

WILLOW POINT MUNICIPAL UTILITY DISTRICT
FORT BEND AND WALLER COUNTIES, TEXAS
ANNUAL FINANCIAL REPORT
MAY 31, 2024

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Willow Point Municipal
Utility District
Fort Bend and Waller Counties, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Willow Point Municipal Utility District (the "District") as of and for the year ended May 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 the District as of May 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Board of Directors
Willow Point Municipal Utility District

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 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 an 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
Houston, Texas

September 5, 2024

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2024**

Management’s discussion and analysis of Willow Point Municipal Utility District’s (the “District”) financial performance provides an overview of the District’s financial activities for the year ended May 31, 2024. 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) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. 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 financial statements provide 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 Statement of Net Position includes all of the District’s assets and liabilities, and if applicable, deferred inflows and outflows of resources, 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 Statement of Activities reports how the District’s net position changed during the current 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 three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2024**

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. 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 period. 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 Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in 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. A 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, liabilities exceeded assets by \$10,726,504 as of May 31, 2024.

A portion of the District's net position reflects its net investment in capital assets (water and wastewater facilities, less any debt used to acquire those assets that is still outstanding). The District uses those assets to provide water and wastewater services. The following is a comparative analysis of government-wide changes in net position.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	<u>Summary of Changes in the Statement of Net Position</u>		
	<u>2024</u>	<u>2023</u>	<u>Change Positive (Negative)</u>
Current and Other Assets	\$ 10,977,027	\$ 8,135,178	\$ 2,841,849
Capital Assets (Net of Accumulated Depreciation)	<u>35,483,433</u>	<u>19,884,194</u>	<u>15,599,239</u>
Total Assets	<u>\$ 46,460,460</u>	<u>\$ 28,019,372</u>	<u>\$ 18,441,088</u>
Due to Developer	\$ 18,434,783	\$ 10,951,251	\$ (7,483,532)
Bonds Payable	37,964,941	27,506,305	(10,458,636)
Other Liabilities	<u>787,240</u>	<u>562,558</u>	<u>(224,682)</u>
Total Liabilities	<u>\$ 57,186,964</u>	<u>\$ 39,020,114</u>	<u>\$ (18,166,850)</u>
Net Position:			
Net Investment in Capital Assets	\$ (19,260,930)	\$ (17,549,072)	\$ (1,711,858)
Restricted	2,714,765	2,106,778	607,987
Unrestricted	<u>5,819,661</u>	<u>4,441,552</u>	<u>1,378,109</u>
Total Net Position	<u>\$ (10,726,504)</u>	<u>\$ (11,000,742)</u>	<u>\$ 274,238</u>

The following table provides a summary of the District's operations for the years ended May 31, 2024, and May 31, 2023. The District's net position increased by \$274,238.

	<u>Summary of Changes in the Statement of Activities</u>		
	<u>2024</u>	<u>2023</u>	<u>Change Positive (Negative)</u>
Revenues:			
Property Taxes	\$ 3,740,503	\$ 3,434,825	\$ 305,678
Charges for Services	1,470,633	1,417,773	52,860
Other Revenues	<u>709,718</u>	<u>348,344</u>	<u>361,374</u>
Total Revenues	<u>\$ 5,920,854</u>	<u>\$ 5,200,942</u>	<u>\$ 719,912</u>
Expenses for Services	<u>5,646,616</u>	<u>4,111,143</u>	<u>(1,535,473)</u>
Change in Net Position	\$ 274,238	\$ 1,089,799	\$ (815,561)
Net Position, Beginning of Year	<u>(11,000,742)</u>	<u>(12,090,541)</u>	<u>1,089,799</u>
Net Position, End of Year	<u>\$ (10,726,504)</u>	<u>\$ (11,000,742)</u>	<u>\$ 274,238</u>

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of May 31, 2024, were \$10,395,063, an increase of \$2,644,834 from the prior year.

The General Fund fund balance increased by \$1,367,387 from the prior year, primarily due to tax and operating revenues exceeding the costs of operation and capital expenditures.

The Debt Service Fund increased by \$646,376, primarily due to the structure of the District's outstanding debt.

The Capital Projects Fund fund balance increased by \$631,071, primarily due to the District issuing its Series 2024 (see Note 14) bonds and used the proceeds to reimburse the developer.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the current year. Actual revenues were \$155,758 more than budgeted revenues and actual expenditures were \$1,771,827 less than budgeted expenditures. See the budget to actual comparison for additional information.

CAPITAL ASSETS

Capital assets as of May 31, 2024, total \$35,483,433 (net of accumulated depreciation). These capital assets include the water, wastewater and drainage systems, and park assets. Roads are conveyed to the County upon completion.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 7,245,721	\$ 1,744,688	\$ 5,501,033
Construction in Progress	369,683	293,300	76,383
Capital Assets, Net of Accumulated Depreciation:			
Water System	5,288,849	4,598,485	690,364
Wastewater System	5,547,535	4,329,606	1,217,929
Drainage System	16,603,718	8,478,041	8,125,677
Park Assets	427,927	440,074	(12,147)
Total Net Capital Assets	\$ 35,483,433	\$ 19,884,194	\$ 15,599,239

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2024**

LONG-TERM DEBT ACTIVITY

At year-end, the District had total bond debt payable of \$37,775,000. The changes in the debt position of the District during the fiscal year ended May 31, 2024, are summarized as follows:

Bond Debt Payable, June 1, 2023	\$ 27,315,000
Add: Bond Sale - Series 2024	11,400,000
Less: Bond Principal Paid	<u>940,000</u>
Bond Debt Payable, May 31, 2024	<u>\$ 37,775,000</u>

The Series 2015, Series 2017, and Series 2017 Road bonds do not carry an underlying rating or an insured rating. The Series 2019 bonds do not carry an underlying rating; however, they do carry an insured rating of “AA” by virtue of bond insurance issued by Assured Guaranty Municipal Corp. The Series 2020 bonds carry an underlying rating of “Baa2” and an insured rating of “AA/A1” by virtue of bond insurance issued by Assured Guaranty Municipal Corp. The Series 2021 and Series 2024 bonds carry an underlying rating of “Baa2” and an insured rating of “AA” by virtue of bond insurance by Build America Mutual. The Series 2023 bonds carry an underlying rating of “Baa2” and an insured rating of “AA” by virtue of bond insurance by Assured Guaranty Municipal Corp.

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 Willow Point Municipal Utility District, c/o Sanford Kuhl Hagan Kugle Parker Kahn LLP, 1330 Post Oak Boulevard, Suite 2650, Houston, TX 77056.

WILLOW POINT MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
MAY 31, 2024

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 234,578	\$ 52,303
Investments	5,834,095	2,830,078
Receivables:		
Property Taxes	25,658	35,636
Service Accounts	82,708	
Accrued Interest	34,837	10,423
Due from Other Funds	51,930	57,996
Prepaid Costs	58,020	
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	\$ 6,321,826	\$ 2,986,436
LIABILITIES		
Accounts Payable	\$ 308,869	\$
Accrued Interest Payable		
Due to Other Funds	57,996	
Due to Developers		
Retainage Payable	3,900	
Due to Taxpayers		5,101
Security Deposits	131,400	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	\$ 502,165	\$ 5,101
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 25,658	\$ 35,636
FUND BALANCES		
Nonspendable:		
Prepaid Costs	\$ 58,020	\$
Restricted for Authorized Construction		
Restricted for Debt Service		2,945,699
Assigned to 2025 Budget	1,403,547	
Unassigned	4,332,436	
TOTAL FUND BALANCES	\$ 5,794,003	\$ 2,945,699
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,321,826	\$ 2,986,436
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 425	\$ 287,306	\$	\$ 287,306
1,778,266	10,442,439		10,442,439
	61,294		61,294
	82,708		82,708
	45,260		45,260
	109,926	(109,926)	
	58,020		58,020
		7,245,721	7,245,721
		369,683	369,683
		27,868,029	27,868,029
\$ 1,778,691	\$ 11,086,953	\$ 35,373,507	\$ 46,460,460
\$ 57,255	\$ 366,124	\$	\$ 366,124
		266,570	266,570
51,930	109,926	(109,926)	
		18,434,783	18,434,783
14,145	18,045		18,045
	5,101		5,101
	131,400		131,400
		1,135,000	1,135,000
		36,829,941	36,829,941
\$ 123,330	\$ 630,596	\$ 56,556,368	\$ 57,186,964
\$ -0-	\$ 61,294	\$ (61,294)	\$ -0-
\$	\$ 58,020	\$ (58,020)	\$
1,655,361	1,655,361	(1,655,361)	
	2,945,699	(2,945,699)	
	1,403,547	(1,403,547)	
	4,332,436	(4,332,436)	
\$ 1,655,361	\$ 10,395,063	\$ (10,395,063)	\$ -0-
\$ 1,778,691	\$ 11,086,953		
		\$ (19,260,930)	\$ (19,260,930)
		2,714,765	2,714,765
		5,819,661	5,819,661
		\$ (10,726,504)	\$ (10,726,504)

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

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
MAY 31, 2024**

Total Fund Balances - Governmental Funds	\$	10,395,063
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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 funds.		35,483,433
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Deferred inflows of resources related to property tax revenues on delinquent taxes for the 2023 and prior tax levies became part of recognized revenue in the governmental activities of the District.		61,294
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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 funds. These liabilities at year end consist of:

Due to Developer	\$ (18,434,783)	
Accrued Interest Payable	(266,570)	
Bonds Payable	<u>(37,964,941)</u>	<u>(56,666,294)</u>
Total Net Position - Governmental Activities		<u>\$ (10,726,504)</u>

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

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WILLOW POINT MUNICIPAL UTILITY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MAY 31, 2024

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 1,547,737	\$ 2,149,163
Property Taxes-Rollback		16,894
Water Service	337,561	
Wastewater Service	426,689	
Regional Water Authority Fees	452,117	
Penalty and Interest	41,455	26,747
Tap Connection and Inspection Fees	186,064	
Investment Revenues	258,351	94,072
Miscellaneous Revenues	13,300	6,359
TOTAL REVENUES	\$ 3,263,274	\$ 2,293,235
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 194,769	\$ 5,358
Contracted Services	262,354	76,528
Utilities	81,233	
Regional Water Authority Assessment	439,407	
Repairs and Maintenance	514,459	
Depreciation		
Other	309,990	12,172
Developer Interest		
Capital Outlay	145,525	
Debt Service:		
Bond Principal		940,000
Bond Interest		830,826
Bond Anticipation Note Interest		
Issuance Costs		
TOTAL EXPENDITURES/EXPENSES	\$ 1,947,737	\$ 1,864,884
EXCESS (DEFICIENCY) OF REVENUES		
OVER EXPENDITURES/EXPENSES	\$ 1,315,537	\$ 428,351
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	\$ 51,850	\$
Proceeds from Long-Term Debt Issued		218,025
Bond Discount		
Bond Premium		
TOTAL OTHER FINANCING SOURCES (USES)	\$ 51,850	\$ 218,025
NET CHANGE IN FUND BALANCES	\$ 1,367,387	\$ 646,376
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JUNE 1, 2023	4,426,616	2,299,323
FUND BALANCES/NET POSITION - MAY 31, 2024	\$ 5,794,003	\$ 2,945,699

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 3,696,900	\$ 26,709	\$ 3,723,609
	16,894		16,894
	337,561		337,561
	426,689		426,689
	452,117		452,117
	68,202		68,202
	186,064		186,064
65,270	417,693		417,693
	19,659	272,366	292,025
<u>\$ 65,270</u>	<u>\$ 5,621,779</u>	<u>\$ 299,075</u>	<u>\$ 5,920,854</u>
\$ 27,000	\$ 227,127	\$	\$ 227,127
2,442	341,324		341,324
	81,233		81,233
	439,407		439,407
	514,459		514,459
		900,882	900,882
85	322,247		322,247
490,458	490,458		490,458
8,883,893	9,029,418	(8,744,223)	285,195
	940,000	(940,000)	
	830,826	45,393	876,219
203,776	203,776		203,776
964,289	964,289		964,289
<u>\$ 10,571,943</u>	<u>\$ 14,384,564</u>	<u>\$ (8,737,948)</u>	<u>\$ 5,646,616</u>
<u>\$ (10,506,673)</u>	<u>\$ (8,762,785)</u>	<u>\$ 9,037,023</u>	<u>\$ 274,238</u>
\$ (51,850)	\$	\$	\$
11,181,975	11,400,000	(11,400,000)	
(122,239)	(122,239)	122,239	
129,858	129,858	(129,858)	
<u>\$ 11,137,744</u>	<u>\$ 11,407,619</u>	<u>\$ (11,407,619)</u>	<u>\$ -0-</u>
\$ 631,071	\$ 2,644,834	\$ (2,644,834)	\$
		274,238	274,238
1,024,290	7,750,229	(18,750,971)	(11,000,742)
<u>\$ 1,655,361</u>	<u>\$ 10,395,063</u>	<u>\$ (21,121,567)</u>	<u>\$ (10,726,504)</u>

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

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2024**

Net Change in Fund Balances - Governmental Funds \$ 2,644,834

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. 26,709

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. (900,882)

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. 9,016,589

Governmental funds report bond discounts/bond premiums as other financing uses/sources in the year paid/received. However, in the Statement of Net Position, bond discounts/bond premiums are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities. (7,619)

Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities. 940,000

Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end. (45,393)

Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position. (11,400,000)

Change in Net Position - Governmental Activities \$ 274,238

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

WILLOW POINT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2024

NOTE 1. CREATION OF DISTRICT

Willow Point Municipal Utility District (the “District”) was created and is operating pursuant to a special act of the 83rd Texas Legislature, now codified at Chapter 8413 of the Texas Special District Local Laws Code, June 14, 2013, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Texas Commission on Environmental Quality (the “Commission”). The principal functions of the District are to finance, construct, own and operate waterworks, wastewater and drainage facilities, recreational facilities and road facilities and to provide such facilities and services to the customers of the District.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic 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 an elected board. 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 statement 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”).

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

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

WILLOW POINT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- 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 period 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 by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

Fund Financial Statements

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

WILLOW POINT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

The District has three governmental funds and considers each to be a major fund.

General Fund - To account for resources not required to be accounted for in another fund, customer service revenues, costs and general expenditures.

Debt Service Fund – To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Capital Projects Fund – To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

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 period. 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.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of May 31, 2024, the General Fund owed the Debt Service Fund \$57,996 for an over-transfer of maintenance tax collections and the Capital Projects Fund owed the General Fund \$51,930 for bond issuance costs. During the current fiscal year, the Capital Projects Fund recorded a transfer to the General Fund in the amount of \$51,850 for bond costs paid in a prior year.

WILLOW POINT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure 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 fair market 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 greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Water System	10-45
Wastewater System	10-45
Drainage System	10-45
All Other Equipment	3-20

Budgeting

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 original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original budget amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Directors are considered to be wages subject to federal income tax withholding for payroll purposes only.

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.

WILLOW POINT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balance. As of May 31, 2024, the District has assigned \$1,403,547 of the General Fund fund balance for a projected budget deficit for fiscal year ending May 31, 2025.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

WILLOW POINT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2024

NOTE 3. LONG-TERM DEBT

	<u>Series 2015</u>	<u>Series 2017</u>	<u>Series 2017 Road</u>
Amount Outstanding – May 31, 2024	\$ 4,600,000	\$ 2,320,000	\$ 2,000,000
Interest Rates	3.00% - 4.20%	3.00% - 4.00%	3.00% - 4.00%
Maturity Date	September 1, 2024/2041	September 1, 2024/2042	September 1, 2024/2042
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2022*	September 1, 2023*	September 1, 2023*
	<u>Series 2019</u>	<u>Series 2020</u>	<u>Series 2021</u>
Amount Outstanding – May 31, 2024	\$ 4,355,000	\$ 5,850,000	\$ 3,210,000
Interest Rates	2.00%-2.75%	2.00%-4.50%	2.00%-4.50%
Maturity Date	September 1, 2024/2043	September 1, 2024/2043	September 1, 2024/2044
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2024*	September 1, 2025*	September 1, 2027*

* Or any date thereafter at a price of par plus unpaid accrued interest in whole or in part, at the option of the District. Series 2015 term bonds maturing on September 1, 2032, September 1, 2035, September 1, 2038, and September 1, 2041, are subject to mandatory redemption by random selection beginning September 1, 2030, September 1, 2033, September 1, 2036, and September 1, 2039, respectively. Series 2017 term bonds maturing September 1, 2033, September 1, 2039, and September 1, 2042, are subject to mandatory redemption by random selection beginning September 1, 2031, September 1, 2034, and September 1, 2040, respectively. Series 2017 Road term bonds maturing on September 1, 2042 are subject to mandatory redemption by random selection beginning September 1, 2035. Series 2020 term bonds maturing September 1, 2032, September 1, 2039, and September 1, 2043 are subject to mandatory redemption by random selection beginning September 1, 2031, September 1, 2038, and September 1 2040, respectively. Series 2021 term bonds maturing on September 1, 2033, September 1, 2035, September 1, 2037, September 1, 2039 and September 1, 2044, are subject to mandatory redemption by random selection beginning September 1, 2032, September 1, 2034, September 1, 2036, September 1, 2038, and September 1, 2040, respectively.

WILLOW POINT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2024

NOTE 3. LONG-TERM DEBT (Continued)

	<u>Series 2023</u>	<u>Series 2024</u>
Amount Outstanding – May 31, 2024	\$ 4,040,000	\$11,400,000
Interest Rates	3.00%-4.00%	3.00%-4.00%
Maturity Date	September 1, 2024/2045	September 1, 2025/2046
Interest Payment Dates	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2029*	September 1, 2030*

* Or any date thereafter at a price of par plus unpaid accrued interest in whole or in part, at the option of the District. Series 2023 term bonds maturing on September 1, 2035, September 1, 2037, September 1, 2039, September 1, 2041, September 1, 2043 and September 1, 2045, are subject to mandatory redemption by random selection beginning September 1, 2034, September 1, 2036, September 1, 2038, September 1, 2040, September 1, 2042, September 1, 2044, respectively. Series 2024 term bonds maturing on September 1, 2041 and September 1, 2046 are subject to mandatory redemption by random selection beginning September 1, 2040 and September 1, 2042, respectively.

The following is a summary of transactions regarding bonds payable for the year ended May 31, 2024:

	<u>June 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>May 31, 2024</u>
Bonds Payable	\$ 27,315,000	\$ 11,400,000	\$ 940,000	\$ 37,775,000
Unamortized Discounts	(32,960)	(122,239)	(2,408)	(152,791)
Unamortized Premiums	224,265	129,858	11,391	342,732
Bonds Payable, Net	<u>\$ 27,506,305</u>	<u>\$ 11,407,619</u>	<u>\$ 948,983</u>	<u>\$ 37,964,941</u>
		Amount Due Within One Year		\$ 1,135,000
		Amount Due After One Year		<u>36,829,941</u>
		Bonds Payable		<u>\$ 37,964,941</u>

As of May 31, 2024, the District has authorized and unissued bonds in the amount of \$57,660,000 for water, wastewater and drainage facilities, authorized but unissued bonds in the amount of \$7,000,000 for recreational facilities, and authorized and unissued bonds in the amount of \$38,500,000 for roads. The District has authorized and unissued refunding bonds totaling one and one-half times the bond authorizations.

WILLOW POINT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2024

NOTE 3. LONG-TERM DEBT (Continued)

As of May 31, 2024, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 1,135,000	\$ 1,189,286	\$ 2,324,286
2026	1,445,000	1,191,801	2,636,801
2027	1,560,000	1,142,333	2,702,333
2028	1,615,000	1,091,911	2,706,911
2029	1,675,000	1,040,638	2,715,638
2030-2034	9,110,000	4,379,523	13,489,523
2035-2039	9,815,000	2,870,712	12,685,712
2040-2044	9,230,000	1,163,703	10,393,703
2045-2047	2,190,000	116,466	2,306,466
	<u>\$ 37,775,000</u>	<u>\$ 14,186,373</u>	<u>\$ 51,961,373</u>

During the year ended May 31, 2024, the District levied an ad valorem debt service tax rate of \$0.75 per \$100 of assessed valuation, which resulted in a tax levy of \$2,180,259 on the adjusted taxable valuation of \$290,701,240 for the 2023 tax year. The bond orders and bond resolutions require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 6 for the maintenance tax levy.

All property values and exempt status, if any, are determined by the 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.

NOTE 4. SIGNIFICANT BOND RESOLUTIONS AND LEGAL REQUIREMENTS

The District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data with respect to the District to the Municipal Securities Rulemaking Board. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

In the bond orders and bond resolutions, the District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the Bonds, within the meaning of Section 148(f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on the five year anniversary of each use.

WILLOW POINT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2024

NOTE 5. 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 year end, the carrying amount of the District’s deposits was \$2,872,306 and the bank balance was \$2,871,535. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at May 31, 2024, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 234,578	\$ 1,880,000	\$ 2,114,578
DEBT SERVICE FUND	52,303	705,000	757,303
CAPITAL PROJECTS FUND	425		425
TOTAL DEPOSITS	\$ 287,306	\$ 2,585,000	\$ 2,872,306

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.

WILLOW POINT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2024

NOTE 5. 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. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District’s investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas Cooperative Liquid Assets Securities System Trust (“Texas CLASS”), an external public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool’s administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. UMB Bank, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District’s position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from Texas CLASS.

The District measures its investments in certificates of deposits at acquisition cost.

As of May 31, 2024, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
Texas CLASS	\$ 3,954,095	\$ 3,954,095
Certificates of Deposit	1,880,000	1,880,000
<u>DEBT SERVICE FUND</u>		
Texas CLASS	2,125,078	2,125,078
Certificate of Deposit	705,000	705,000
<u>CAPITAL PROJECTS FUND</u>		
Texas CLASS	<u>1,778,266</u>	<u>1,778,266</u>
TOTAL INVESTMENTS	<u>\$ 10,442,439</u>	<u>\$ 10,442,439</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District manages credit risk by investing in certificates of deposit with balances below FDIC coverage. At May 31, 2024, the District’s investment in Texas CLASS was rated AAAM by Standard and Poor’s.

WILLOW POINT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2024

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages interest rate risk by investing in certificates of deposit with maturities of less than one year. The District considers the investment in Texas CLASS to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value.

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

NOTE 6. MAINTENANCE TAX

On November 5, 2013, the voters of the District approved the levy and collection of a maintenance tax in an amount not to exceed \$1.50 per \$100 of assessed valuation. This maintenance tax is to be used to pay expenditures of operating the District. During the year ended May 31, 2024, the District levied a maintenance tax of \$0.54 per \$100 of assessed valuation resulting in a levy of \$1,569,787 on the adjusted taxable valuation of \$290,701,240 for the 2023 tax year.

On November 5, 2013, the voters of the District approved the levy and collection of a parks and recreational maintenance tax in an amount not to exceed \$0.10 per \$100 of assessed valuation. During the current year, the District did not levy a parks and recreational maintenance tax.

WILLOW POINT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2024

NOTE 7. CAPITAL ASSETS

Capital asset activity for the year ended May 31, 2024:

	June 1, 2023	Increases	Decreases	May 31, 2024
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 1,744,688	\$ 5,501,033	\$	\$ 7,245,721
Construction in Progress	293,300	16,500,121	16,423,738	369,683
Total Capital Assets Not Being Depreciated	<u>\$ 2,037,988</u>	<u>\$ 22,001,154</u>	<u>\$ 16,423,738</u>	<u>\$ 7,615,404</u>
Capital Assets Subject to Depreciation				
Water System	\$ 5,949,201	\$ 921,240	\$	\$ 6,870,441
Wastewater System	5,054,373	1,379,019		6,433,392
Drainage System	9,974,982	8,622,446		18,597,428
Park Assets	493,054			493,054
Total Capital Assets Subject to Depreciation	<u>\$ 21,471,610</u>	<u>\$ 10,922,705</u>	<u>\$ - 0 -</u>	<u>\$ 32,394,315</u>
Accumulated Depreciation				
Water System	\$ 1,350,716	\$ 230,876	\$	\$ 1,581,592
Wastewater System	724,767	161,090		885,857
Drainage System	1,496,941	496,769		1,993,710
Park Assets	52,980	12,147		65,127
Total Accumulated Depreciation	<u>\$ 3,625,404</u>	<u>\$ 900,882</u>	<u>\$ - 0 -</u>	<u>\$ 4,526,286</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 17,846,206</u>	<u>\$ 10,021,823</u>	<u>\$ - 0 -</u>	<u>\$ 27,868,029</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 19,884,194</u>	<u>\$ 32,022,977</u>	<u>\$ 16,423,738</u>	<u>\$ 35,483,433</u>

Roadways constructed by the District are accepted by either Fort Bend County or Waller County for maintenance and operation. The roadways conveyed had a total cost to the District in the amount of \$9,828,225.

NOTE 8. UNREIMBURSED COSTS

In accordance with the terms of development financing agreements, Developers within the District have made expenditures on behalf of the District for various projects. As of May 31, 2024, the District recorded amounts due to Developers of \$18,406,962, for completed projects. Since inception, the Developers have also made operating advances totaling \$538,171. Of these advances, \$510,350 has been reimbursed. Reimbursement for project costs and operating advances will come from proceeds of future bond sales, as allowed by the Commission.

WILLOW POINT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2024

NOTE 8. UNREIMBURSED COSTS (Continued)

The following table summarizes the current year activity related to unreimbursed Developer costs for completed projects and operating advances:

Due to Developers, beginning of year	\$ 10,951,251
Add: Reimbursable Costs	11,647,742
Less: Reimbursements/Adjustments	<u>(4,164,210)</u>
Due to Developers, end of year	<u>\$ 18,434,783</u>

NOTE 9. SEWAGE TREATMENT PLANT LEASE

On November 26, 2013, the District entered an agreement with AUC Group, LP (AUC) to operate and maintain a sewage treatment plant to serve customers of the District. On March 1, 2021, the District entered into the first amendment to equipment lease agreement with AUC. The agreement calls for AUC to operate a Phase I sewage treatment plant capable of treating an average daily flow of 100,000 gallons per day (400,000 gallons per day peak flow) and a future Phase II capable of treating an average daily flow of 200,000 gallons per day (800,000 gallons per day peak flow). The initial term of the agreement is twelve months commencing the first day of the month following substantial completion and startup of Phase I. The term of the agreement for Phase II is 36 months commencing the first day of the month following substantial completion and startup of Phase II. If each Phase installation is not complete within 180 days of engineer notification, the District may terminate the contract under the terms of the contract.

Phase II installation costs total \$100,000, payable in partial payments. Phase I lease payments total \$91,200 payable in 12 monthly installments of \$7,600, with first and last month payable upon execution of the agreement. Phase II lease payments total \$253,800, payable in 36 monthly installments of \$7,050. The agreement may be extended on a month-to-month basis after the initial terms (either Phase I or Phase II) with Phase I extended term monthly rental payments of \$7,600 and Phase II extended term monthly rental payments of \$4,800.

The District has the option to purchase the Phase I and/or Phase II equipment as is, where is at any time during the initial term of the agreement or under any month-to-month extension of the agreement for a residual value as outlined in the agreement. During a prior year, the District exercised the option to purchase the Phase I equipment for \$490,190.

On April 2, 2024, the District entered an agreement with AUC to construct Phase 3 of the sewage treatment plant facilities capable of treating an average daily flow of 150,000 gallons per day (600,000 gallons per day peak flow). The initial term of the agreement is 60 months commencing on the date of substantial completion. The initial term shall automatically be extended and shall continue for successive one-year periods until the lease is terminated or the District exercises the purchase option. If installation is not complete within 210 days of notice to proceed, the District may terminate the contract under the terms of the contract.

WILLOW POINT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2024

NOTE 9. SEWAGE TREATMENT PLANT LEASE (Continued)

The installation costs total \$1,757,990, payable in partial payments. Lease payments total \$1,596,600, payable in 60 monthly installments of \$26,610 with first and last month payable upon execution of the agreement. The agreement may be extended month-to-month basis after the initial term with rental payments of \$23,400. The District has the option to purchase the equipment as is, where it is at any time during the initial term of the agreement or under any month-to-month extension of the agreement for a residual value as outlined in the agreement.

During the current year, the District paid the first and last month's lease payments of \$53,220. This amount has been recorded as prepaid in the financial statements.

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, error and omission and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and no settlements have exceeded coverage in the past three years.

NOTE 11. NORTH FORT BEND WATER AUTHORITY

The District is located within the boundaries of the North Fort Bend Water Authority (the "Authority"). The Authority was created under Article 16, Section 59 of the Texas Constitution by Senate Bill 1798 (the "Act"), as passed by the 79th Texas Legislature, in 2005. 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 groundwater 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 withdrawal of water from those groundwater reservoirs or their subdivisions. The Authority is overseeing that its participants comply with subsidence district pumpage requirements. The District is required to convert its water supply to surface water over a period of time. A seven-member board of directors governs the Authority.

The Authority charges a fee, based on the amount of water pumped from a well, to the owners of wells located within the boundaries of the Authority, unless exempted. This fee enables the Authority to fulfill its purpose and regulatory functions. The current fees being charged are \$4.55 per 1,000 gallons of water pumped from each well and \$4.90 per 1,000 gallons of surface water purchased. Pumpage fees totaled \$439,407 during the current fiscal year.

WILLOW POINT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2024

NOTE 12. STRATEGIC PARTNERSHIP AGREEMENT

Effective December 12, 2019, the District entered into a Strategic Partnership Agreement (“SPA”) with the City of Houston, Texas (“the City”). Under the agreement, and in accordance with Subchapter F of Chapter 43 of the Local Government Code and Act, the City annexed a tract of land within the District for the limited purposes of applying the City’s Planning, Zoning, Health, and Safety Ordinances within the tract. Effective December 16, 2021 the agreement was amended to include an additional tract of land, referred to as the First Amendment Tract. The City may not annex the District for full purposes during the term of this agreement. The City imposes a Sales and Use Tax within the boundaries of the District under the SPA on the receipts from the sale and use at retail of taxable items at the rate of one percent or the rate specified under the future amendments to Chapter 321 of the Tax Code. The City pays to the District an amount equal to one-half of all Sales and Use Tax revenues generated within the District within 30 days of the City receiving the funds from the State Comptroller’s office. The term of this SPA is 30 years from the effective date of the SPA or any amendment to the SPA. During the current fiscal year, the District did not record any sales tax revenue.

NOTE 13. BOND ANTICIPATION NOTE

On August 17, 2023, the District closed on the sale of its \$5,865,000 Series 2023 Bond Anticipation Note (“2023 BAN”). Proceeds from the 2023 BAN sale were used to reimburse the developers for a portion of the costs of water, sewer, and drainage facilities serving Trails of Katy, Sections 4 and 6, Anserra, Sections 4, 5, 6 and 7, and the Katy Townhomes lift station. Proceeds from the 2023 BAN sale were also used to fund costs associated with land acquisition, engineering, materials testing and stormwater pollution prevention for all construction projects and issuance costs of the 2023 BAN. The 2023 BAN was redeemed from the proceeds of the Series 2024 Unlimited Tax Bonds, Note 14.

NOTE 14. BOND SALE

On April 9, 2024, the District closed on the sale of its \$11,400,000 Series 2024 Unlimited Tax Bonds. The District used proceeds of the bond to reimburse the Developers for the remaining costs associated with water, sewer, and drainage facilities serving Trails of Katy, Sections 4 and 6, Anserra, Sections 4, 5, 6 and 7, and the Katy Townhomes lift station. Proceeds from the bond sale were also used to fund costs associated with land acquisition, engineering, materials testing and stormwater pollution prevention for all construction projects, to redeem the Series 2023 BAN, including interest, pay developer interest, capitalized interest and pay for the bond issuance costs.

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WILLOW POINT MUNICIPAL UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MAY 31, 2024

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED MAY 31, 2024**

	Original and Final Budget	Actual	Variance Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Property Taxes	\$ 1,551,680	\$ 1,547,737	\$ (3,943)
Water Service	350,622	337,561	(13,061)
Wastewater Service	421,909	426,689	4,780
Regional Water Authority Fee	480,577	452,117	(28,460)
Penalty and Interest	42,057	41,455	(602)
Tap Connection and Inspection Fees	25,000	186,064	161,064
Investment Revenues	216,042	258,351	42,309
Miscellaneous Revenues	<u>19,629</u>	<u>13,300</u>	<u>(6,329)</u>
TOTAL REVENUES	<u>\$ 3,107,516</u>	<u>\$ 3,263,274</u>	<u>\$ 155,758</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 184,500	\$ 194,769	\$ (10,269)
Contracted Services	269,327	262,354	6,973
Utilities	85,570	81,233	4,337
Regional Water Authority Assessment	480,577	439,407	41,170
Repairs and Maintenance	407,000	514,459	(107,459)
Other	282,304	309,990	(27,686)
Capital Outlay	<u>2,010,286</u>	<u>145,525</u>	<u>1,864,761</u>
TOTAL EXPENDITURES	<u>\$ 3,719,564</u>	<u>\$ 1,947,737</u>	<u>\$ 1,771,827</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (612,048)</u>	<u>\$ 1,315,537</u>	<u>\$ 1,927,585</u>
OTHER FINANCING SOURCES(USES)			
Transfers In	<u>\$ -0-</u>	<u>\$ 51,850</u>	<u>\$ 51,850</u>
NET CHANGE IN FUND BALANCE	\$ (612,048)	\$ 1,367,387	\$ 1,979,435
FUND BALANCE - JUNE 1, 2023	<u>4,426,616</u>	<u>4,426,616</u>	<u> </u>
FUND BALANCE - MAY 31, 2024	<u>\$ 3,814,568</u>	<u>\$ 5,794,003</u>	<u>\$ 1,979,435</u>

See accompanying independent auditor's report.

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WILLOW POINT MUNICIPAL UTILITY DISTRICT
SUPPLEMENTARY INFORMATION REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE
MAY 31, 2024

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2024**

1. SERVICES PROVIDED BY THE DISTRICT DURING THE YEAR:

<u> X </u>	Retail Water	<u> </u>	Wholesale Water	<u> X </u>	Drainage
<u> X </u>	Retail Wastewater	<u> </u>	Wholesale Wastewater	<u> </u>	Irrigation
<u> X </u>	Parks/Recreation	<u> </u>	Fire Protection	<u> </u>	Security
<u> X </u>	Solid Waste/Garbage	<u> </u>	Flood Control	<u> X </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 effective August 10, 2023

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	\$32.00	10,000	N	\$2.90 \$3.50 \$4.40	10,001 to 20,000 20,001 to 25,000 Over 25,001
WASTEWATER:	\$32.00	10,000	N	\$1.50 \$1.75 \$2.00	10,001 to 20,000 20,001 to 25,000 Over 25,001

SURCHARGE:

North Fort Bend Water Authority Fee	\$ 5.01 per 1,000 gallons	
Garbage Fee per Residential Connection	\$16.12	Y

District employs winter averaging for wastewater usage? X
Yes No

Total monthly charges per 10,000 gallons usage: Water: \$32.00 Wastewater: \$32.00 Surcharge: \$66.22 Total: \$130.22

See accompanying independent auditor’s report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2024**

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>
Unmetered			x 1.0	
≤ ³ / ₄ "	<u>722</u>	<u>711</u>	x 1.0	<u>711</u>
1"	<u>11</u>	<u>11</u>	x 2.5	<u>28</u>
1½"	<u>6</u>	<u>6</u>	x 5.0	<u>30</u>
2"	<u>16</u>	<u>16</u>	x 8.0	<u>128</u>
3"	<u>1</u>	<u>1</u>	x 15.0	<u>15</u>
4"			x 25.0	
6"			x 50.0	
8"	<u>1</u>	<u>1</u>	x 80.0	<u>80</u>
10"			x 115.0	
Total Water Connections	<u><u>757</u></u>	<u><u>746</u></u>		<u><u>992</u></u>
Total Wastewater Connections	<u><u>719</u></u>	<u><u>709</u></u>	x 1.0	<u><u>709</u></u>

3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)

Gallons pumped into system:	96,597,000	Water Accountability Ratio: 94 % (Gallons billed/Gallons pumped)
Gallons billed to customers:	90,684,000	

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2024**

3. 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

4. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No

Counties in which District is located:

Fort Bend County, Texas

Waller County, Texas

Is the District located within a city?

Entirely Partly Not at all

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

Entirely Partly Not at all

ETJ in which District is located:

City of Houston, Texas

Are Board Members appointed by an office outside the District?

Yes No

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED MAY 31, 2024**

PROFESSIONAL FEES:	
Auditing	\$ 15,250
Engineering	80,709
Legal	<u>98,810</u>
TOTAL PROFESSIONAL FEES	<u>\$ 194,769</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 57,958
Operations and Billing	51,959
Solid Waste Disposal	<u>152,437</u>
TOTAL CONTRACTED SERVICES	<u>\$ 262,354</u>
UTILITIES:	
Electricity	\$ 79,856
Telephone	<u>1,377</u>
TOTAL UTILITIES	<u>\$ 81,233</u>
REPAIRS AND MAINTENANCE	<u>\$ 514,459</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 20,075
Election Costs	671
Insurance	27,705
Office Supplies and Postage	11,421
Payroll Taxes	1,513
Travel and Meetings	6,729
Other	<u>35,694</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 103,808</u>

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED MAY 31, 2024**

CAPITAL OUTLAY	\$ <u>145,525</u>
TAP CONNECTIONS	\$ <u>18,823</u>
OTHER EXPENDITURES:	
Chemicals	\$ 31,913
Laboratory Fees	11,966
Permit Fees	2,680
Lease Costs	57,600
Inspection Fees	18,665
Regional Water Authority Assessment	439,407
Regulatory Assessment	3,702
Sludge Hauling	<u>60,833</u>
TOTAL OTHER EXPENDITURES	\$ <u>626,766</u>
TOTAL EXPENDITURES	\$ <u>1,947,737</u>

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
INVESTMENTS
MAY 31, 2024**

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<u>GENERAL FUND</u>					
Texas CLASS	XXXX0001	Varies	Daily	\$ 3,954,095	\$
Certificate of Deposit	XXXX0676	5.00%	02/20/25	235,000	1,127
Certificate of Deposit	XXXX8183	5.25%	04/19/25	235,000	1,420
Certificate of Deposit	XXXX2572	5.40%	07/09/24	235,000	9,039
Certificate of Deposit	XXXX4244	5.00%	06/09/24	235,000	8,370
Certificate of Deposit	XXXX0362	5.05%	05/25/25	235,000	195
Certificate of Deposit	XXXX0235	5.50%	12/06/24	235,000	6,232
Certificate of Deposit	XXXX5630	5.23%	03/22/25	235,000	1,179
Certificate of Deposit	XXXX3157	5.65%	11/13/24	235,000	7,275
TOTAL GENERAL FUND				<u>\$ 5,834,095</u>	<u>\$ 34,837</u>
<u>DEBT SERVICE FUND</u>					
Texas CLASS	XXXX0006	Varies	Daily	\$ 1,902,182	\$
Texas CLASS	XXXX0007	Varies	Daily	222,896	
Certificate of Deposit	XXXX0993	5.00%	08/09/24	235,000	8,370
Certificate of Deposit	XXXX5636	5.23%	01/26/25	235,000	1,010
Certificate of Deposit	XXXX0552	5.40%	02/01/25	235,000	1,043
TOTAL DEBT SERVICE FUND				<u>\$ 2,830,078</u>	<u>\$ 10,423</u>
<u>CAPITAL PROJECTS FUND</u>					
Texas CLASS	XXXX0004	Varies	Daily	\$ 1,709	\$
Texas CLASS	XXXX0008	Varies	Daily	359,856	
Texas CLASS	XXXX0010	Varies	Daily	450,554	
Texas CLASS	XXXX0012	Varies	Daily	259,341	
Texas CLASS	XXXX0014	Varies	Daily	7,449	
Texas CLASS	XXXX0016	Varies	Daily	699,357	
TOTAL CAPITAL PROJECTS FUND				<u>\$ 1,778,266</u>	<u>\$ - 0 -</u>
TOTAL - ALL FUNDS				<u>\$ 10,442,439</u>	<u>\$ 45,260</u>

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE FOR THE
YEAR ENDED MAY 31, 2024**

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
JUNE 1, 2023	\$ 14,936		\$ 19,649	
Adjustments to Beginning				
Balance	<u>(11,328)</u>	\$ 3,608	<u>(15,109)</u>	\$ 4,540
Original 2023 Tax Levy	\$ 1,553,813		\$ 2,158,073	
Adjustment to 2023 Tax Levy	<u>15,974</u>	<u>1,569,787</u>	<u>22,186</u>	<u>2,180,259</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 1,573,395		\$ 2,184,799
TAX COLLECTIONS:				
Prior Years	\$ 3,608		\$ 4,540	
Current Year	<u>1,544,129</u>	<u>1,547,737</u>	<u>2,144,623</u>	<u>2,149,163</u>
TAXES RECEIVABLE -				
MAY 31, 2024		<u>\$ 25,658</u>		<u>\$ 35,636</u>
TAXES RECEIVABLE BY				
YEAR:				
2023		<u>\$ 25,658</u>		<u>\$ 35,636</u>

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE FOR THE
YEAR ENDED MAY 31, 2024**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
PROPERTY VALUATIONS:				
Land	\$ 56,436,639	\$ 51,084,131	\$ 38,098,960	\$ 43,610,490
Improvements	244,597,510	217,650,284	167,726,633	144,724,595
Personal Property	1,045,288	136,912	157,322	292,187
Exemptions	<u>(11,378,197)</u>	<u>(8,522,736)</u>	<u>(7,314,435)</u>	<u>(15,163,706)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 290,701,240</u>	<u>\$ 260,348,591</u>	<u>\$ 198,668,480</u>	<u>\$ 173,463,566</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.75	\$ 0.75	\$ 0.805	\$ 0.80
Maintenance	<u>0.54</u>	<u>0.57</u>	<u>0.575</u>	<u>0.63</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 1.29</u>	<u>\$ 1.32</u>	<u>\$ 1.380</u>	<u>\$ 1.43</u>
ADJUSTED TAX LEVY*	<u>\$ 3,750,046</u>	<u>\$ 3,436,601</u>	<u>\$ 2,741,625</u>	<u>\$ 2,480,529</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED				
	<u>98.37 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

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

Maintenance Tax – Maximum tax rate of \$1.50 per \$100 of assessed valuation approved by voters November 5, 2013.

Maintenance Tax for Parks and Recreational facilities – Maximum tax rate of \$0.10 per \$100 of assessed valuation approved by voters November 5, 2013.

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICES REQUIREMENTS
MAY 31, 2024**

S E R I E S - 2 0 1 5				
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1/ March 1	Total	
2025	\$ 160,000	\$ 179,464	\$	339,464
2026	170,000	174,301		344,301
2027	180,000	168,389		348,389
2028	185,000	161,886		346,886
2029	195,000	154,876		349,876
2030	205,000	147,376		352,376
2031	220,000	139,133		359,133
2032	230,000	130,133		360,133
2033	240,000	120,733		360,733
2034	255,000	110,832		365,832
2035	265,000	100,432		365,432
2036	280,000	89,532		369,532
2037	295,000	77,848		372,848
2038	310,000	65,370		375,370
2039	325,000	52,273		377,273
2040	345,000	38,325		383,325
2041	360,000	23,520		383,520
2042	380,000	7,980		387,980
2043				
2044				
2045				
2046				
2047				
	\$ 4,600,000	\$ 1,942,403	\$	6,542,403

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICES REQUIREMENTS
MAY 31, 2024**

S E R I E S - 2 0 1 7				
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1/ March 1	Total	
2025	\$ 125,000	\$ 83,882	\$	208,882
2026	125,000	80,133		205,133
2027	125,000	76,289		201,289
2028	125,000	72,257		197,257
2029	125,000	68,070		193,070
2030	125,000	63,758		188,758
2031	125,000	59,320		184,320
2032	125,000	54,695		179,695
2033	120,000	50,040		170,040
2034	120,000	45,480		165,480
2035	120,000	40,800		160,800
2036	120,000	36,000		156,000
2037	120,000	31,200		151,200
2038	120,000	26,400		146,400
2039	120,000	21,600		141,600
2040	120,000	16,800		136,800
2041	120,000	12,000		132,000
2042	120,000	7,200		127,200
2043	120,000	2,400		122,400
2044				
2045				
2046				
2047				
	\$ 2,320,000	\$ 848,324	\$	3,168,324

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICES REQUIREMENTS
MAY 31, 2024**

SERIES - 2017 ROAD

Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2025	\$ 100,000	\$ 71,325	\$ 171,325
2026	100,000	68,325	168,325
2027	100,000	65,325	165,325
2028	100,000	62,263	162,263
2029	100,000	59,075	159,075
2030	100,000	55,763	155,763
2031	100,000	52,325	152,325
2032	100,000	48,825	148,825
2033	100,000	45,263	145,263
2034	110,000	41,388	151,388
2035	110,000	37,263	147,263
2036	110,000	33,000	143,000
2037	110,000	28,600	138,600
2038	110,000	24,200	134,200
2039	110,000	19,800	129,800
2040	110,000	15,400	125,400
2041	110,000	11,000	121,000
2042	110,000	6,600	116,600
2043	110,000	2,200	112,200
2044			
2045			
2046			
2047			
	<u>\$ 2,000,000</u>	<u>\$ 747,940</u>	<u>\$ 2,747,940</u>

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICES REQUIREMENTS
MAY 31, 2024**

S E R I E S - 2 0 1 9				
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1/ March 1	Total	
2025	\$ 215,000	\$ 98,462	\$	313,462
2026	215,000	94,162		309,162
2027	215,000	89,862		304,862
2028	215,000	85,562		300,562
2029	215,000	81,262		296,262
2030	215,000	76,962		291,962
2031	215,000	72,662		287,662
2032	215,000	68,228		283,228
2033	215,000	63,660		278,660
2034	215,000	58,957		273,957
2035	215,000	54,119		269,119
2036	220,000	49,088		269,088
2037	220,000	43,726		263,726
2038	220,000	38,225		258,225
2039	220,000	32,725		252,725
2040	220,000	27,087		247,087
2041	220,000	21,313		241,313
2042	220,000	15,402		235,402
2043	225,000	9,282		234,282
2044	225,000	3,094		228,094
2045				
2046				
2047				
	\$ 4,355,000	\$ 1,083,840	\$	5,438,840

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICES REQUIREMENTS
MAY 31, 2024**

S E R I E S - 2 0 2 0				
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1/ March 1	Total	
2025	\$ 250,000	\$ 131,593	\$	381,593
2026	250,000	120,343		370,343
2027	250,000	112,218		362,218
2028	250,000	107,218		357,218
2029	250,000	102,218		352,218
2030	250,000	97,218		347,218
2031	250,000	92,218		342,218
2032	300,000	86,718		386,718
2033	300,000	80,718		380,718
2034	300,000	74,718		374,718
2035	300,000	68,718		368,718
2036	300,000	62,718		362,718
2037	325,000	56,265		381,265
2038	325,000	49,156		374,156
2039	325,000	41,844		366,844
2040	325,000	34,531		359,531
2041	325,000	27,016		352,016
2042	325,000	19,297		344,297
2043	325,000	11,578		336,578
2044	325,000	3,871		328,871
2045				
2046				
2047				
	\$ 5,850,000	\$ 1,380,174	\$	7,230,174

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICES REQUIREMENTS
MAY 31, 2024**

S E R I E S - 2 0 2 1				
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1/ March 1	Total	
2025	\$ 100,000	\$ 84,962	\$	184,962
2026	100,000	80,462		180,462
2027	155,000	74,725		229,725
2028	155,000	67,750		222,750
2029	155,000	62,712		217,712
2030	155,000	59,613		214,613
2031	155,000	56,512		211,512
2032	155,000	53,413		208,413
2033	155,000	50,215		205,215
2034	155,000	46,922		201,922
2035	155,000	43,434		198,434
2036	160,000	39,694		199,694
2037	160,000	35,794		195,794
2038	160,000	31,794		191,794
2039	160,000	27,694		187,694
2040	160,000	23,494		183,494
2041	160,000	19,294		179,294
2042	160,000	15,094		175,094
2043	165,000	10,828		175,828
2044	165,000	6,497		171,497
2045	165,000	2,166		167,166
2046				
2047				
	\$ 3,210,000	\$ 893,069	\$	4,103,069

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICES REQUIREMENTS
MAY 31, 2024**

S E R I E S - 2 0 2 3				
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1/ March 1	Total	
2025	\$ 185,000	\$ 149,575	\$	334,575
2026	185,000	144,025		329,025
2027	185,000	138,475		323,475
2028	185,000	132,925		317,925
2029	185,000	127,375		312,375
2030	185,000	120,900		305,900
2031	185,000	113,500		298,500
2032	185,000	106,100		291,100
2033	185,000	98,700		283,700
2034	185,000	91,300		276,300
2035	185,000	83,900		268,900
2036	185,000	76,500		261,500
2037	185,000	69,100		254,100
2038	185,000	61,700		246,700
2039	185,000	54,300		239,300
2040	185,000	46,900		231,900
2041	180,000	39,600		219,600
2042	180,000	32,400		212,400
2043	180,000	25,200		205,200
2044	180,000	18,000		198,000
2045	180,000	10,800		190,800
2046	180,000	3,600		183,600
2047				
	\$ 4,040,000	\$ 1,744,875	\$	5,784,875

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICES REQUIREMENTS
MAY 31, 2024**

S E R I E S - 2 0 2 4			
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2025	\$	\$ 390,023	\$ 390,023
2026		300,000	730,050
2027		350,000	767,050
2028		400,000	802,050
2029		450,000	835,050
2030		490,000	856,250
2031		525,000	870,950
2032		525,000	852,575
2033		560,000	871,300
2034		560,000	854,150
2035		560,000	836,300
2036		560,000	816,000
2037		560,000	793,600
2038		560,000	771,200
2039		560,000	748,800
2040		555,000	721,500
2041		555,000	699,300
2042		555,000	677,100
2043		555,000	654,900
2044		555,000	632,700
2045		555,000	610,500
2046		555,000	588,300
2047		555,000	566,100
	\$ 11,400,000	\$ 5,545,748	\$ 16,945,748

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICES REQUIREMENTS
MAY 31, 2024**

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending May 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2025	\$ 1,135,000	\$ 1,189,286	\$ 2,324,286
2026	1,445,000	1,191,801	2,636,801
2027	1,560,000	1,142,333	2,702,333
2028	1,615,000	1,091,911	2,706,911
2029	1,675,000	1,040,638	2,715,638
2030	1,725,000	987,840	2,712,840
2031	1,775,000	931,620	2,706,620
2032	1,835,000	875,687	2,710,687
2033	1,875,000	820,629	2,695,629
2034	1,900,000	763,747	2,663,747
2035	1,910,000	704,966	2,614,966
2036	1,935,000	642,532	2,577,532
2037	1,975,000	576,133	2,551,133
2038	1,990,000	508,045	2,498,045
2039	2,005,000	439,036	2,444,036
2040	2,020,000	369,037	2,389,037
2041	2,030,000	298,043	2,328,043
2042	2,050,000	226,073	2,276,073
2043	1,680,000	161,388	1,841,388
2044	1,450,000	109,162	1,559,162
2045	900,000	68,466	968,466
2046	735,000	36,900	771,900
2047	555,000	11,100	566,100
	<u>\$ 37,775,000</u>	<u>\$ 14,186,373</u>	<u>\$ 51,961,373</u>

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED MAY 31, 2024**

Description	Original Bonds Issued	Bonds Outstanding June 1, 2023	
Willow Point Municipal Utility District Unlimited Tax Bonds - Series 2015	\$ 5,520,000	\$ 4,750,000	
Willow Point Municipal Utility District Unlimited Tax Bonds - Series 2017	3,070,000	2,445,000	
Willow Point Municipal Utility District Unlimited Tax Road Bonds - Series 2017	2,500,000	2,100,000	
Willow Point Municipal Utility District Unlimited Tax Bonds - Series 2019	5,000,000	4,570,000	
Willow Point Municipal Utility District Unlimited Tax Bonds - Series 2020	6,500,000	6,100,000	
Willow Point Municipal Utility District Unlimited Tax Bonds - Series 2021	3,310,000	3,310,000	
Willow Point Municipal Utility District Unlimited Tax Bonds - Series 2023	4,040,000	4,040,000	
Willow Point Municipal Utility District Unlimited Tax Bonds - Series 2024	<u>11,400,000</u>	<u> </u>	
TOTAL	<u>\$ 41,340,000</u>	<u>\$ 27,315,000</u>	
Bond Authority:	<u>Utility Bonds</u>	<u>Refunding Bonds</u>	<u>Road Bonds</u>
Amount Authorized by Voters	\$ 96,500,000	\$ 216,570,000	\$ 41,000,000
Amount Issued	<u>38,840,000</u>	<u> </u>	<u>2,500,000</u>
Remaining to be Issued	<u>\$ 57,660,000</u>	<u>\$ 216,570,000</u>	<u>\$ 38,500,000</u>

*

See Note 3 for interest rate, interest payment dates and maturity dates.

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

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding May 31, 2024</u>	<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>		
\$	\$ 150,000	\$ 184,114	\$ 4,600,000	The Bank Of New York Mellon Trust Company, N.A. Dallas, TX
	125,000	87,508	2,320,000	The Bank Of New York Mellon Trust Company, N.A. Dallas, TX
	100,000	74,325	2,000,000	The Bank Of New York Mellon Trust Company, N.A. Dallas, TX
	215,000	102,762	4,355,000	The Bank Of New York Mellon Trust Company, N.A. Dallas, TX
	250,000	142,843	5,850,000	The Bank Of New York Mellon Trust Company, N.A. Dallas, TX
	100,000	89,463	3,210,000	The Bank Of New York Mellon Trust Company, N.A. Dallas, TX
		149,811	4,040,000	The Bank Of New York Mellon Trust Company, N.A. Dallas, TX
<u>11,400,000</u>			<u>11,400,000</u>	The Bank Of New York Mellon Trust Company, N.A. Dallas, TX
<u>\$ 11,400,000</u>	<u>\$ 940,000</u>	<u>\$ 830,826</u>	<u>\$ 37,775,000</u>	
<u>Park Bonds</u>				
\$	7,000,000			
<u>\$</u>	<u>7,000,000</u>			

Debt Service Fund cash, investments and cash with paying agent balances as of
May 31, 2024:

\$ 2,882,381

Average annual debt service payment (principal and interest) for remaining term
of all debt:

\$ 2,259,190

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS**

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 1,547,737	\$ 1,481,156	\$ 1,153,053
Water Service	337,561	338,566	285,087
Wastewater Service	426,689	407,758	390,866
Regional Water Authority Fee	452,117	449,408	334,039
Penalty and Interest	41,455	43,246	28,725
Tap Connection and Inspection Fees	186,064	160,995	11,403
Investment Revenues	258,351	122,327	8,709
Miscellaneous Revenues	13,300	35,119	12,756
TOTAL REVENUES	<u>\$ 3,263,274</u>	<u>\$ 3,038,575</u>	<u>\$ 2,224,638</u>
EXPENDITURES			
Professional Fees	\$ 194,769	\$ 211,085	\$ 217,319
Contracted Services	262,354	252,531	213,726
Lease Costs	57,600	80,100	84,600
Utilities	81,233	82,387	75,545
Regional Water Authority Assessment	439,407	410,010	310,762
Repairs and Maintenance	514,459	421,982	305,492
Other	252,390	270,468	193,030
Bond Issuance Costs		56,688	43,000
Capital Outlay	145,525	146,261	197,327
TOTAL EXPENDITURES	<u>\$ 1,947,737</u>	<u>\$ 1,931,512</u>	<u>\$ 1,640,801</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 1,315,537</u>	<u>\$ 1,107,063</u>	<u>\$ 583,837</u>
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	\$ 51,850	\$ 43,000	\$ 49,239
NET CHANGE IN FUND BALANCE	\$ 1,367,387	\$ 1,150,063	\$ 633,076
BEGINNING FUND BALANCE	<u>4,426,616</u>	<u>3,276,553</u>	<u>2,643,477</u>
ENDING FUND BALANCE	<u>\$ 5,794,003</u>	<u>\$ 4,426,616</u>	<u>\$ 3,276,553</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 1,076,632	\$ 1,020,423	47.4 %	48.8 %	51.8 %	49.8 %	49.5 %
279,836	261,414	10.3	11.1	12.8	12.9	12.7
366,060	324,163	13.1	13.4	17.6	16.9	15.7
341,549	321,100	13.9	14.8	15.0	15.8	15.6
20,754	19,018	1.3	1.4	1.3	1.0	0.9
54,414	73,947	5.7	5.3	0.5	2.5	3.6
16,284	30,820	7.9	4.0	0.4	0.8	1.5
6,900	9,600	0.4	1.2	0.6	0.3	0.5
<u>\$ 2,162,429</u>	<u>\$ 2,060,485</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 134,140	\$ 153,670	6.0 %	6.9 %	9.8 %	6.2 %	7.5 %
178,796	155,321	8.0	8.3	9.6	8.3	7.5
84,600	114,100	1.8	2.6	3.8	3.9	5.5
70,493	59,224	2.5	2.7	3.4	3.3	2.9
320,200	294,584	13.5	13.5	14.0	14.8	14.3
300,480	395,177	15.8	13.9	13.7	13.9	19.2
197,500	222,699	7.7	8.9	8.7	9.1	10.8
49,239	60,855		1.9	1.9	2.3	3.0
38,630	45,474	4.4	4.8	8.9	1.8	2.2
<u>\$ 1,374,078</u>	<u>\$ 1,501,104</u>	<u>59.7 %</u>	<u>63.5 %</u>	<u>73.8 %</u>	<u>63.6 %</u>	<u>72.9 %</u>
<u>\$ 788,351</u>	<u>\$ 559,381</u>	<u>40.3 %</u>	<u>36.5 %</u>	<u>26.2 %</u>	<u>36.4 %</u>	<u>27.1 %</u>
<u>\$ 60,855</u>	<u>\$ 69,231</u>					
\$ 849,206	\$ 628,612					
<u>1,794,271</u>	<u>1,165,659</u>					
<u>\$ 2,643,477</u>	<u>\$ 1,794,271</u>					

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS**

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 2,149,163	\$ 1,949,819	\$ 1,611,311
Property Taxes-Rollback	16,894	105,834	
Penalty and Interest	26,747	17,800	22,190
Investment Revenues	94,072	48,432	4,312
Miscellaneous Revenues	6,359	48	1,849
TOTAL REVENUES	<u>\$ 2,293,235</u>	<u>\$ 2,121,933</u>	<u>\$ 1,639,662</u>
EXPENDITURES			
Tax Collection Expenditures	\$ 88,733	\$ 79,275	\$ 75,770
Debt Service Principal	940,000	835,000	730,000
Debt Service Interest and Fees	836,151	714,115	666,252
TOTAL EXPENDITURES	<u>\$ 1,864,884</u>	<u>\$ 1,628,390</u>	<u>\$ 1,472,022</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 428,351</u>	<u>\$ 493,543</u>	<u>\$ 167,640</u>
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	\$ 218,025	\$ 76,175	\$ 45,856
NET CHANGE IN FUND BALANCE	\$ 646,376	\$ 569,718	\$ 213,496
BEGINNING FUND BALANCE	<u>2,299,323</u>	<u>1,729,605</u>	<u>1,516,109</u>
ENDING FUND BALANCE	<u>\$ 2,945,699</u>	<u>\$ 2,299,323</u>	<u>\$ 1,729,605</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>746</u>	<u>718</u>	<u>685</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>709</u>	<u>680</u>	<u>652</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 1,364,581	\$ 941,380	93.7 %	91.9 %	91.9 %	98.8 %	97.1 %
		0.7	5.0			
9,257	10,503	1.2	0.8	0.8	0.7	1.1
6,534	15,029	4.1	2.3	2.3	0.5	1.6
13	2,122	0.3		5.0		0.2
<u>\$ 1,380,385</u>	<u>\$ 969,034</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 55,444	\$ 59,274	3.9 %	3.7 %	4.6 %	4.0 %	6.1 %
355,000	350,000	41.0	39.4	44.5	25.7	36.1
<u>602,875</u>	<u>429,436</u>	<u>36.4</u>	<u>33.7</u>	<u>40.6</u>	<u>43.7</u>	<u>44.3</u>
<u>\$ 1,013,319</u>	<u>838,710</u>	<u>81.3 %</u>	<u>76.8 %</u>	<u>89.7 %</u>	<u>73.4 %</u>	<u>86.5 %</u>
\$ 367,066	\$ 130,324	18.7 %	23.2 %	10.3 %	26.6 %	13.5 %
83,234						
\$ 450,300	\$ 130,324					
1,065,809	935,485					
<u>\$ 1,516,109</u>	<u>\$ 1,065,809</u>					
683	613					
<u>649</u>	<u>582</u>					

See accompanying independent auditor's report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MAY 31, 2024**

District Mailing Address - Willow Point Municipal Utility District
c/o Sanford Kuhl Hagan Kugle Parker Kahn, LLP
1330 Post Oak Boulevard, Suite 2650
Houston, TX 77056

District Telephone Number - (713) 850-9000

Board Members	Term of Office (Elected or Appointed)	Fees of office for the year ended May 31, 2024	Expense reimbursements for the year ended May 31, 2024	Title
Ryan B. Niles	05/2024 – 05/2028 (Elected)	\$ 1,326	\$ 93	President
Will Gutowsky, P.E.	05/2022 – 05/2026 (Elected)	\$ 2,210	\$ 1,106	Vice President
David L. Salley	05/2022 – 05/2026 (Elected)	\$ 2,139	\$ 27	Secretary
Simon VanDyk	05/2024 – 05/2028 (Elected)	\$ 7,200	\$ 1,321	Assistant Secretary
Chris Barge	05/2024 – 05/2028 (Elected)	\$ 7,200	\$ 215	Assistant Secretary

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: June 7, 2024

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

See accompanying independent auditor’s report.

**WILLOW POINT MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MAY 31, 2024**

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended May 31, 2024</u>	<u>Title</u>
Sanford Kuhl Hagan Kugle Parker Kahn LLP	01/22/13	\$ 108,222 \$ 366,112	General Counsel/ Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	06/25/14	\$ 15,250 \$ 29,500	Auditor Bond Related
Municipal Accounts & Consulting, L.P.	05/03/18	\$ 64,036 \$ 7,000	Bookkeeper Bond Related
Perdue Brandon Fielder Collins & Mott, LLP	03/04/21	\$ 4,858	Delinquent Tax Attorney
Quiddity Engineering LLC	01/22/13	\$ 133,704	Engineer
Masterson Advisors LLC	05/03/18	\$ 274,388	Financial Advisor
Mark Burton		\$ -0-	Investment Officer
Ghia Lewis		\$ -0-	Investment Officer
Si Environmental LLC	08/14/13	\$ 445,911	Operator
Utility Tax Services, LLC	06/19/13	\$ 48,548	Tax Assessor/ Collector

See accompanying independent auditor's report.

