

**MISSION BEND MUNICIPAL
UTILITY DISTRICT NO. 1**

HARRIS AND FORT BEND COUNTIES, TEXAS

FINANCIAL REPORT

March 31, 2024

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Houston, Texas 77092

Independent Auditor's Report

Board of Directors

Mission Bend Municipal Utility District No. 1

Harris and Fort Bend Counties, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Mission Bend Municipal Utility District No. 1 (the "District"), as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Mission Bend Municipal Utility District No. 1, as of March 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

***Board of Directors
Mission Bend Municipal Utility District No. 1
Harris and Fort Bend Counties, Texas***

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information


Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied

***Board of Directors
Mission Bend Municipal Utility District No. 1
Harris and Fort Bend Counties, Texas***

certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Supplementary Information schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has 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 Texas Supplementary Information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.



Houston, Texas
July 15, 2024

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Management's Discussion and Analysis

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***Mission Bend Municipal Utility District No. 1
Management's Discussion and Analysis
March 31, 2024***

Using this Annual Report

Within this section of the financial report of Mission Bend Municipal Utility District No. 1 (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended March 31, 2024. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

In addition to this discussion and analysis, this annual report consists of:

- The District's basic financial statements;
- Notes to the basic financial statements, which provide additional information essential to a full understanding of the data provided in the financial statements;
- Supplementary information required by the Governmental Accounting Standards Board (GASB) concerning the District's budget; and
- Other Texas supplementary information required by the District's state oversight agency, the Texas Commission on Environmental Quality (TCEQ).

Overview of the Financial Statements

The District prepares its basic financial statements using a format that combines fund financial statements and government-wide statements onto one financial statement. The combined statements are the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. Each statement contains an adjustments column which quantifies the differences between the government-wide and fund level statements. Additional details of the adjustments are provided in Note 2 to the basic financial statements.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District, both long-term and short-term. The District's government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the accrual basis of accounting. The *Statement of Net Position* includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, changes in net position may provide a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

Accounting standards establish three components of net position. The net investment in capital assets component represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restricted component of net position consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties. The unrestricted component of net position represents resources not included in the other components.

Mission Bend Municipal Utility District No. 1
Management's Discussion and Analysis
March 31, 2024

The *Statement of Activities* reports how the District's net position has changed during the fiscal year. All revenues and expenses are included on this statement, regardless of whether cash has been received or paid.

Fund Financial Statements

The fund financial statements include the *Governmental Funds Balance Sheet* and the *Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. The focus of fund financial statements is on specific activities of the District rather than the District as a whole, reported using modified accrual accounting. These statements report on the District's use of available financial resources and the balances of available financial resources at the end of the year. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties, governmental statutes or regulations.

For further discussion on the government-wide and fund financial statements, please refer to Note 1 in the financial statements.

Financial Analysis of the District as a Whole

The District's net position at March 31, 2024, was \$5,651,196. A comparative summary of the District's overall financial position, as of March 31, 2024 and 2023, is as follows:

	2024	2023
Current and other assets	\$ 7,597,087	\$ 7,863,640
Capital assets	3,671,899	3,153,710
Total assets	11,268,986	11,017,350
Current liabilities	527,790	448,061
Long-term liabilities	5,090,000	5,280,000
Total liabilities	5,617,790	5,728,061
Net position		
Net investment in capital assets	684,657	642,189
Restricted	706,019	585,317
Unrestricted	4,260,520	4,061,783
Total net position	\$ 5,651,196	\$ 5,289,289

Mission Bend Municipal Utility District No. 1
Management's Discussion and Analysis
March 31, 2024

The total net position of the District increased during the current fiscal year by \$361,907. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	2024	2023
Revenues		
Water and sewer service	\$ 662,415	\$ 671,738
Property taxes, penalties and interest	1,337,129	1,206,830
Other	1,404,246	1,152,408
Total revenues	<u>3,403,790</u>	<u>3,030,976</u>
Expenses		
Current service operations	2,674,255	2,419,416
Debt interest and fees	190,588	112,029
Debt issuance costs		307,854
Depreciation	177,040	215,324
Total expenses	<u>3,041,883</u>	<u>3,054,623</u>
Change in net position	361,907	(23,647)
Net position, beginning of year	5,289,289	5,312,936
Net position, end of year	<u>\$ 5,651,196</u>	<u>\$ 5,289,289</u>

Financial Analysis of the District's Funds

The District's combined fund balances, as of March 31, 2024, were \$7,089,183, which consists of \$4,160,594 in the General Fund, \$635,831 in the Debt Service Fund and \$2,292,758 in the Capital Projects Fund.

General Fund

A comparative summary of the General Fund's financial position as of March 31, 2024 and 2023, is as follows:

	2024	2023
Total assets	<u>\$ 4,443,789</u>	<u>\$ 4,384,536</u>
Total liabilities	\$ 183,269	\$ 322,753
Total deferred inflows	99,926	100,811
Total fund balance	<u>4,160,594</u>	<u>3,960,972</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 4,443,789</u>	<u>\$ 4,384,536</u>

Mission Bend Municipal Utility District No. 1
Management's Discussion and Analysis
March 31, 2024

A comparative summary of the General Fund's activities for the current and prior fiscal year is as follows:

	2024	2023
Total revenues	\$ 2,790,142	\$ 2,563,080
Total expenditures	(2,590,520)	(2,343,019)
Revenues over expenditures	199,622	220,061
Other changes in fund balance		10,848
Net change in fund balance	\$ 199,622	\$ 230,909

The District manages its activities with the objective of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District's primary financial resources in the General Fund are from a property tax levy, the provision of water and sewer services to customers within the District and sales tax rebates received from the City of Houston. Financial resources are influenced by a variety of factors each year:

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. While the District decreased its maintenance tax levy, property tax revenues increased because assessed values in the District increased from the prior year.
- Water, sewer and groundwater pumpage fee revenues are dependent upon customer usage, which fluctuates from year to year as a result of factors beyond the District's control.
- Sales tax rebates received from the City of Houston under a Strategic Partnership Agreement are dependent on consumer spending at retail stores located within the District's boundaries and will fluctuate from year to year.

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of March 31, 2024 and 2023, is as follows:

	2024	2023
Total assets	\$ 725,244	\$ 604,060
Total liabilities	\$ 3,583	\$ 2,839
Total deferred inflows	85,830	72,310
Total fund balance	635,831	528,911
Total liabilities, deferred inflows and fund balance	\$ 725,244	\$ 604,060

Mission Bend Municipal Utility District No. 1
Management's Discussion and Analysis
March 31, 2024

A comparative summary of the Debt Service Fund's activities for the current and prior fiscal year is as follows:

	2024	2023
Total revenues	\$ 455,408	\$ 392,563
Total expenditures	(348,488)	(257,754)
Revenues over expenditures	106,920	134,809
Other changes in fund balance		146,950
Net change in fund balance	\$ 106,920	\$ 281,759

The District's financial resources in the Debt Service Fund in both the current year and prior year are from property tax revenues. During the prior year, financial resources also included capitalized interest from the sale of bonds. The difference between these financial resources and debt service requirements resulted in an increase in fund balance each year. It is important to note that the District sets its annual debt service tax rate as recommended by its financial advisor, who monitors projected cash flows in the Debt Service Fund to ensure that the District will be able to meet its future debt service requirements.

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of March 31, 2024 and 2023, is as follows:

	2024	2023
Total assets	\$ 2,428,054	\$ 2,875,044
Total liabilities	\$ 135,296	\$ 1,565
Total fund balance	2,292,758	2,873,479
Total liabilities and fund balance	\$ 2,428,054	\$ 2,875,044

A comparative summary of activities in the Capital Projects Fund for the current and prior fiscal year is as follows:

	2024	2023
Total revenues	\$ 145,605	\$ 56,612
Total expenditures	(726,326)	(505,335)
Revenues under expenditures	(580,721)	(448,723)
Other changes in fund balance		3,322,202
Net change in fund balance	\$ (580,721)	\$ 2,873,479

The District's capital asset activity in the last two years has been for improvements to existing facilities.

Mission Bend Municipal Utility District No. 1
Management's Discussion and Analysis
March 31, 2024

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board amended the budget during the year to reflect changes in anticipated expenditures.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was \$153,258 greater than budgeted. The *Budgetary Comparison Schedule* on page 36 of this report provides variance information per financial statement line item.

Capital Assets

Capital assets held by the District at March 31, 2024 and 2023, are summarized as follows:

	2024	2023
Capital assets not being depreciated		
Land and easements	\$ 138,490	\$ 138,490
Construction in progress	764,757	69,528
	<u>903,247</u>	<u>208,018</u>
Capital assets being depreciated		
Infrastructure	11,853,083	11,853,083
Parks and recreational facilities	48,165	48,165
	<u>11,901,248</u>	<u>11,901,248</u>
Less accumulated depreciation		
Infrastructure	(9,093,431)	(8,918,666)
Parks and recreational facilities	(39,165)	(36,890)
	<u>(9,132,596)</u>	<u>(8,955,556)</u>
Depreciable capital assets, net	<u>2,768,652</u>	<u>2,945,692</u>
Capital assets, net	<u>\$ 3,671,899</u>	<u>\$ 3,153,710</u>

The District's construction in progress is for the construction of the following:

- Water plants no. 1 & 2 electrical upgrades
- Water plants no. 1 & 2 chloramine conversion
- Water plant no. 2 generator addition
- Lift station electrical upgrades

Mission Bend Municipal Utility District No. 1
Management's Discussion and Analysis
March 31, 2024

Long-Term Debt and Related Liabilities

At March 31, 2024 and 2023, the District had total bonded debt outstanding as shown below:

Series	2024	2023
2021 Refunding	\$ 1,800,000	\$ 1,905,000
2022	3,480,000	3,480,000
	<u>\$ 5,280,000</u>	<u>\$ 5,385,000</u>

At March 31, 2024, the District had \$16,070,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District and the refunding of such bonds.

Next Year's Budget

In establishing the budget for the next fiscal year, the Board considered various economic factors that may affect the District, most notably projected revenues from property taxes and water/sewer services and the projected cost of operating the District and providing services to customers. A comparison of next year's budget to current year actual amounts for the General Fund is as follows:

	2024 Actual	2025 Budget
Total revenues	\$ 2,790,142	\$ 2,883,487
Total expenditures	<u>(2,590,520)</u>	<u>(2,756,602)</u>
Revenues over expenditures	199,622	126,885
Beginning fund balance	<u>3,960,972</u>	<u>4,160,594</u>
Ending fund balance	<u>\$ 4,160,594</u>	<u>\$ 4,287,479</u>

Property Taxes

The District's property tax base increased approximately \$26,670,000 for the 2024 tax year from \$584,939,166 to \$611,608,832, based on preliminary values. This increase was primarily due to increased property values.

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Basic Financial Statements

Mission Bend Municipal Utility District No. 1
Statement of Net Position and Governmental Funds Balance Sheet
March 31, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 155,699	\$ 142,156	\$ 385	\$ 298,240	\$ -	\$ 298,240
Investments	3,705,962	526,578	2,427,669	6,660,209		6,660,209
Taxes receivable, net	81,593	85,830		167,423		167,423
Customer service receivables	144,551			144,551		144,551
Internal balances	29,569	(29,569)				
Due from other governments	44,952			44,952		44,952
Other receivables	10,163	249		10,412		10,412
Operating reserves	271,300			271,300		271,300
Capital assets not being depreciated					903,247	903,247
Capital assets, net					2,768,652	2,768,652
Total Assets	<u>\$ 4,443,789</u>	<u>\$ 725,244</u>	<u>\$ 2,428,054</u>	<u>\$ 7,597,087</u>	<u>3,671,899</u>	<u>11,268,986</u>
Liabilities						
Accounts payable	\$ 145,380	\$ -	\$ 99,309	\$ 244,689		244,689
Retainage payable			35,987	35,987		35,987
Other payables	1,614	3,583		5,197		5,197
Customer deposits	36,275			36,275		36,275
Accrued interest payable					15,642	15,642
Long-term debt						
Due within one year					190,000	190,000
Due after one year					5,090,000	5,090,000
Total Liabilities	<u>183,269</u>	<u>3,583</u>	<u>135,296</u>	<u>322,148</u>	<u>5,295,642</u>	<u>5,617,790</u>
Deferred Inflows of Resources						
Deferred property taxes	81,593	85,830		167,423	(167,423)	
Deferred City of Houston sales tax	18,333			18,333	(18,333)	
	<u>99,926</u>	<u>85,830</u>		<u>185,756</u>	<u>(185,756)</u>	
Fund Balances/Net Position						
Fund Balances						
Nonspendable	271,300			271,300	(271,300)	
Restricted		635,831	2,292,758	2,928,589	(2,928,589)	
Unassigned	3,889,294			3,889,294	(3,889,294)	
Total Fund Balances	<u>4,160,594</u>	<u>635,831</u>	<u>2,292,758</u>	<u>7,089,183</u>	<u>(7,089,183)</u>	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,443,789</u>	<u>\$ 725,244</u>	<u>\$ 2,428,054</u>	<u>\$ 7,597,087</u>		
Net Position						
Net investment in capital assets					684,657	684,657
Restricted for debt service					706,019	706,019
Unrestricted					4,260,520	4,260,520
Total Net Position					<u>\$ 5,651,196</u>	<u>\$ 5,651,196</u>

See notes to basic financial statements.

Mission Bend Municipal Utility District No. 1**Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances****For the Year Ended March 31, 2024**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Water service	\$ 280,826	\$ -	\$ -	\$ 280,826	\$ -	\$ 280,826
Sewer service	381,589			381,589		381,589
Property taxes	866,828	418,371		1,285,199	493	1,285,692
Penalties and interest	25,786	14,591		40,377	11,060	51,437
Groundwater pumpage fees	818,808			818,808		818,808
Tap connection and inspection	31,984			31,984		31,984
Strategic partnership agreement	193,479			193,479	1,082	194,561
Miscellaneous	13,975	204		14,179		14,179
Investment earnings	176,867	22,242	145,605	344,714		344,714
Total Revenues	2,790,142	455,408	145,605	3,391,155	12,635	3,403,790
Expenditures/Expenses						
Current service operations						
Purchased services	1,314,476			1,314,476		1,314,476
Professional fees	180,892		101,056	281,948		281,948
Contracted services	169,132	45,629	1,071	215,832		215,832
Repairs and maintenance	668,990			668,990		668,990
Utilities	3,522			3,522		3,522
Parks and recreation	40,000			40,000		40,000
Administrative	102,784	6,201	335	109,320		109,320
Other	39,359	808		40,167		40,167
Debt service						
Principal		105,000		105,000	(105,000)	
Interest and fees		190,850		190,850	(262)	190,588
Capital outlay	71,365		623,864	695,229	(695,229)	
Depreciation					177,040	177,040
Total Expenditures/Expenses	2,590,520	348,488	726,326	3,665,334	(623,451)	3,041,883
Revenues Over/(Under)						
Expenditures	199,622	106,920	(580,721)	(274,179)	274,179	
Change in Net Position					361,907	361,907
Fund Balance/Net Position						
Beginning of the year	3,960,972	528,911	2,873,479	7,363,362	(2,074,073)	5,289,289
End of the year	<u>\$ 4,160,594</u>	<u>\$ 635,831</u>	<u>\$ 2,292,758</u>	<u>\$ 7,089,183</u>	<u>\$ (1,437,987)</u>	<u>\$ 5,651,196</u>

See notes to basic financial statements.

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Mission Bend Municipal Utility District No. 1
Notes to Financial Statements
March 31, 2024

Note 1 – Summary of Significant Accounting Policies

The accounting policies of Mission Bend Municipal Utility District No. 1 (the “District”) conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). The following is a summary of the most significant policies:

Creation

The District was organized, created, and established pursuant to an order of the Texas Water Commission, statutory predecessor to the Texas Commission on Environmental Quality, dated December 7, 1977, and operates in accordance with the Texas Water Code, Chapters 49 and 54. The Board of Directors held its first meeting on February 21, 1978, and the first bonds were issued on June 20, 1979.

The District’s primary activities include construction, maintenance and operation of water, sewer and drainage facilities. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll, or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other 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.

Government-Wide and Fund Financial Statements

Government-wide financial statements display information about the District as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Interfund activity, if any, has been removed from these statements. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities*.

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

Fund financial statements display information at the individual fund level. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Each fund is considered to be a separate accounting entity. Most governments typically have many funds; however, governmental financial statements focus on the most important or “major” funds with non-major funds aggregated in a single column. The District has three governmental funds, which are all considered major funds.

The following is a description of the various funds used by the District:

- The General Fund is used to account for the operations of the District’s water and sewer system and all other financial transactions not reported in other funds. The primary sources of revenue are property taxes, water and sewer service fees and City of Houston sales tax rebates. Expenditures include costs associated with the daily operations of the District.
- The Debt Service Fund is used to account for the payment of interest and principal on the District’s general long-term debt. The principal source of revenue for debt service is property taxes. Expenditures include costs incurred in assessing and collecting these taxes.
- The Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the District’s water, sewer and drainage facilities.

As a special-purpose government engaged in a single governmental program, the District has opted to combine its government-wide and fund financial statements in a columnar format showing an adjustments column for reconciling items between the two.

Measurement Focus and Basis of Accounting

The government-wide financial statements use the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both available and measurable to finance expenditures of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, interest earned on investments, City of Houston sales tax rebates, and income from District operations. Property taxes receivable at the end of the fiscal year are treated as deferred inflows because they are not considered available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Mission Bend Municipal Utility District No. 1
Notes to Financial Statements
March 31, 2024

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

Note 2 further details the adjustments from the governmental fund presentation to the government-wide presentation.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted resources as they are needed.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset unless a legal right of offset exists. At March 31, 2024, an allowance of \$15,276 was provided for possible uncollectible property taxes. An allowance for uncollectible water/sewer accounts was not considered necessary.

Unbilled Service Revenues

Utility revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled at year-end has been included in the accompanying financial statements.

Interfund Activity

During the course of operations, transactions occur between individual funds. This can include internal transfers, payables and receivables. This activity is combined as internal balances and is eliminated in both the government-wide and fund financial statement presentation.

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost of \$50,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Mission Bend Municipal Utility District No. 1
Notes to Financial Statements
March 31, 2024

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

Depreciable capital assets, which primarily consist of water, wastewater, and drainage facilities, are depreciated using the straight-line method as follows:

<u>Assets</u>	<u>Useful Life</u>
Infrastructure	15-45 years
Parks and recreational facilities	15-20 years

Deferred Inflows and Outflows of Financial Resources

A deferred inflow of financial resources is the acquisition of resources in one period that is applicable to a future period, while a deferred outflow of financial resources is the consumption of financial resources in one period that is applicable to a future period. A deferred inflow results from the acquisition of an asset without a corresponding revenue or assumption of a liability. A deferred outflow results from the use of an asset without a corresponding expenditure or reduction of a liability.

At the fund level, property taxes receivable and City of Houston sales tax rebates receivable that are not collected within 60 days of fiscal year end do not meet the availability criteria required for revenue recognition and are recorded as deferred inflows of financial resources.

Net Position – Governmental Activities

Governmental accounting standards establish the following three components of net position:

Net investment in capital assets – represents the District’s investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets.

Restricted – consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties.

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

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’s nonspendable fund balance consists of operating reserves paid to Chelford City Municipal Utility District for the joint regional wastewater treatment plant and the integrated water system.

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds (continued)

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District's restricted fund balances consist of unspent bond proceeds in the Capital Projects Fund and property taxes levied for debt service in the Debt Service Fund.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District does not have any committed fund balances.

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

Unassigned - all other spendable amounts in the General Fund.

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include, among others, the collectability of receivables; the value of unbilled utility revenues and receivables and the useful lives and impairment of capital assets. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

Mission Bend Municipal Utility District No. 1
Notes to Financial Statements
March 31, 2024

Note 2 – Adjustment from Governmental to Government-wide Basis

Reconciliation of the *Governmental Funds Balance Sheet* to the *Statement of Net Position*

Total fund balance, governmental funds		\$ 7,089,183
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

Historical cost	\$ 12,804,495	
Less accumulated depreciation	<u>(9,132,596)</u>	
Change due to capital assets		3,671,899

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds, the difference consists of:

Bonds payable, net	(5,280,000)	
Interest payable on bonds	<u>(15,642)</u>	
Change due to long-term debt		(5,295,642)

Receivables that are not collected within sixty days of fiscal year end are not considered available to pay current period expenditures and are deferred in the funds. The difference consists of:

Deferred property taxes	167,423	
Deferred City of Houston sales tax rebates	<u>18,333</u>	
Change due to deferred revenues		185,756

Total net position - governmental activities		<u><u>\$ 5,651,196</u></u>
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Mission Bend Municipal Utility District No. 1
Notes to Financial Statements
March 31, 2024

Note 2 – Adjustment from Governmental to Government-wide Basis (continued)

Reconciliation of the *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* to the *Statement of Activities*

Net change in fund balances - total governmental funds	\$ (274,179)
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Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for:

Property taxes and related penalties and interest	\$ 11,553	
City of Houston sales tax rebates	<u>1,082</u>	
		12,635

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal uses current financial resources. However, neither transaction has any effect on net assets. Other elements of debt financing are reported differently between the fund and government wide statements.

Principal payments	105,000	
Interest expense accrual	<u>262</u>	
		105,262

Governmental funds report capital outlays for construction costs as expenditures in the funds; however, in the *Statement of Activities*, the cost of capital assets is charged to expense over the estimated useful life of the asset.

Capital outlays	695,229	
Depreciation expense	<u>(177,040)</u>	
		518,189

Change in net position of governmental activities	<u><u>\$ 361,907</u></u>
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Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

Custodial credit risk as it applies to deposits (i.e., cash and certificates of deposit) is the risk that, in the event of the failure of the depository institution, a government will not be able to recover its deposits or will not be able to recover collateral securities. The *Public Funds Collateral Act* (Chapter 2257, Texas Government Code) requires that all of the District's deposits with financial institutions be covered by federal depository insurance and, if necessary, pledged collateral held by a third-party custodian. The act further specifies the types of securities that can be used as collateral. The District's written investment policy establishes additional requirements for collateralization of deposits.

Mission Bend Municipal Utility District No. 1
Notes to Financial Statements
March 31, 2024

Note 3 – Deposits and Investments (continued)

Investments

The District is authorized by the *Public Funds Investment Act* (Chapter 2256, Texas Government Code) to invest in the following: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including Federal Home Loan Banks, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies or instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (5) certain A rated or higher obligations of states and political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) certain insured or collateralized certificates of deposit and share certificates, (8) certain fully collateralized repurchase agreements, (9) 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.

The District has adopted a written investment policy to establish the principles by which the District's investment program should be managed. This policy further restricts the types of investments in which the District may invest.

As of March 31, 2024, the District's investments consist of the following:

Type	Fund	Carrying Value	Percentage of Total	Rating	Weighted Average Maturity
Certificates of deposit	General	\$ 1,410,000			
	Debt Service	150,000			
		<u>1,560,000</u>	23%	N/A	N/A
Texas CLASS	General	2,295,962			
	Debt Service	376,578			
	Capital Projects	2,427,669			
		<u>5,100,209</u>	77%	AAAm	34 days
Total		<u><u>\$ 6,660,209</u></u>	<u>100%</u>		

The District's investments in certificates of deposit are reported at cost.

Mission Bend Municipal Utility District No. 1
Notes to Financial Statements
March 31, 2024

Note 3 – Deposits and Investments (continued)

Texas CLASS

The District participates in Texas Cooperative Liquid Assets Securities System (Texas CLASS). Texas CLASS is managed by an elected Board of Trustees consisting of members of the pool. Additionally, the Board of Trustees has established an advisory board, the function of which is to provide guidance on investment policies and strategies. The Board of Trustees has selected Public Trust Advisors, LLC as the program administer and UMB Bank N.A., as the custodian.

The District's investment in Texas CLASS is reported at fair value because Texas CLASS uses fair value to report investments (other than repurchase agreements which are valued at amortized cost). Governmental accounting standards establish the following hierarchy of inputs used to measure fair value: Level 1 inputs are based on quoted prices in active markets, Level 2 inputs are based on significant other observable inputs, and Level 3 inputs are based on significant unobservable inputs. The District's investment in Texas CLASS is measured using published fair value per share (level 1 inputs).

Investments in Texas CLASS may be withdrawn via wire transfer on a same day basis, as long as the transaction is executed by 4 p.m. ACH withdrawals made by 4 p.m. will settle on the next business day.

Investment Credit and Interest Rate Risk

Investment credit risk is the risk that the investor may not recover the value of an investment from the issuer, while interest rate risk is the risk that the value of an investment will be adversely affected by changes in interest rates. The District's investment policies do not address investment credit and interest rate risk beyond the rating and maturity restrictions established by state statutes.

Note 4 – Interfund Balances and Transactions

Amounts due to/from other funds at March 31, 2024, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>	<u>Purpose</u>
General Fund	Debt Service Fund	\$ 29,569	Maintenance tax collections not remitted as of year end

Amounts reported as internal balances between funds are considered temporary balances and will be paid during the following fiscal year.

Mission Bend Municipal Utility District No. 1
Notes to Financial Statements
March 31, 2024

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended March 31, 2024, is as follows:

	Beginning Balances	Additions/ Adjustments	Ending Balances
Capital assets not being depreciated			
Land and easements	\$ 138,490	\$ -	\$ 138,490
Construction in progress	69,528	695,229	764,757
	<u>208,018</u>	<u>695,229</u>	<u>903,247</u>
Capital assets being depreciated			
Infrastructure	11,853,083		11,853,083
Parks and recreational facilities	48,165		48,165
	<u>11,901,248</u>		<u>11,901,248</u>
Less accumulated depreciation			
Infrastructure	(8,918,666)	(174,765)	(9,093,431)
Parks and recreational facilities	(36,890)	(2,275)	(39,165)
	<u>(8,955,556)</u>	<u>(177,040)</u>	<u>(9,132,596)</u>
Subtotal depreciable capital assets, net	<u>2,945,692</u>	<u>(177,040)</u>	<u>2,768,652</u>
Capital assets, net	<u>\$ 3,153,710</u>	<u>\$ 518,189</u>	<u>\$ 3,671,899</u>

Depreciation expense for the current fiscal year was \$177,040.

The District has contractual commitments for construction projects as follows:

	Contract Amount	Amounts Paid	Remaining Commitment
Generator addition at water plant no. 2	\$ 602,643	\$ 333,945	\$ 268,698
Electrical upgrades at lift station	122,669	58,553	64,116
Electrical upgrades at water plants no. 1 & 2	1,125,469		1,125,469
	<u>\$ 1,850,781</u>	<u>\$ 392,498</u>	<u>\$ 1,458,283</u>

Note 6 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	<u>\$ 5,280,000</u>
Due within one year	<u>\$ 190,000</u>

Mission Bend Municipal Utility District No. 1
Notes to Financial Statements
March 31, 2024

Note 6 – Long-Term Debt (continued)

The District's bonds payable at March 31, 2024, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2021 Refunding	\$ 1,800,000	\$ 2,005,000	2.00% - 3.00%	September 1, 2022/2037	September 1, March 1	September 1, 2026
2022	3,480,000	3,480,000	4.00% - 4.50%	September 1, 2024/2049	September 1, March 1	September 1, 2028
	<u>\$ 5,280,000</u>					

Payments of principal and interest on all series of bonds are to be provided from taxes levied on all properties within the District. Investment income realized by the Debt Service Fund from investment of idle funds will be used to pay outstanding bond principal and interest. The District is in compliance with the terms of its bond resolutions.

At March 31, 2024, the District had authorized but unissued bonds in the amount of \$16,070,000 for water, sewer and drainage facilities and the refunding of such bonds.

The change in the District's long-term debt during the year is as follows:

Bonds payable, beginning of year	\$ 5,385,000
Bonds retired	<u>(105,000)</u>
Bonds payable, end of year	<u>\$ 5,280,000</u>

Mission Bend Municipal Utility District No. 1
Notes to Financial Statements
March 31, 2024

Note 6 – Long-Term Debt (continued)

As of March 31, 2024, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2025	\$ 190,000	\$ 184,475	\$ 374,475
2026	190,000	178,025	368,025
2027	195,000	171,500	366,500
2028	200,000	164,825	364,825
2029	200,000	158,700	358,700
2030	205,000	153,150	358,150
2031	200,000	147,600	347,600
2032	205,000	142,050	347,050
2033	210,000	136,350	346,350
2034	215,000	130,500	345,500
2035	215,000	124,600	339,600
2036	215,000	118,700	333,700
2037	220,000	112,750	332,750
2038	220,000	106,750	326,750
2039	200,000	99,625	299,625
2040	200,000	91,375	291,375
2041	200,000	83,125	283,125
2042	200,000	74,750	274,750
2043	200,000	66,250	266,250
2044	200,000	57,750	257,750
2045	200,000	49,125	249,125
2046	200,000	40,375	240,375
2047	200,000	31,500	231,500
2048	200,000	22,500	222,500
2049	200,000	13,500	213,500
2050	200,000	4,500	204,500
	<u>\$ 5,280,000</u>	<u>\$ 2,664,350</u>	<u>\$ 7,944,350</u>

Note 7 – Property Taxes

On August 12, 1978, the voters of the District authorized the District's Board of Directors to levy taxes annually for use in financing general operations limited to \$0.25 per \$100 of assessed value. The District's bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

Mission Bend Municipal Utility District No. 1
Notes to Financial Statements
March 31, 2024

Note 7 – Property Taxes (continued)

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

Property taxes are collected based on rates adopted in the year of the levy. The District's 2024 fiscal year was financed through the 2023 tax levy, pursuant to which the District levied property taxes of \$0.22 per \$100 of assessed value, of which \$0.148 was allocated to maintenance and operations and \$0.072 was allocated to debt service. The resulting tax levy was \$1,286,867 on the adjusted taxable value of \$584,939,166.

Net property taxes receivable, at March 31, 2024, consisted of the following:

Current year taxes receivable	\$ 56,265
Prior years taxes receivable	73,512
Less allowance for uncollectible accounts	<u>(15,276)</u>
	114,501
Penalty and interest receivable	<u>52,922</u>
Net property taxes receivable	<u><u>\$ 167,423</u></u>

Note 8 – Financing and Operation of Regional Facilities

On May 9, 1978, the District entered into a 40-year agreement, subsequently amended August 2, 1999, with Chelford City Municipal Utility District (Chelford City). Chelford City entered into a series of individual 40-year contracts whereby Chelford City agrees to provide or cause to be provided the regional wastewater treatment and disposal facilities necessary to serve the participating districts. The contract was subsequently amended on September 11, 2006, to update each participant's percentage of ownership and to make the contract automatically renew for successive 40-year terms until all of the parties are annexed and dissolved by the City of Houston.

The agreements are as follows:

Participants	Date of Agreement
Chelford One Municipal Utility District	May 9, 1978
City of Houston (formerly Harris County Municipal Utility District No. 98)	May 9, 1978
Harris County Municipal Utility District No. 120	May 9, 1978
Harris County Municipal Utility District No. 147	May 9, 1978
Mission Bend Municipal Utility District No. 1	May 9, 1978
Mission Bend Municipal Utility District No. 2	June 19, 1979
City of Houston (formerly West Houston Municipal Utility District)	August 12, 1981
Alief Church of the Nazarene (formerly Houston First Savings Association)	May 9, 1978

Mission Bend Municipal Utility District No. 1
Notes to Financial Statements
March 31, 2024

Note 8 – Financing and Operation of Regional Facilities (continued)

The following are each participant's capacity and percentage ownership:

Participants	Capacity (gpd)	Percent
Chelford City Municipal Utility District	966,600	8.79%
Chelford One Municipal Utility District	533,500	4.85%
City of Houston (formerly Harris County Municipal Utility District No. 98)	1,086,800	9.88%
Harris County Municipal Utility District No. 120	2,959,700	26.91%
Harris County Municipal Utility District No. 147	489,500	4.45%
Mission Bend Municipal Utility District No. 1	1,041,700	9.47%
Mission Bend Municipal Utility District No. 2	2,441,600	22.20%
City of Houston (formerly West Houston Municipal Utility District)	1,472,900	13.39%
Alief Church of the Nazarene (formerly Houston First Savings Association)	7,700	0.07%

Chelford City operates the regional facility and holds title for the benefit of the participants. Participants are billed monthly based on \$1.50 per 1,000 gallons-per-day capacity acquired in the treatment facilities, plus a pro rata share of budgeted costs in excess of this amount based on the number of connections. The District recorded \$315,821 in expenditures for the current fiscal year. In addition, each participant has paid for its pro rata share of an operating and maintenance reserve equivalent to three month's share average budgeted expenditures for the next fiscal year. The District's share of the operating reserve is \$112,578.

The following represents condensed audit financial information of the Plant, as of and for the year September 30, 2023. Complete financial statements for the plant may be obtained from Coats, Rose, Yale, Ryman & Lee, P.C., 9 Greenway Plaza, Suite 1000, Houston, Texas 77046.

Total assets	<u>\$ 4,523,966</u>
Total liabilities	\$ 644,971
Total fund balance	<u>3,878,995</u>
Total liabilities and fund balance	<u>\$ 4,523,966</u>
Total revenues	\$ 3,451,986
Total expenditures	<u>(3,756,474)</u>
Revenues under expenditures	(304,488)
Net position, beginning of year	<u>4,183,483</u>
Net position, end of year	<u>\$ 3,878,995</u>

Mission Bend Municipal Utility District No. 1
Notes to Financial Statements
March 31, 2024

Note 9 – Integrated Water System

On May 14, 1981, subsequently amended on April 1, 2018, as the Second Amended and Restated Water Supply and Billing Agreement, the District, Chelford City Municipal Utility District, Chelford One Municipal Utility District, and Mission Bend Municipal Utility District No. 2 (Mission Bend No. 2) entered into a water supply and billing agreement. The interconnections between the districts have been opened and the water supplied through the coordinated operation of the water plants. Costs of operating the water plants are based on the pro rata number of gallons billed by each district. During the current fiscal year, the District's share of this cost was \$90,292. A reserve of \$158,722 was established which is equal to an estimate of two months of electricity, telephone, and chemical bills and two months of estimated water authority fees.

In addition to the agreement, these same four districts entered into supplemental agreements for the construction, financing, and operation of elevated water storage facilities. The agreements are dated May 30, 1986, July 1, 2001, June 1, 2012, which were also amended by the Second Amended and Restated Water Supply Agreement dated April 1, 2018. Mission Bend No. 2 holds title to the facilities subject to the equitable ownership rights of each of the participants. Mission Bend No. 2 administered the construction of the facilities and operates and maintains the facilities. All construction and related costs and all costs of operating and maintaining the facilities are shared based on the capacity owned by each district.

The capacity and ownership have been allocated as follows:

Participants	Capacity (gpd)	Percent
Chelford City Municipal Utility District	300,000	15.14%
Chelford One Municipal Utility District	250,000	12.62%
Mission Bend Municipal Utility District No. 1	450,000	22.16%
Mission Bend Municipal Utility District No. 2	1,000,000	50.08%

Note 10 – Strategic Partnership Agreement

On April 8, 2003, the District, and the City of Houston (the "City") entered into a Strategic Partnership Agreement under which the City annexed a tract of land within the District for the limited purposes of the City's Planning, Zoning, Health and Safety Ordinances within the District. This agreement was amended on June 30, 2005, for the limited purpose annexation by the City of an additional tract of land within the District for the same purposes and for the purpose of imposing the City's fireworks ban on the original and amended tracts. The District amended the agreement again on December 13, 2010, to include additional annexed land. The District continues to exercise all powers and functions of a municipal utility district as provided by law. As consideration for the District providing services described in the agreement, the City agreed to remit one half of all retail sales tax collected from retailers located in the District's boundaries. The City agrees that it will not annex the District for full purposes during the term of this agreement, which is thirty years. For the year ending March 31, 2024, the District recorded revenues of \$194,561 related to the agreement. These revenues may be used for any lawful purpose.

Note 11 – West Harris County Regional Water Authority

The District is located within the boundaries of the West Harris County Regional Water Authority (the “Authority”). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 1842 (the “Act”), passed by the 77th Texas Legislature in 2021. The Act empowers the Authority for purposes including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwaters withdrawals, the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions and the control of subsidence caused by the withdrawal of water from those groundwater reservoirs or their subdivisions. The Authority oversees the participants’ compliance with subsidence district pumpage requirements. The District is required to convert from groundwater to surface water over a period of time.

A nine-member Board of Directors governs the Authority. The directors serve staggered four-year terms. Each director must qualify to serve as director in the manner provided by Section 49.055 of the Water Code.

The Authority charges a fee, based on the amount of water pumped from a well, to the owner of wells located within the boundaries of the Authority, unless exempted. The Authority also charges a fee for surface water supplied to participants. These fees enable the Authority to fulfill its purpose and regulatory functions. As of March 31, 2024, the groundwater pumpage fee is \$3.95 per 1,000 gallons of water pumped from each well and the surface water fee is \$4.35 per 1,000 gallons delivered. As a part of the Integrated Water Supply Agreement, the District pays the Authority fees through the responsible District, Chelford City, who bills based on the Districts percentage of total gallons billed by all the participants to the Agreement. The District recorded expenditures of \$908,363 for fees assessed during the current fiscal year.

Note 12 – Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Required Supplementary Information

Mission Bend Municipal Utility District No. 1

Required Supplementary Information - Budgetary Comparison Schedule - General Fund

For the Year Ended March 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Water service	\$ 274,210	\$ 274,210	\$ 280,826	\$ 6,616
Sewer service	394,107	394,107	381,589	(12,518)
Property taxes	789,204	789,204	866,828	77,624
Penalties and interest	30,000	30,000	25,786	(4,214)
Groundwater pumpage fees	778,393	778,393	818,808	40,415
Tap connection and inspection	32,470	32,470	31,984	(486)
Strategic partnership agreement	175,000	175,000	193,479	18,479
Miscellaneous	15,739	15,739	13,975	(1,764)
Investment earnings	134,581	134,581	176,867	42,286
Total Revenues	<u>2,623,704</u>	<u>2,623,704</u>	<u>2,790,142</u>	<u>166,438</u>
Expenditures				
Current service operations				
Purchased services	1,322,793	1,322,793	1,314,476	8,317
Professional fees	160,500	161,500	180,892	(19,392)
Contracted services	167,516	167,516	169,132	(1,616)
Repairs and maintenance	456,470	456,470	668,990	(212,520)
Utilities	3,901	3,901	3,522	379
Parks and recreation	40,000	40,000	40,000	
Administrative	115,229	116,229	102,784	13,445
Other	63,931	63,931	39,359	24,572
Capital outlay	245,000	245,000	71,365	173,635
Total Expenditures	<u>2,575,340</u>	<u>2,577,340</u>	<u>2,590,520</u>	<u>(13,180)</u>
Revenues Over Expenditures	48,364	46,364	199,622	153,258
Fund Balance				
Beginning of the year	<u>3,960,972</u>	<u>3,960,972</u>	<u>3,960,972</u>	
End of the year	<u>\$ 4,009,336</u>	<u>\$ 4,007,336</u>	<u>\$ 4,160,594</u>	<u>\$ 153,258</u>

Mission Bend Municipal Utility District No. 1
Notes to Required Supplementary Information
March 31, 2024

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The budget was amended during the year to reflect changes in anticipated expenditures.

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Texas Supplementary Information

Mission Bend Municipal Utility District No. 1
TSI-1. Services and Rates
March 31, 2024

1. Services provided by the District During the Fiscal Year:

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

2. Retail Service Providers

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

	Minimum Charge	Minimum Usage	Flat Rate (Y/N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels		
Water:	\$ 7.00	5,000	N	\$ 0.65	5,001	to	10,000
				\$ 1.00	10,001	to	20,000
				\$ 1.50	20,001	to	40,000
				\$ 2.00	40,001		no limit
Wastewater:	\$ 14.00		Y			to	
Surcharge:	\$ 4.54		N	\$ 4.54	1,000	to	no limit

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

Total charges per 10,000 gallons usage: Water \$ 55.65 Wastewater \$ 14.00

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered			x 1.0	
less than 3/4"	2,008	1,981	x 1.0	1,981
1"	32	29	x 2.5	73
1.5"	9	8	x 5.0	40
2"	32	30	x 8.0	240
3"	1	1	x 15.0	15
4"			x 25.0	
6"	2	2	x 50.0	100
8"	2	2	x 80.0	160
10"			x 115.0	
Total Water	2,086	2,053		2,609
Total Wastewater	2,008	1,981	x 1.0	1,981

See accompanying auditor's report.

Mission Bend Municipal Utility District No. 1
TSI-1. Services and Rates
March 31, 2024

3. Total Water Consumption during the fiscal year (rounded to the nearest thousand):

Gallons purchased from other Districts *	<u>186,622,000</u>	Water Accountability Ratio:
Gallons billed to customers *	<u>186,622,000</u>	(Gallons billed / Gallons pumped)
		<u>100.00%</u>

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

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

If yes, Date of the most recent commission Order: _____

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

If yes, Date of the most recent commission Order: _____

5. Location of District:

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

County(ies) in which the District is located: Harris and Fort Bend Counties

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

City(ies) in which the District is located: _____

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

Entirely ☒ Partly ☐ Not at all ☐

ETJs in which the District is located: City of Houston

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

If Yes, by whom? _____

* Shares with Chelford City Municipal Utility District, Chelford One Municipal Utility District, and Mission Bend Municipal Utility District No. 2.

See accompanying auditor's report.

Mission Bend Municipal Utility District No. 1
TSI-2. General Fund Expenditures
For the Year Ended March 31, 2024

Purchased services	<u>\$ 1,314,476</u>
Professional fees	
Legal	103,656
Audit	13,500
Engineering	<u>63,736</u>
	<u>180,892</u>
Contracted services	
Bookkeeping	63,597
Operator	100,335
Landscaping	<u>5,200</u>
	<u>169,132</u>
Repairs and maintenance	<u>668,990</u>
Utilities	<u>3,522</u>
Parks and recreation	<u>40,000</u>
Administrative	
Directors fees	36,000
Printing and office supplies	25,112
Insurance	16,333
Other	<u>25,339</u>
	<u>102,784</u>
Other	<u>39,359</u>
Capital outlay	<u>71,365</u>
Total expenditures	<u><u>\$ 2,590,520</u></u>

See accompanying auditor's report.

Mission Bend Municipal Utility District No. 1
TSI-3. Investments
March 31, 2024

<u>Fund</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Interest Receivable</u>
General				
Texas CLASS	Variable	N/A	\$ 2,295,962	\$ -
Certificates of deposit	5.00%	03/20/25	235,000	354
Certificates of deposit	5.50%	02/15/25	235,000	1,558
Certificates of deposit	5.50%	07/15/24	235,000	2,620
Certificates of deposit	5.50%	03/22/25	235,000	319
Certificates of deposit	5.23%	01/12/25	235,000	438
Certificates of deposit	5.65%	11/22/24	235,000	4,874
			<u>3,705,962</u>	<u>10,163</u>
Debt Service				
Texas CLASS	Variable	N/A	376,578	
Certificates of deposit	5.15%	02/13/25	150,000	249
			<u>526,578</u>	<u>249</u>
Capital Projects				
Texas CLASS	Variable	N/A	<u>2,427,669</u>	
Total - All Funds			<u>\$ 6,660,209</u>	<u>\$ 10,412</u>

See accompanying auditor's report.

Mission Bend Municipal Utility District No. 1
TSI-4. Taxes Levied and Receivable
March 31, 2024

	Maintenance Taxes	Debt Service Taxes	Totals	
Taxes Receivable, Beginning of Year	\$ 83,560	\$ 30,448	\$ 114,008	
Adjustments	(850)	(325)	(1,175)	
Adjusted Receivable	82,710	30,123	112,833	
2023 Original Tax Levy	833,256	405,368	1,238,624	
Adjustments	32,454	15,789	48,243	
Adjusted Tax Levy	865,710	421,157	1,286,867	
Total to be accounted for	948,420	451,280	1,399,700	
Tax collections:				
Current year	827,859	402,743	1,230,602	
Prior years	38,968	15,629	54,597	
Total Collections	866,827	418,372	1,285,199	
Taxes Receivable, End of Year	\$ 81,593	\$ 32,908	\$ 114,501	
Taxes Receivable, By Years				
2023	\$ 37,851	\$ 18,414	\$ 56,265	
2022	11,470	5,131	16,601	
2021	6,952	1,549	8,501	
2020 and prior	25,320	7,814	33,134	
Taxes Receivable, End of Year	\$ 81,593	\$ 32,908	\$ 114,501	
	2023	2022	2021	2020
Property Valuations				
Land	\$ 126,889,028	\$ 109,022,718	\$ 95,797,648	\$ 95,113,531
Improvements	526,419,854	485,784,740	373,449,351	358,009,832
Personal Property	29,986,942	27,322,366	19,378,732	16,019,925
Exemptions	(98,356,658)	(93,008,160)	(35,163,603)	(36,175,464)
Total Property Valuations	\$ 584,939,166	\$ 529,121,664	\$ 453,462,128	\$ 432,967,824
Tax Rates per \$100 Valuation				
Maintenance tax rates	\$ 0.148	\$ 0.152	\$ 0.184	\$ 0.183
Debt service tax rates	0.072	0.068	0.041	0.047
	\$ 0.220	\$ 0.220	\$ 0.225	\$ 0.230
Adjusted Tax Levy	\$ 1,286,867	\$ 1,164,068	\$ 1,020,290	\$ 995,826
Percentage of Taxes Collected to Taxes Levied **	95.63%	98.57%	99.17%	99.55%

* Maximum Maintenance Tax Rate Approved by Voters: \$0.25 on August 12, 1978

** Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

See accompanying auditor's report.

Mission Bend Municipal Utility District No. 1
TSI-5. Long-Term Debt Service Requirements
Series 2021 Refunding--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	\$ 115,000	\$ 39,025	\$ 154,025
2026	115,000	35,575	150,575
2027	120,000	32,050	152,050
2028	125,000	28,375	153,375
2029	125,000	25,250	150,250
2030	130,000	22,700	152,700
2031	125,000	20,150	145,150
2032	130,000	17,600	147,600
2033	130,000	15,000	145,000
2034	135,000	12,350	147,350
2035	135,000	9,650	144,650
2036	135,000	6,950	141,950
2037	140,000	4,200	144,200
2038	140,000	1,400	141,400
	<u>\$ 1,800,000</u>	<u>\$ 270,275</u>	<u>\$ 2,070,275</u>

See accompanying auditor's report.

Mission Bend Municipal Utility District No. 1
TSI-5. Long-Term Debt Service Requirements
Series 2022--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	\$ 75,000	\$ 145,450	\$ 220,450
2026	75,000	142,450	217,450
2027	75,000	139,450	214,450
2028	75,000	136,450	211,450
2029	75,000	133,450	208,450
2030	75,000	130,450	205,450
2031	75,000	127,450	202,450
2032	75,000	124,450	199,450
2033	80,000	121,350	201,350
2034	80,000	118,150	198,150
2035	80,000	114,950	194,950
2036	80,000	111,750	191,750
2037	80,000	108,550	188,550
2038	80,000	105,350	185,350
2039	200,000	99,625	299,625
2040	200,000	91,375	291,375
2041	200,000	83,125	283,125
2042	200,000	74,750	274,750
2043	200,000	66,250	266,250
2044	200,000	57,750	257,750
2045	200,000	49,125	249,125
2046	200,000	40,375	240,375
2047	200,000	31,500	231,500
2048	200,000	22,500	222,500
2049	200,000	13,500	213,500
2050	200,000	4,500	204,500
	<u>\$ 3,480,000</u>	<u>\$ 2,394,075</u>	<u>\$ 5,874,075</u>

See accompanying auditor's report.

Mission Bend Municipal Utility District No. 1
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	\$ 190,000	\$ 184,475	\$ 374,475
2026	190,000	178,025	368,025
2027	195,000	171,500	366,500
2028	200,000	164,825	364,825
2029	200,000	158,700	358,700
2030	205,000	153,150	358,150
2031	200,000	147,600	347,600
2032	205,000	142,050	347,050
2033	210,000	136,350	346,350
2034	215,000	130,500	345,500
2035	215,000	124,600	339,600
2036	215,000	118,700	333,700
2037	220,000	112,750	332,750
2038	220,000	106,750	326,750
2039	200,000	99,625	299,625
2040	200,000	91,375	291,375
2041	200,000	83,125	283,125
2042	200,000	74,750	274,750
2043	200,000	66,250	266,250
2044	200,000	57,750	257,750
2045	200,000	49,125	249,125
2046	200,000	40,375	240,375
2047	200,000	31,500	231,500
2048	200,000	22,500	222,500
2049	200,000	13,500	213,500
2050	200,000	4,500	204,500
	<u>\$ 5,280,000</u>	<u>\$ 2,664,350</u>	<u>\$ 7,944,350</u>

See accompanying auditor's report.

Mission Bend Municipal Utility District No. 1
TSI-6. Change in Long-Term Bonded Debt
March 31, 2024

	Bond Issue		
	Series 2021 Refunding	Series 2022	Totals
Interest rate	2.00% - 3.00%	4.00% - 4.50%	
Dates interest payable	9/1; 3/1	9/1; 3/1	
Maturity dates	9/1/22 - 9/1/37	9/1/24 - 9/1/49	
Beginning bonds outstanding	\$ 1,905,000	\$ 3,480,000	\$ 5,385,000
Bonds retired	(105,000)		(105,000)
Ending bonds outstanding	<u>\$ 1,800,000</u>	<u>\$ 3,480,000</u>	<u>\$ 5,280,000</u>
Interest paid during fiscal year	<u>\$ 42,325</u>	<u>\$ 146,950</u>	<u>\$ 189,275</u>
Paying agent's name and city			
All Series	<u>The Bank of New York Mellon Trust Co., N.A. Houston, Texas</u>		

Bond Authority:	Water, Sewer, Drainage and Refunding Bonds
Amount Authorized by Voters	<u>\$ 21,570,000</u>
Amount Issued	<u>(5,500,000)</u>
Remaining To Be Issued	<u>\$ 16,070,000</u>

All bonds are secured with tax revenues. Bonds may also be secured with other revenues in combination with taxes.

Debt Service Fund cash and investment balances as of March 31, 2024:	<u>\$ 668,734</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:	<u>\$ 305,552</u>

See accompanying auditor's report.

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Mission Bend Municipal Utility District No. 1

***TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years***

	Amounts				
	2024	2023	2022	2021	2020
Revenues					
Water service	\$ 280,826	\$ 268,153	\$ 234,918	\$ 271,598	\$ 280,596
Sewer service	381,589	403,585	387,088	394,036	418,918
Property taxes	866,828	796,381	832,772	770,846	770,569
Penalties and interest	25,786	28,173	19,203	14,184	29,344
Groundwater pumpage fees	818,808	755,251	673,715	725,307	659,751
Tap connection and inspection	31,984	45,521	31,885	59,277	31,845
Strategic partnership agreement	193,479	170,985	175,612	150,332	159,730
Miscellaneous	13,975	14,099	15,426	18,854	15,516
Investment earnings	176,867	80,932	9,382	10,016	54,268
Total Revenues	<u>2,790,142</u>	<u>2,563,080</u>	<u>2,380,001</u>	<u>2,414,450</u>	<u>2,420,537</u>
Expenditures					
Current service operations					
Purchased services	1,314,476	1,409,643	1,159,732	1,174,005	1,137,536
Professional fees	180,892	161,700	169,195	127,212	141,728
Contracted services	169,132	134,514	123,886	143,741	111,014
Repairs and maintenance	668,990	421,332	430,660	354,995	484,327
Utilities	3,522	3,482	2,984	2,626	2,714
Parks and recreation	40,000	40,000	40,000	50,000	40,000
Administrative	102,784	100,628	89,570	71,969	88,807
Other	39,359	71,720	51,947	53,562	60,465
Capital outlay	71,365			450,413	61,652
Total Expenditures	<u>2,590,520</u>	<u>2,343,019</u>	<u>2,067,974</u>	<u>2,428,523</u>	<u>2,128,243</u>
Revenues Over/(Under) Expenditures	<u>\$ 199,622</u>	<u>\$ 220,061</u>	<u>\$ 312,027</u>	<u>\$ (14,073)</u>	<u>\$ 292,294</u>
Total Active Retail Water Connections	<u>2,053</u>	<u>2,064</u>	<u>2,056</u>	<u>2,058</u>	<u>2,056</u>
Total Active Retail Wastewater Connections	<u>1,981</u>	<u>2,039</u>	<u>2,033</u>	<u>2,034</u>	<u>2,034</u>

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues				
2024	2023	2022	2021	2020
11%	10%	11%	12%	12%
14%	16%	16%	16%	17%
30%	31%	35%	32%	32%
1%	1%	1%	1%	1%
29%	29%	28%	30%	27%
1%	2%	1%	2%	1%
7%	7%	7%	6%	7%
1%	1%	1%	1%	1%
6%	3%	*	*	2%
100%	100%	100%	100%	100%
47%	55%	49%	49%	47%
6%	6%	7%	5%	6%
6%	5%	5%	6%	5%
24%	16%	18%	15%	20%
*	*	*	*	*
1%	2%	2%	2%	2%
4%	4%	4%	3%	4%
1%	3%	2%	2%	2%
3%			19%	3%
92%	91%	87%	101%	89%
8%	9%	13%	(1%)	11%

Mission Bend Municipal Utility District No. 1

TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund

For the Last Five Fiscal Years

	Amounts				
	2024	2023	2022	2021	2020
Revenues					
Property taxes	\$ 418,371	\$ 349,037	\$ 186,711	\$ 215,926	\$ 204,877
Penalties and interest	14,591	14,958	10,748	10,352	13,919
Miscellaneous	204	19,949	4,475	13,853	11,412
Investment earnings	22,242	8,619	468	542	2,739
Total Revenues	<u>455,408</u>	<u>392,563</u>	<u>202,402</u>	<u>240,673</u>	<u>232,947</u>
Expenditures					
Tax collection services	51,830	52,949	57,866	54,698	53,632
Other	808	4,773	1,448	1,138	2,023
Debt service					
Principal	105,000	100,000	85,000	85,000	80,000
Interest and fees	190,850	100,032	73,695	79,814	81,983
Debt issuance costs			45,753		
Total Expenditures	<u>348,488</u>	<u>257,754</u>	<u>263,762</u>	<u>220,650</u>	<u>217,638</u>
Revenues Over/(Under) Expenditures	<u>\$ 106,920</u>	<u>\$ 134,809</u>	<u>\$ (61,360)</u>	<u>\$ 20,023</u>	<u>\$ 15,309</u>

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues				
2024	2023	2022	2021	2020
92%	89%	93%	90%	88%
3%	4%	5%	4%	6%
*	5%	2%	6%	5%
5%	2%	*	*	1%
100%	100%	100%	100%	100%
11%	13%	29%	23%	23%
*	1%	1%	*	1%
23%	25%	42%	35%	34%
42%	25%	36%	33%	35%
		23%		
76%	64%	131%	91%	93%
24%	36%	(31%)	9%	7%

Mission Bend Municipal Utility District No. 1
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended March 31, 2024

Complete District Mailing Address: 3200 Southwest Freeway, Suite 2600, Houston, TX 77027
District Business Telephone Number: 713-860-6400
Submission Date of the most recent District Registration Form
(TWC Sections 36.054 and 49.054): May 16, 2022
Limit on Fees of Office that a Director may receive during a fiscal year: \$ 7,200
(Set by Board Resolution -- TWC Section 49.0600)

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse- ments	Title at Year End
Board Members				
Deborah B. Cupples	05/22 - 05/26	\$ 7,200	\$ 705	President
Kay Haynie	05/22 - 05/26	7,200	500	Vice President
Carol McDonald	05/20 - 05/24	7,200	2,115	Secretary
Lee Michael Alderfer	05/20 - 05/24	7,200	1,851	Assistant Vice President
Carl S. Roecker	05/20 - 05/24	7,200	1,180	Assistant Secretary
Consultants				
Allen Boone Humphries Robinson LLP	07/03	Amounts Paid		Attorney
<i>General legal fees</i>		\$ 118,045		
Si Environmental, LLC	06/13	540,184		Operator
Municipal Accounts & Consulting, L.P.	05/18	67,085		Bookkeeper
Assessments of the Southwest, Inc.	05/81	33,671		Tax Collector
Fort Bend Central Appraisal District	Legislation	5,320		Property Valuation
Harris Central Appraisal District	Legislation	4,322		Property Valuation
Perdue, Brandon, Fielder, Collins & Mott, LLP	03/18	8,862		Delinquent Tax Attorney
Vogler & Spencer Engineering, Inc.	2001	303,103		Engineer
Masterson Advisors, LLC	05/18			Financial Advisor
McGrath & Co., PLLC	03/13	13,500		Auditor

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

See accompanying auditor's report.