	722,905	50	AA+
Federal Home Loan Mortgage Corporation	747,518	54	AA+
Treasury Coupon Securities	<u>2,249,415</u>	<u>99</u>	AA+
TOTAL INVESTMENTS	<u>\$ 5,787,394</u>	<u>157</u>	

ANDERSON MILL LIMITED DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District invests in TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas (the “Comptroller”) has oversight of the pool. Federated Investors, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool meets the criteria established in GASB Statement No. 79 and measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

The District invests excess funds in certificates of deposit, federal agency coupon securities, and treasury coupon securities.

Certificates of deposit are reported by the District at amortized cost under GASB Statement No. 31.

Federal agency coupon securities and treasury coupon securities are valued using Level 1 inputs that represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date. The investments are reported by the District at fair value in accordance with GASB Statement No. 72.

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2017, the District’s investments were diversified in a local government investment pool, certificates of deposit, and federal agency coupon securities and treasury coupon securities with ratings from Standard & Poor’s in compliance with the District’s investment policy.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investments in a single issuer. Information regarding investments in any one issuer that represents five percent or more of the District’s total investments must be disclosed under GASB Statement No. 40, excluding investments issued or explicitly guaranteed by the U.S. government. At September 30, 2017, the District was not exposed to concentration of credit risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of minimizing risk of loss due to interest rate fluctuations, the District’s investment policy sets a maximum stated maturity date of three years for operating funds. To insure liquidity, a liquidity buffer must be maintained. The maximum weighted average maturity is 180 days for operating funds. At the time an investment is placed, the District should verify overall compliance with the investment policy. At September 30, 2017, no holding had a stated maturity over two years and the weighted average of the combined portfolio was 157 days.

**ANDERSON MILL LIMITED DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017:

	October 1, 2016	Increases	Decreases	September 30, 2017
Capital Assets Not Being Depreciated				
Land	\$ 626,424	\$	\$	\$ 626,424
Capital Assets Subject to Depreciation				
Parks and Recreational Facilities	\$ 3,925,130	\$ 49,587	\$	\$ 3,974,717
Buildings	640,600	135,233		775,833
Drainage System	948,569			948,569
Other Capital Assets	446,471			446,471
Total Capital Assets Subject to Depreciation	<u>\$ 5,960,770</u>	<u>\$ 184,820</u>	<u>\$ - 0 -</u>	<u>\$ 6,145,590</u>
Accumulated Depreciation				
Parks and Recreational Facilities	\$ 2,638,965	\$ 96,063	\$	\$ 2,735,028
Buildings	565,278	9,429		574,707
Drainage System	732,952	20,826		753,778
Other Capital Assets	434,732	8,764		443,496
Total Accumulated Depreciation	<u>\$ 4,371,927</u>	<u>\$ 135,082</u>	<u>\$ - 0 -</u>	<u>\$ 4,507,009</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 1,588,843</u>	<u>\$ 49,738</u>	<u>\$ - 0 -</u>	<u>\$ 1,638,581</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,215,267</u>	<u>\$ 49,738</u>	<u>\$ - 0 -</u>	<u>\$ 2,265,005</u>

NOTE 5. PROPERTY TAX

On May 9, 2009, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$0.50 per \$100 of assessed valuation of taxable property within the District. During the year ended September 30, 2017, the District levied an ad valorem maintenance tax rate of \$0.123360 per \$100 of assessed valuation, which resulted in a tax levy of \$942,270 on the adjusted taxable valuation of \$763,348,112 for the 2016 tax year. This maintenance tax is to be used by the General Fund to pay expenditures for maintenance and operations.

**ANDERSON MILL LIMITED DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 5. PROPERTY TAX (Continued)

The District's tax calendar is as follows:

Levy Date	-	October 1, as soon thereafter as practicable.
Lien Date	-	January 1.
Due Date	-	Upon receipt but not later than January 31.
Delinquent Date	-	February 1, at which time the taxpayer is liable for penalty and interest.

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

NOTE 6. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained coverage from commercial insurance companies and the Texas Municipal League Intergovernmental Risk Pool ("TML") to effectively manage its risk. The District, along with other participating entities, contributes annual amounts determined by TML's management. As claims arise, they are submitted and paid by TML. There have been no significant reductions in coverage from prior year and settlements have not exceeded coverage in the past three years.

NOTE 7. DEFERRED COMPENSATION PLAN

The District offers a deferred compensation plan established in accordance with Internal Revenue Code 457(b). Assets and income of the District's plan are held in custodial accounts with a bank for the exclusive benefit of participants and their beneficiaries. Accordingly, the plan's assets and liabilities are not recorded in the District's basic financial statements. During the year ended September 30, 2017, the District's expenditures related to the plan totaled \$14,933.

**ANDERSON MILL LIMITED DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 8. STRATEGIC PARTNERSHIP AGREEMENT

The 74th Texas Legislature, during the Regular Session in 1995, passed S.B. 1396. This bill allowed the City of Austin (the “City”) and Anderson Mill Utility District (the “Utility District”) to enter into a Strategic Partnership Agreement (the “SPA”). The SPA, which became effective on November 19, 1998, allows for full purpose annexation for different types of property in the Utility District. Full purpose annexation, among other things, allows the City to collect property tax, as well as sales tax. Limited purpose annexation allows the City to collect sales tax only. The City previously annexed full purpose commercial property as described in the agreement on December 30, 1998. The residential property and limited purpose commercial property portion of the SPA commenced on January 1, 2009.

During the limited purpose annexation, the District paid all outstanding bonds prior to December 2008. Any excess funds were kept separate from the District’s General Fund and placed in a special account reflecting the source of these funds. These funds are the property of the District and are used to fund the District now that the full purpose annexation has occurred.

In 2009, voters of the District were asked and approved the creation of the District with taxing authority to exist for an initial term of ten years. The City and the District may extend the term upon mutual agreement. The City will not be responsible for any claims or causes of action arising out of the operation and maintenance of the District. The District will assume responsibility of park up-keep, providing solid waste pick-up and disposal, and enforcing deed restrictions. In accordance with the SPA, the District conveyed water and wastewater facilities to the City effective May 19, 2008. On June 28, 2008, the City assumed all responsibilities related to operations, maintenance, customer service billing, and collections of those facilities.

In August 2017, the City and the District agreed to extend the term of the SPA whereby the term of the District shall automatically renew for successive ten-year terms unless one party provides written notice to the other party at least twelve months in advance of the end of the then existing term if the party does not wish to renew the term of the District.

ANDERSON MILL LIMITED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2017

**ANDERSON MILL LIMITED DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Property Taxes	\$ 915,742	\$ 915,743	\$ 944,116	\$ 28,373
Charges for Services	338,350	289,750	381,316	91,566
Investment Revenues	65,000	65,000	72,873	7,873
Miscellaneous Revenues	<u>9,230</u>	<u>9,050</u>	<u>11,051</u>	<u>2,001</u>
TOTAL REVENUES	<u>\$ 1,328,322</u>	<u>\$ 1,279,543</u>	<u>\$ 1,409,356</u>	<u>\$ 129,813</u>
EXPENDITURES				
Services Operations:				
Administrative	\$ 802,326	\$ 709,997	\$ 687,963	\$ 22,034
Pools	543,101	540,701	513,260	27,441
Parks	519,634	520,834	421,585	99,249
Programs and Events	228,648	196,465	206,184	(9,719)
Capital Outlay	<u>132,057</u>	<u>179,387</u>	<u>184,820</u>	<u>(5,433)</u>
TOTAL EXPENDITURES	<u>\$ 2,225,766</u>	<u>\$ 2,147,384</u>	<u>\$ 2,013,812</u>	<u>\$ 133,572</u>
NET CHANGE IN FUND BALANCE	\$ (897,444)	\$ (867,841)	\$ (604,456)	\$ 263,385
FUND BALANCE - OCTOBER 1, 2016	<u>7,132,215</u>	<u>7,132,215</u>	<u>7,132,215</u>	<u></u>
FUND BALANCE - SEPTMEBER 30, 2017	<u>\$ 6,234,771</u>	<u>\$ 6,264,374</u>	<u>\$ 6,527,759</u>	<u>\$ 263,385</u>

See accompanying independent auditor's report.

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ANDERSON MILL LIMITED DISTRICT
SUPPLEMENTARY INFORMATION REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE
SEPTEMBER 30, 2017

**ANDERSON MILL LIMITED DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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

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

2. RETAIL SERVICE PROVIDERS

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

Based on the rate order dated: *

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
WATER:	N/A				
WASTEWATER:	N/A				

* The District does not provide water and sewer services. Retail water and sewer service is provided by the City of Austin.

See accompanying independent auditor's report.

**ANDERSON MILL LIMITED DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
5/8"	_____	_____	x 1.0	_____
≤3/4"	_____	_____	x 1.0	_____
1"	_____	_____	x 2.5	_____
1½"	_____	_____	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 Connections	<u>N/A</u>	<u>N/A</u>		<u>N/A</u>
Total Wastewater Connections	<u>N/A</u>	<u>N/A</u>	x 1.0	<u>N/A</u>

3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: N/A

See accompanying independent auditor's report.

**ANDERSON MILL LIMITED DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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

Does the District have Debt Service standby fees? Yes No

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No

County or Counties in which District is located:

Williamson County, Texas and Travis County, Texas

Is the District located within a city?

Entirely Partly Not at all

City in which District is located:

City of Austin, Texas

Are Board Members appointed by an office outside the District?

Yes No

See accompanying independent auditor's report.

**ANDERSON MILL LIMITED DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

PERSONNEL EXPENDITURES (Including Benefits)	\$ <u>991,430</u>
PROFESSIONAL FEES:	
Auditing	\$ 9,995
Legal	14,270
Financial Advisor	<u>6,000</u>
TOTAL PROFESSIONAL FEES	\$ <u>30,265</u>
CONTRACTED SERVICES:	
Appraisal District	\$ 6,289
Bookkeeping	9,914
Tax Collector	1,026
Other Contracted Services	<u>190,785</u>
TOTAL CONTRACTED SERVICES	\$ <u>208,014</u>
UTILITIES	\$ <u>161,415</u>
REPAIRS AND MAINTENANCE	\$ <u>174,605</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 7,350
Dues	2,258
Insurance	10,961
Legal Notices	2,415
Office Supplies and Postage	37,141
Payroll Taxes	68,485
Travel and Education	18,919
Credit Card and Bank Fees	25,378
Other	<u>15,839</u>
TOTAL ADMINISTRATIVE EXPENDITURES	\$ <u>188,746</u>
CAPITAL OUTLAY - Capitalized Assets	\$ <u>184,820</u>
SECURITY	\$ <u>53,250</u>
PROGRAMS AND EVENTS	\$ <u>21,267</u>
TOTAL EXPENDITURES	\$ <u>2,013,812</u>
Number of employees employed by the District:	
Full-time	<u>9</u>
Part-time	<u>26</u>

Note: During the summer, the District will employ up to 60 part-time employees.

See accompanying independent auditor's report.

**ANDERSON MILL LIMITED DISTRICT
INVESTMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
TexPool	XXXX0002	Varies	Daily	\$ 2,023	\$
Certificate of Deposit	XXXX7833	0.800%	10/04/17	245,000	1,933
Certificate of Deposit	XXXX8408	0.700%	10/18/17	245,000	1,485
Certificate of Deposit	XXXX6876	1.500%	08/17/18	246,000	435
Certificate of Deposit	XXXX9816	0.950%	12/28/17	154,476	
Federal Agency Coupon Security	XXXXBLY0	1.250%	06/15/18	249,948	920
Federal Agency Coupon Security	XXXXYW63	4.900%	06/12/18	424,659	6,083
Federal Agency Coupon Security	XXXXDXP2	1.380%	07/16/18	500,450	1,438
Federal Agency Coupon Security	XXXX0TG8	0.875%	02/08/18	270,394	349
Federal Agency Coupon Security	XXXX0WJ8	0.875%	05/21/18	452,511	1,435
Federal Agency Coupon Security	XXXXAEA3	0.750%	04/09/18	747,518	2,688
Treasury Coupon Security	XXXX8H94	1.000%	02/15/18	499,864	640
Treasury Coupon Security	XXXX8M72	0.875%	11/30/17	749,971	2,207
Treasury Coupon Security	XXXX8UE8	0.750%	12/31/17	499,570	949
Treasury Coupon Security	XXXX8UJ7	0.875%	01/31/18	500,010	738
TOTAL				<u>\$ 5,787,394</u>	<u>\$ 21,300</u>

See accompanying independent auditor's report.

**ANDERSON MILL LIMITED DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Maintenance Taxes	
TAXES RECEIVABLE -		
OCTOBER 1, 2016	\$ 7,719	
Adjustments to Beginning		
Balance	(550)	\$ 7,169
Original 2016 Tax Levy	\$ 944,648	
Adjustment to 2016 Tax Levy	(2,378)	942,270
TOTAL TO BE		
ACCOUNTED FOR		\$ 949,439
 TAX COLLECTIONS:		
Prior Years	\$ 1,789	
Current Year	938,415	940,204
 TAXES RECEIVABLE -		
SEPTEMBER 30, 2017		\$ 9,235
 TAXES RECEIVABLE BY		
YEAR:		
2016		\$ 3,855
2015		1,469
2014		1,195
2013		880
2012		786
2011 and Prior		1,050
TOTAL		\$ 9,235

See accompanying independent auditor's report.

**ANDERSON MILL LIMITED DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 763,348,112</u>	<u>\$ 684,067,833</u>	<u>\$ 617,960,262</u>	<u>\$ 560,271,500</u>
TAX RATE PER \$100 VALUATION:				
Maintenance	<u>\$ 0.123360</u>	<u>\$ 0.126000</u>	<u>\$ 0.130000</u>	<u>\$ 0.136686</u>
ADJUSTED TAX LEVY*	<u>\$ 942,270</u>	<u>\$ 861,925</u>	<u>\$ 803,348</u>	<u>\$ 765,813</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>99.59 %</u>	<u>99.83 %</u>	<u>99.85 %</u>	<u>99.89 %</u>

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

Maintenance Tax – Maximum operations and maintenance tax rate of \$0.50 per \$100 of assessed valuation approved by voters on May 9, 2009.

See accompanying independent auditor's report.

**ANDERSON MILL LIMITED DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS**

	Amounts		
	2017	2016	2015
REVENUES			
Property Taxes	\$ 944,116	\$ 865,045	\$ 802,587
Charges for Services	381,316	411,127	403,563
Investment Revenues	72,873	66,312	46,646
Miscellaneous Revenues	11,051	40,296	52,785
TOTAL REVENUES	\$ 1,409,356	\$ 1,382,780	\$ 1,305,581
EXPENDITURES			
Administrative	\$ 687,963	\$ 702,246	\$ 688,883
Pools	513,260	498,683	557,318
Parks	421,585	474,880	517,248
Programs and Events	206,184	249,331	225,799
Capital Outlay	184,820	177,049	98,771
TOTAL EXPENDITURES	\$ 2,013,812	\$ 2,102,189	\$ 2,088,019
NET CHANGE IN FUND BALANCE	\$ (604,456)	\$ (719,409)	\$ (782,438)
BEGINNING FUND BALANCE	7,132,215	7,851,624	8,634,062
ENDING FUND BALANCE	\$ 6,527,759	\$ 7,132,215	\$ 7,851,624

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2014	2013	2017	2016	2015	2014	2013
\$ 777,867	\$ 721,040	66.9 %	62.6 %	61.5 %	60.1 %	59.5 %
436,115	450,108	27.1	29.7	30.9	33.7	37.1
38,854	19,236	5.2	4.8	3.6	3.0	1.6
41,579	22,215	0.8	2.9	4.0	3.2	1.8
<u>\$ 1,294,415</u>	<u>\$ 1,212,599</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 700,424	\$ 793,247	48.9 %	50.8 %	52.7 %	54.0 %	65.4 %
546,671	446,370	36.4	36.1	42.7	42.2	36.8
429,269	430,369	29.9	34.3	39.6	33.2	35.5
224,804	203,629	14.6	18.0	17.3	17.4	16.8
372,380	90,388	13.1	12.8	7.6	28.8	7.5
<u>\$ 2,273,548</u>	<u>\$ 1,964,003</u>	<u>142.9 %</u>	<u>152.0 %</u>	<u>159.9 %</u>	<u>175.6 %</u>	<u>162.0 %</u>
\$ (979,133)	\$ (751,404)	<u>(42.9) %</u>	<u>(52.0) %</u>	<u>(59.9) %</u>	<u>(75.6) %</u>	<u>(62.0) %</u>
<u>9,613,195</u>	<u>10,364,599</u>					
<u>\$ 8,634,062</u>	<u>\$ 9,613,195</u>					

See accompanying independent auditor's report.

**ANDERSON MILL LIMITED DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2017**

District Mailing Address - 11500 El Salido Parkway
Austin, Texas 78750

District Telephone Number - (512) 258-4104

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended September 30, 2017	Expense Reimbursements for the year ended September 30, 2017	Title
John Kiracofe	05/16 05/20 (Elected)	\$ 750	\$ -0-	President
Cindy Ottenbacher	05/16 05/20 (Elected)	\$ 1,800	\$ -0-	Vice President
Fred Grampp	05/14 05/18 (Elected)	\$ 1,800	\$ 1,909	Secretary
William Burke	05/14 05/18 (Elected)	\$ 1,350	\$ 842	Treasurer
Fred Morgan	05/16 05/20 (Elected)	\$ 1,650	\$ 757	Assistant Secretary/ Treasurer

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

Submission date of most recent District Registration Form (TWC Sections 36.054 and 49.054): June 17, 2016.

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

See accompanying independent auditor's report.

**ANDERSON MILL LIMITED DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2017**

	<u>Date Hired</u>	<u>Fees for the year ended September 30, 2017</u>	<u>Title</u>
Consultants:			
McGinnis, Lochridge & Kilgore, L.L.P.	10/1/09	\$ 14,270	Attorney
McCall Gibson Swedlund Barfoot PLLC	01/12/17	\$ -0-	Auditor
Amy Farrar	10/1/08	\$ 9,349	Bookkeeper
Patterson & Associates	10/8/09	\$ 6,000	Financial Advisor
Belt Harris Pechacek, L.L.P.	06/11/09	\$ 9,995	Former Auditor
Williamson County Tax Assessor-Collector	05/23/01	\$ 922	Tax Assessor/ Collector
Travis County Tax Assessor-Collector	05/23/01	\$ 104	Tax Assessor/ Collector

See accompanying independent auditor's report.

