

**TAX RATE AND BUDGET INFORMATION** posted by Mason Creek Utility District (“District” or “taxing unit”), Harris County, Texas, in accordance with Sec. 26.18 of the Texas Tax Code (as amended by S.B. 2, 2019 Reg. Session)

*Updated as of October 1, 2024*

*For fiscal year (FY) ending June 30, 2025 (“current year”)*

<b>Information required by Sec. 26.18, Texas Tax Code, by subdivision number and description</b>		<b>Information posted (for the information item shown in left column)</b>
(1)	the name of each member of the governing body of the taxing unit	The information is shown in the attached EXHIBIT A
(2)	the mailing address, e-mail address, and telephone number of the taxing unit	The information is shown in the attached EXHIBIT A
(3)	the official contact information for each member of the governing body of the taxing unit, if that information is different from the information described by Subdivision (2)	The information is shown in the attached EXHIBIT A
(4)	the taxing unit's budget for the preceding two years	The information is shown in the attached EXHIBIT B
(5)	the taxing unit's proposed or adopted budget for the current year	The information is shown in the attached EXHIBIT B
(6)	the change in the amount of the taxing unit's budget from the preceding year to the current year, by dollar amount and percentage	The information is shown in the attached EXHIBIT B
(7)	in the case of a taxing unit other than a school district, the amount of property tax revenue budgeted for maintenance and operations for: (A) the preceding two years; and (B) the current year	The information is shown in the attached EXHIBIT B
(8)	in the case of a taxing unit other than a school district, the amount of property tax revenue budgeted for debt service for: (A) the preceding two years; and (B) the current year	The information is shown in the attached EXHIBIT B
(9)	the tax rate for maintenance and operations adopted by the taxing unit for the preceding two years	\$0.281 for TY 2022 \$0.276 for TY 2023
(10)	in the case of a taxing unit other than a school district, the tax rate for debt service adopted by the taxing unit for the preceding two years	\$0.031 for TY 2022 \$0.0293 for TY 2023
(12)	the tax rate for maintenance and operations proposed by the taxing unit for the current year	\$0.27357 for TY 2024
(13)	in the case of a taxing unit other than a school district, the tax rate for debt service proposed by the taxing unit for the current year	\$0.02780 for TY 2024
(14)	in the case of a school district, the interest and sinking fund tax rate proposed by the district for the current year; and	[This item does not apply to this taxing unit.]
(15)	the most recent financial audit of the taxing unit.	A copy of the financial audit is attached as EXHIBIT C

**THE EXHIBITS LISTED BELOW ARE ATTACHED AND ARE INTEGRAL PARTS OF THE INFORMATION POSTED:**

- EXHIBIT A**
- EXHIBIT B**
- EXHIBIT C**



# District Registration Form

Legal Name of District or Authority: MASON CREEK UTILITY DISTRICT  
 847 Dominion Dr. Katy, Texas 77450  
 District's Mailing Address Katy, State Zip Code  
281-578-7272 billing@mcud.com https://mcud.com/  
 District's Telephone Number (AC) E-mail Web Address

**A. BOARD MEMBERS (as applicable):**

TITLE	FULL NAME OF DIRECTOR (First, Middle, Last)	FULL MAILING ADDRESS (According to U.S. Post Office Standards)	Business Phone	Fax Number	Home Phone	Elected(E), Appointed (A), or Elected by Precinct (P)	Term Begins (MM/DD/YYYY)	Term Ends (MM/DD/YYYY)
President	Brian C. Connolly	20706 Sea Pine Dr., Katy, TX 77450	281-578-7272	281-578-1419		E	05/2024	05/2028
Director	John H. Cameron	20615 Hovedon Dr., Katy, TX 77450	281-578-7272	281-578-1419		E	05/2022	05/2026
Secretary-Treas.	James K. Nordhaus	1602 Hovedon Dr., Katy, TX 77450	281-578-7272	281-578-1419		E	05/2024	05/2028
Asst. Treasurer	Frederick J. Castellano	1135 Shillington Dr., Katy, TX 77450	281-578-7272	281-578-1419		A	05/2024	05/2028
Director	Joe M. Adams	1603 Hannington Dr., Katy, TX 77450	281-578-7272	281-578-1419		A	09/2024	05/2026

**EXHIBIT B** (part of TAX RATE AND BUDGET INFORMATION)

*Budgets for current year and two preceding years*

	Adopted Budget FY 2023	Amended Budget FY 2024	Adopted Budget FY 2025	Budget Variance \$ FY 2024-FY 2025	Budget Variance % FY 2024-FY 2025
<b>Revenues</b>					
14110 · Water - Customer Service	1,299,364	1,299,364	1,515,457	216,093	14%
14112 · Ground Water Reduction Program	583,800	583,800	967,400	383,600	40%
14125 · TCEQ Assessment Fees	12,793	12,793	14,136	1,343	9%
14140 · Transfer Fees	4,000	4,000	3,700	(300)	0%
14150 · Tap Connections	500	500	500	0	0%
14151 · Fire Tap Connection Fees	9,072	9,072	9,072	0	0%
14210 · Sewer - Customer Service Fee	1,209,261	1,259,335	1,311,802	52,468	4%
14310 · Penalties & Interest	25,000	25,000	25,000	0	0%
14330 · Miscellaneous Income	11,000	11,000	11,000	0	0%
14332 · Recycle Bin Sales	767	767	767	0	0%
14333 · Reclaimed Water Revenue - Cinco	3,163	3,163	3,163	0	0%
14350 · Maintenance Tax Collections -(Transfer from Tax Fund)	2,049,300	2,208,600	2,377,400	168,800	7%
14370 · Interest Earned on Temp. Invest	150,042	216,000	364,500	148,500	41%
14375 · COH Sales Tax Revenues	213,800	340,000	320,000	(20,000)	-6%
14380 · Interest on Checking Accounts	500	1,700	0	(1,700)	0%
14335 · Insurance Income	0	100	0	(100)	0%
14900 · Use of Prior Years Reserves		136,107	0		
<b>Total Revenues</b>	<b>5,572,363</b>	<b>6,111,301</b>	<b>6,923,897</b>	<b>948,703</b>	<b>17%</b>
<b>Expenditures-District</b>					
16011 · Solid Waste Collection	850,000	945,000	945,000	0	0.00%
16012 · Garbage- Dumpster	19,200	19,200	19,200	0	0.00%
16013 · Recycle Bins & Carts	3,500	3,500	3,500	0	0.00%
16120 · Ground Water Fee	518,755	948,875	948,875	0	0.00%
16130-1 · Meter Change Out Program	50,000	50,000	50,000	0	0.00%
16130 · Maintenance & Repairs	1,212,000	1,212,000	1,212,000	0	0.00%
16132 · Valve Replacements	100,000	100,000	100,000	0	0.00%
16135 · Surface Water Projects	0	0	0	0	0.00%
16140 · Chemicals-Fuel-Gasoline	48,000	48,000	48,000	0	0.00%
16160 · Utilities	202,000	240,000	240,000	0	0.00%
16162 · Utilities-Streetlights	84,000	105,000	105,000	0	0.00%
16220-1 · Capital Outlay-WMM STP	200,000	200,000	200,000	0	0.00%
16220-2 · Capital Outlay - Cinco STP	200,000	200,000	200,000	0	0.00%
16220 · Purchase Sewer Service	349,800	302,400	302,400	0	0.00%
16270 · Rents & Leases	3,500	900	900	0	0.00%
16300 · Professional					
16330 · Legal Fees	65,000	65,000	65,000	0	0.00%
16340 · Auditing Fees	19,500	24,000	24,000	0	0.00%
16350 · Engineering Fees	500,000	500,000	500,000	0	0.00%
16360 · Arbitrage Expense		1,600	0		
16351 · Lobbying Expense (Note 1)	0	0	0	0	0.00%
16365 · Directors Fees	22,100	25,000	36,000	11,000	49.77%
16366 · Directors Expenses & Conference	4,000	4,000	4,000	0	0.00%
16370 · Election Expense	10,000	0	0	0	0.00%
16380 · Permit Expense	7,000	7,000	7,000	0	0.00%
16385 · TCEQ Assessment Fees	12,793	14,136	14,136	0	0.00%
16390 · Telephone Expense	25,000	25,000	25,000	0	0.00%
16420 · Billing & Collecting	47,000	47,000	47,000	0	0.00%
16430 · Bookkeeping Fees	49,000	49,000	49,000	0	0.00%
16440 · Payroll Admin Fee			7,900		
16435 · Sales Tax Monitoring	2,200	7,900	2,000	(5,900)	0.00%
16450 · Newspaper Notices Req. by Law (Sec. 140.0045, LGC)	2,100	2,100	1,100	(1,000)	-47.62%
16460-1 · Office Furniture & Fixtures	0	0	0	0	0.00%
16460 · Office Supplies & Services	52,600	49,600	49,600	0	0.00%
16465 · Bank Service Charges	900	600	600	0	0.00%
16467 · ACH & Credit Card Fees	11,900	12,500	12,500	0	0.00%
16530 · Insurance & Surety Bond	85,800	136,600	136,600	0	0.00%
16550 · Security Expenses	7,700	7,700	7,700	0	0.00%
16560 · Miscellaneous Expense	25,150	25,150	25,150	0	0.00%
16563 · Sales Tax Expense	120	120	120	0	0.00%
16600 · Payroll Expenses					
1660001 · Salaries- Employees	537,000	580,500	622,300	41,800	7.78%
1660002 · Payroll Tax Expense	43,400	51,200	48,700	(2,500)	-5.76%
16611 · Mileage Reimbursement-Employee	4,800	4,800	4,800	0	0.00%
16620 · Pension Costs	53,700	58,100	62,200	4,100	7.64%
16610 · Employee Medical				0	

**EXHIBIT B, cont.** (part of TAX RATE AND BUDGET INFORMATION) *Budgets for current year and two preceding years*

1661001 · Health Insurance	171,500	174,800	141,500	(33,300)	-19.42%
1661002 · Reimbursements-Employee	20,000	20,000	20,000	0	0.00%
16500 · Tax Expenses				0	
46310 · Delinquent Attorney Fees	5,200	3,900	6,600	2,700	51.92%
46320 · HCAD Fees	12,300	12,700	13,000	300	2.44%
46340 · Assessor/Collector Fees	28,700	26,200	26,400	200	0.70%
46450 · Miscellaneous Expense	7,100	6,600	9,300	2,700	38.03%
Total 16500 · Tax Expenses				0	
17100 · Capital Outlay	250,000	250,000	250,000	0	0.00%
17100-4 · Capital - Admin Building Rehab	0	200,000	0	(200,000)	0.00%
17100-5 · Capital - Brondesbury LS Rehab	250,000	0	0	0	0.00%
17100-6 · Capital- Rennie LS Rehab	1,332,545	0	0	0	0.00%
17100-7 · Capital - SS Lines - Repairs	250,000	250,000	250,000	0	0.00%
Total District Expenditures	<u>7,756,863</u>	<u>7,017,682</u>	<u>6,844,082</u>	<u>(179,900)</u>	<u>-2.32%</u>
Net Excess Revenues <Expenditures>	<u>(2,184,501)</u>	<u>(906,381)</u>	<u>79,815</u>	<u>1,128,603</u>	<u>51.66%</u>
MCCC (Community Center) Fund					
MCCC Revenues					
14385 · MCCC-Room Rental Fee	35,000	35,000	35,000	0	0.00%
14390 · MCCC-Pool Usage Fees	25,000	25,000	25,000	0	0.00%
14395 · MCCC-Tennis Usage Fees	10,000	10,000	10,000	0	0.00%
Total MCCC Revenues	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>0</u>	<u>0.00%</u>
16000 · MCCC Expenditures					
16020 · MCCC-Pool Contracted Serv.	74,000	13,012	74,000	(60,988)	-82.42%
16131-1 · Club House Repairs	25,000	75,000	75,000	50,000	200.00%
16131-3 · MCCC Repairs - Pool	20,000	13,849	20,000	(6,151)	-30.76%
16131 · MCCC-Maint. & Repairs	100,000	150,000	150,000	50,000	50.00%
16161 · MCCC_Uilities	10,500	6,000	6,000	(4,500)	-42.86%
16391 · MCCC-Telephone	1,000	2,300	0	1,300	130.00%
16461 · MCCC-Bldg. Supplies & Services	8,600	15,900	6,300	7,300	84.88%
16466 · Pool Tags & Team Supplies	2,500	2,500	5,800	0	0.00%
16561 · MCCC-Miscellaneous Exp.	10,600	10,600	2,500	0	0.00%
16700 · MCCC Capital Outlay	10,000	10,000	10,600	0	0.00%
Total MCCC Expenditures	<u>262,200</u>	<u>299,161</u>	<u>350,200</u>	<u>36,961</u>	<u>225%</u>
Net MCCC Excess Expenditures	<u>(192,200)</u>	<u>(229,161)</u>	<u>(280,200)</u>	<u>(36,961)</u>	<u>-155%</u>
14900 · Use of Prior Years Reserves	256,707	136,107	0	(120,600)	-425.25%
Net District & MCCC ExcessRevenues <Expenditures>	<u>(2,119,994)</u>	<u>(999,435)</u>	<u>(200,385)</u>	<u>1,091,642</u>	<u>-25.07%</u>

Note 1: Expenditures for directly or indirectly influencing or attempting to influence the outcome of legislation for administrative action, as those terms are defined in Section 305.002, Government Code

**EXHIBIT B, cont.** (part of TAX RATE AND BUDGET INFORMATION)

*Budgets for current year and two preceding years*

<b>TAX FUND</b>					
<b>Revenues</b>					
Current & Prior Years Taxes	2,432,600	2,395,000	2,692,100	(37,600)	-1.55%
Penalty & Interest	12,100	11,800	11,800	(300)	-2.48%
Additional Collection Penalty	5,700	5,200	5,200	(500)	-8.77%
Overpayments	5,400	9,000	9,000	3,600	66.67%
Excess Escrow Distri/Sec 23.12	0	0	0	0	0.00%
Special Inventory Tax/Overpayment	0	0	0	0	0.00%
Funds Pending Certification	0	0	0	0	0.00%
Refund - due to adjustments	11,400	44,900	51,900	33,500	293.86%
Unpaid Account	0	0	0	0	0.00%
Substantial Error Penalty	0	0	0	0	0.00%
Rendition Penalty	200	600	600	400	200.00%
Refund Rendition Penalty	0	0	0	0	0.00%
<b>TOTAL REVENUES</b>	<b>2,467,400</b>	<b>2,466,500</b>	<b>2,770,600</b>	<b>(900)</b>	<b>547.73%</b>
<b>Expenditures</b>					
Atty's Fees, Delq. collection	600	500	700	(100)	-16.67%
CAD Quarterly Assessment	1,500	1,500	1,400	0	0.00%
Newspaper Notices Req. by Law (Sec. 140.0045, LGC)	100	100	0	0	0.00%
Refund - due to adjustments	11,400	44,900	51,900	33,500	293.86%
Refund - due to overpayments	5,400	5,400	5,400	0	0.00%
Tax A/C Bond Premium	300	300	200	0	0.00%
Transfer to Debt Service Fund (property tax revenue budgeted for debt service)	330,000	261,400	261,400	(68,600)	-20.79%
Transfer to General Fund (property tax revenue budgeted for Maint. And Oper)	2,049,300	2,080,300	2,377,400	31,000	1.51%
Tax Assessor/Collector Fee	3,600	3,100	2,900	(500)	-13.89%
Unpaid Account	0	0	100	0	0.00%
Rendition Penalty	0	0	0	0	0.00%
Rendition Penalty Refund	0	0	0	0	0.00%
Rendition Penalty CAD Portion	0	0	0	0	0.00%
Computer Cost	0	0	0	0	0.00%
Postage	200	200	300	0	0.00%
Supplies	100	100	100	0	0.00%
Audit Preparation	0	0	0	0	0.00%
Additional Services BLI	0	0	0	0	0.00%
Records Maintenance	0	0	0	0	0.00%
Copies	0	0	100	0	0.00%
Envelopes - Original Stmt	100	100	0	0	0.00%
Notice to Purchaser	0	0	0	0	0.00%
Duplicate Statements	0	0	0	0	0.00%
Supp/Corr/Name Chgs Envelopes	0	0	0	0	0.00%
Envelopes - Feb Delinq Stmt	0	0	0	0	0.00%
Envelopes - May Del Stmt	0	0	0	0	0.00%
Tax Lien Transfers	0	0	0	0	0.00%
Delinquent Report Assistance	0	0	0	0	0.00%
Exemption Assistance	0	0	0	0	0.00%
SB 2 Compliance	0	0	0	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>2,402,600</b>	<b>2,397,900</b>	<b>2,701,900</b>	<b>(4,700)</b>	<b>244.03%</b>
<b>Net Excess Revenues &lt;Expenditures&gt;</b>	<b>64,800</b>	<b>68,600</b>	<b>68,700</b>	<b>3,800</b>	<b>303.70%</b>
<b>CPF FUND</b>					
<b>Revenues</b>					
Bond Proceeds	2,264,522	1,331,053	759,795	(933,469)	-41.22%
<b>TOTAL REVENUES</b>	<b>2,264,522</b>	<b>1,331,053</b>	<b>759,795</b>	<b>(933,469)</b>	<b>-41.22%</b>
<b>Expenditures</b>					
Brondebury Drive Lift Station Conversion	750,000	18,660	18,660	(731,340)	-97.51%
Rennie Drive Lift Station Conversion	700,000	700,000	700,000	0	0.00%
Ellingham Drive Sanitary Sewer Rehabilitation	550,000	550,000	0	0	0.00%
Contingencies	189,572	1,769	41,135	(187,803)	-99.07%
Engineering	74,950	60,624	0	(14,326)	-19.11%
<b>TOTAL EXPENDITURES</b>	<b>2,264,522</b>	<b>1,331,053</b>	<b>759,795</b>	<b>(933,469)</b>	<b>-41.22%</b>

**EXHIBIT C** (part of TAX RATE AND BUDGET INFORMATION)

**MASON CREEK UTILITY DISTRICT**

**HARRIS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2022**

**MASON CREEK UTILITY DISTRICT**

**HARRIS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2022**

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# **McCALL GIBSON SWEDLUND BARFOOT PLLC**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Mason Creek Utility District  
Harris County, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Mason Creek Utility District (the "District") as of and for the year ended June 30, 2022, 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 June 30, 2022, 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  
Mason Creek 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

November 10, 2022

# **MASON CREEK UTILITY DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022**

Management's discussion and analysis of the financial performance of Mason Creek Utility District (the "District") provides an overview of the District's financial activities for the fiscal year ended June 30, 2022. 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 the District's assets, 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 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 fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

## **FUND FINANCIAL STATEMENTS**

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, operating 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.

**MASON CREEK UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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 year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assists 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, assets and deferred outflows of resources exceeded liabilities by \$18,042,779 as of June 30, 2022. A portion of the District's net position reflects its net investment in capital assets (land, buildings and equipment as well as the water, wastewater, drainage, and recreational facilities, less any debt used to acquire those assets that is still outstanding). The following is a comparative analysis of the Statement of Net Position as of June 30, 2022, and June 30, 2021:

**MASON CREEK UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

	Summary of Changes in the Statement of Net Position		
	2022	2021	Change Positive (Negative)
Current and Other Assets	\$ 11,175,015	\$ 11,072,611	\$ 102,404
Capital Assets (Net of Accumulated Depreciation)	11,473,052	10,699,408	773,644
Total Assets	\$ 22,648,067	\$ 21,772,019	\$ 876,048
Deferred Outflows of Resources	\$ 41,925	\$ 46,536	\$ (4,611)
Bonds Payable	\$ 3,941,487	\$ 4,122,699	\$ 181,212
Other Liabilities	705,726	435,622	(270,104)
Total Liabilities	\$ 4,647,213	\$ 4,558,321	\$ (88,892)
Net Position:			
Net Investment in Capital Assets	\$ 8,885,337	\$ 8,882,492	\$ 2,845
Restricted	653,682	603,007	50,675
Unrestricted	8,503,760	7,774,735	729,025
Total Net Position	\$ 18,042,779	\$ 17,260,234	\$ 782,545

The following table provides a comparative analysis of the District's operations for the fiscal years ending June 30, 2022, and June 30, 2021:

	Summary of Changes in the Statement of Activities		
	2022	2021	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 2,315,729	\$ 2,345,910	\$ (30,181)
Charges for Services	2,920,300	2,889,165	31,135
Sales Taxes	310,362	248,123	62,239
Other Revenues	83,155	165,298	(82,143)
Total Revenues	\$ 5,629,546	\$ 5,648,496	\$ (18,950)
Expenses for Services	4,847,001	6,038,538	1,191,537
Change in Net Position	\$ 782,545	\$ (390,042)	\$ 1,172,587
Net Position, Beginning of Year	17,260,234	17,650,276	(390,042)
Net Position, End of Year	\$ 18,042,779	\$ 17,260,234	\$ 782,545

**MASON CREEK UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS**

The District's combined fund balances as of June 30, 2022, were \$10,450,661, a decrease of \$174,933 from the prior year.

The General Fund fund balance increased by \$771,871, primarily due to service and property tax revenues exceeding operating and capital expenditures.

The Debt Service Fund fund balance increased by \$47,132, primarily due to the structure of the District's outstanding debt requirements.

The Capital Projects Fund fund balance decreased by \$993,936, primarily due to the use of bond proceeds received in prior years to fund current capital costs.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors adopted an unappropriated budget for the current fiscal year. The budget was amended small adjustments to revenues, decreasing expected costs of professional fees and capital costs, and increase certain other expenditures. Actual revenues were \$147,804 less than budgeted revenues and actual expenditures were \$679,683 less than budgeted expenditures which resulted in a positive variance of \$531,879. See the budget to actual comparison for more information.

**LONG-TERM DEBT ACTIVITY**

As of June 30, 2022, the District had total bond debt payable of \$3,885,000. The changes in the debt position of the District during the fiscal year ended June 30, 2022, are summarized as follows:

Bond Debt Payable, July 1, 2021	\$ 4,060,000
Less: Bond Principal Paid	<u>175,000</u>
Bond Debt Payable, June 30, 2022	<u><u>\$ 3,885,000</u></u>

The District's Series 2020 and Series 2020 Refunding bonds carry an insured rating of "AA" by virtue of bond insurance issued by Assured Guaranty Municipal Corporation. The District's underlying rating is "A+". Credit enhanced ratings provided through bond insurance policies are subject to change based on the rating of the bond insurance company.

**MASON CREEK UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**CAPITAL ASSETS**

Capital assets as of June 30, 2022, total \$11,473,052 and include land, buildings and equipment as well as the water, wastewater, drainage and recreational facilities. Significant capital asset activity during the current fiscal year included the District's share of improvements to joint facilities as well as rehabilitation and improvements to District facilities.

Capital Assets At Year-End			
	2022	2021	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 729,167	\$ 729,167	\$
Construction in Progress	405,464	666,411	(260,947)
Capital Assets Subject to Depreciation:			
Community Center	1,362,101	1,362,101	
Recreational Facility	99,752	99,752	
Buildings and Improvements	828,487	812,740	15,747
Furniture and Equipment	2,014,602	1,902,607	111,995
Water System	11,861,814	11,585,604	276,210
Wastewater System	10,714,368	9,283,518	1,430,850
Drainage System	4,333,210	4,333,210	
Less Accumulated Depreciation	(20,875,913)	(20,075,702)	(800,211)
Total Net Capital Assets	\$ 11,473,052	\$ 10,699,408	\$ 773,644

**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 Mason Creek Utility District, 847 Dominion, Katy, Texas 77450.



**MASON CREEK UTILITY DISTRICT**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**JUNE 30, 2022**

	General Fund	Debt Service Fund
<b>ASSETS</b>		
Cash	\$ 3,723,497	\$ 613,227
Investments	4,948,048	
Receivables:		
Property Taxes	63,008	7,109
Penalty and Interest on Delinquent Taxes		
Service Accounts	282,623	
Accrued Interest	19,238	
Due from Other Funds	81,710	130,174
Due from the City of Houston	82,483	
Joint Facilities Operating Advances	74,105	
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
<b>TOTAL ASSETS</b>	<b>\$ 9,274,712</b>	<b>\$ 750,510</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charges on Refunding Bonds	\$ - 0 -	\$ - 0 -
 <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 9,274,712</b>	<b>\$ 750,510</b>

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 1,333,724	\$ 5,670,448 4,948,048	\$	\$ 5,670,448 4,948,048
	70,117		70,117
		27,953	27,953
	282,623		282,623
	19,238		19,238
136,935	348,819	(348,819)	
	82,483		82,483
	74,105		74,105
		729,167	729,167
		405,464	405,464
		10,338,421	10,338,421
<u>\$ 1,470,659</u>	<u>\$ 11,495,881</u>	<u>\$ 11,152,186</u>	<u>\$ 22,648,067</u>
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 41,925</u>	<u>\$ 41,925</u>
<u>\$ 1,470,659</u>	<u>\$ 11,495,881</u>	<u>\$ 11,194,111</u>	<u>\$ 22,689,992</u>

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

**MASON CREEK UTILITY DISTRICT**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**JUNE 30, 2022**

	<u>General Fund</u>	<u>Debt Service Fund</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 442,299	\$ 28,339
Accrued Interest Payable		
Due to Other Funds	267,109	17,000
Security Deposits	61,544	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
<b>TOTAL LIABILITIES</b>	<u>\$ 770,952</u>	<u>\$ 45,339</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	<u>\$ 63,008</u>	<u>\$ 7,109</u>
<b>FUND BALANCES</b>		
Nonspendable:		
Joint Facilities Operating Advances	\$ 74,105	\$
Restricted for Authorized Construction		
Restricted for Debt Service		698,062
Unassigned	<u>8,366,647</u>	
<b>TOTAL FUND BALANCES</b>	<u>\$ 8,440,752</u>	<u>\$ 698,062</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 9,274,712</u>	<u>\$ 750,510</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
<b>TOTAL NET POSITION</b>		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 94,102	\$ 564,740	\$	\$ 564,740
		79,442	79,442
64,710	348,819	(348,819)	
	61,544		61,544
		130,000	130,000
		<u>3,811,487</u>	<u>3,811,487</u>
<u>\$ 158,812</u>	<u>\$ 975,103</u>	<u>\$ 3,672,110</u>	<u>\$ 4,647,213</u>
<u>\$ - 0 -</u>	<u>\$ 70,117</u>	<u>\$ (70,117)</u>	<u>\$ - 0 -</u>
\$	\$ 74,105	\$ (74,105)	\$
1,311,847	1,311,847	(1,311,847)	
	698,062	(698,062)	
	<u>8,366,647</u>	<u>(8,366,647)</u>	
<u>\$ 1,311,847</u>	<u>\$ 10,450,661</u>	<u>\$ (10,450,661)</u>	<u>\$ - 0 -</u>
<u>\$ 1,470,659</u>	<u>\$ 11,495,881</u>		
		\$ 8,885,337	\$ 8,885,337
		653,682	653,682
		<u>8,503,760</u>	<u>8,503,760</u>
		<u>\$ 18,042,779</u>	<u>\$ 18,042,779</u>

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

**MASON CREEK UTILITY DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

Total Fund Balances - Governmental Funds		\$ 10,450,661
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		11,473,052
Interest paid in advance as part of a refunding bond sale is recorded as a deferred outflow in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.		41,925
Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2021 and prior tax levies became part of recognized revenue in the governmental activities of the District.		98,070
<p>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:</p>		
Accrued Interest Payable	\$ (79,442)	
Bonds Payable	<u>(3,941,487)</u>	<u>(4,020,929)</u>
Total Net Position - Governmental Activities		<u>\$ 18,042,779</u>

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

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**MASON CREEK UTILITY DISTRICT**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Debt Service Fund</u>
<b>REVENUES</b>		
Property Taxes	\$ 2,064,089	\$ 247,610
Water Service	1,369,689	
Wastewater Service	1,152,727	
Groundwater Reduction Fees	337,726	
Sales Tax Revenues	310,362	
Penalty and Interest	22,026	20,512
Tap Connection and Inspection Fees	14,935	
Community Center Fees	6,390	
Investment and Miscellaneous Revenues	<u>28,831</u>	<u>46,902</u>
<b>TOTAL REVENUES</b>	<u>\$ 5,306,775</u>	<u>\$ 315,024</u>
<b>EXPENDITURES/EXPENSES</b>		
Service Operations:		
Personnel	\$ 836,668	\$
Professional Fees	139,829	365
Contracted Services	885,128	6,069
Purchased Wastewater Service	302,192	
Utilities	292,097	
Groundwater Reduction Costs	368,228	
Repairs and Maintenance	491,512	
Depreciation		
Community Center	343,351	
Other	296,130	1,183
Capital Outlay	579,769	
Debt Service:		
Bond Principal		175,000
Bond Interest		<u>85,275</u>
<b>TOTAL EXPENDITURES/EXPENSES</b>	<u>\$ 4,534,904</u>	<u>\$ 267,892</u>
<b>NET CHANGE IN FUND BALANCES</b>	\$ 771,871	\$ 47,132
<b>CHANGE IN NET POSITION</b>		
<b>FUND BALANCES/NET POSITION - JULY 1, 2021</b>	<u>7,668,881</u>	<u>650,930</u>
<b>FUND BALANCES/NET POSITION - JUNE 30, 2022</b>	<u>\$ 8,440,752</u>	<u>\$ 698,062</u>

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

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
\$	\$ 2,311,699	\$ 4,030	\$ 2,315,729
	1,369,689		1,369,689
	1,152,727		1,152,727
	337,726		337,726
	310,362		310,362
	42,538	2,685	45,223
	14,935		14,935
	6,390		6,390
1,032	76,765		76,765
<u>\$ 1,032</u>	<u>\$ 5,622,831</u>	<u>\$ 6,715</u>	<u>\$ 5,629,546</u>
\$	\$ 836,668	\$	\$ 836,668
	140,194		140,194
	891,197		891,197
	302,192		302,192
	292,097		292,097
	368,228		368,228
	491,512		491,512
		800,211	800,211
	343,351		343,351
882	298,195		298,195
994,086	1,573,855	(1,573,855)	
	175,000	(175,000)	
	85,275	(2,119)	83,156
<u>\$ 994,968</u>	<u>\$ 5,797,764</u>	<u>\$ (950,763)</u>	<u>\$ 4,847,001</u>
\$ (993,936)	\$ (174,933)	\$ 174,933	\$
		782,545	782,545
2,305,783	10,625,594	6,634,640	17,260,234
<u>\$ 1,311,847</u>	<u>\$ 10,450,661</u>	<u>\$ 7,592,118</u>	<u>\$ 18,042,779</u>

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



**MASON CREEK UTILITY DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balances - Governmental Funds \$ (174,933)

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. 4,030

Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed. 2,685

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. (800,211)

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. 1,573,855

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. 175,000

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. 2,119

Change in Net Position - Governmental Activities \$ 782,545

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

**MASON CREEK UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1. CREATION OF DISTRICT**

Mason Creek Utility District of Harris County, Texas (the “District”) was created by the Acts of the 62<sup>nd</sup> Legislature of Texas, Regular Session, 1971, page 2164, chapter 664, pursuant to the provisions of Section 59 of Article XVI of the Texas Constitution. The District operates under the provisions of Chapters 49 and 54, Texas Water Code, as amended. The Board of Directors held its first meeting on December 29, 1971 and its first bonds were sold on July 23, 1973.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission. The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether 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.
- 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.

**MASON CREEK UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements. The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position. The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated to obtain net total revenues and expenses of the government-wide Statement of Activities.

Fund Financial Statements

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.

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, operating 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.

**MASON CREEK UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Basis of Accounting

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

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

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. The General Fund owes the Debt Service Fund \$26,250 for the over transfer of maintenance tax collections, the General Fund owes the Debt Service Fund \$103,924 for tax collection costs, the Debt Service Fund owes the General Fund \$17,000 for tax deposits, the General Fund owes the Capital Projects Fund \$136,935 for certain construction costs and the Capital Projects Fund owes the General Fund \$64,710 for certain construction costs.

Capital Assets

Capital assets which include property, plant and equipment 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. Engineering fees and certain other costs are capitalized as part of the asset.

**MASON CREEK UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets (Continued)

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$2,500 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
Buildings	50
Water System	50
Wastewater System	50
Drainage System	40
Sewer Plant Contribution	50
Community Center	20
Machinery and Equipment	15
Furniture and Equipment	20
Transportation Equipment	5

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 amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and revised budget amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has established a simplified pension plan. It has also elected to provide social security coverage to all employees who are not participating in a public retirement system. See Note 10. The Internal Revenue Service determined that fees of office received by Directors are considered 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.

**MASON CREEK UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**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 balances and did not have any assigned fund balances.

*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.

**MASON CREEK UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 3. LONG-TERM DEBT**

	Series 2020	
Amounts Outstanding - June 30, 2022	\$ 2,525,000	
Interest Rates	2.00% - 2.20%	
Maturity Dates – Serially Beginning/Ending	August 1, 2022/2039	
Interest Payment Dates	August 1 / February 1	
Callable Dates	August 1, 2026*	
	Series 2020 Refunding	
	Current Interest Bonds	Premium Compound Interest Bonds
Amounts Outstanding - June 30, 2022	\$ 1,280,000	\$ 80,000
Interest Rates	2.00% - 3.00%	0.84%
Maturity Dates – Serially Beginning/Ending	August 1, 2023/2031	August 1, 2022
Interest Payment Dates	August 1 / February 1	At Maturity
Callable Dates	August 1, 2026*	Non-Callable

\* Or on any date thereafter, in whole or part, at a price of par value plus accrued interest to the date fixed for redemption. Series 2020 Term Bonds maturing on August 1, 2033, 2035 and 2039, are subject to mandatory redemption beginning August 1, 2032, 2034 and 2037, respectively.

The Series 2020 Refunding premium compound interest bonds are non-callable. The par value of these bonds is \$80,000 and the maturity value is \$125,000. Interest on these bonds will be paid at maturity. As of June 30, 2022, the accreted value of these bonds is approximately \$124,900. Accrued interest of \$44,900 has been recorded in the Statement of Net Position.

**MASON CREEK UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 3. LONG-TERM DEBT (Continued)**

The following is a summary of transactions regarding bonds payable for the year ended June 30, 2022:

	July 1, 2021	Additions	Retirements	June 30, 2022
Bonds Payable	\$ 4,060,000	\$	\$ 175,000	\$ 3,885,000
Unamortized Premiums	62,699		6,212	56,487
Bonds Payable, Net	\$ 4,122,699	\$ -0-	\$ 181,212	\$ 3,941,487
		Amount Due Within One Year		\$ 130,000
		Amount Due After One Year		3,811,487
		Bonds Payable, Net		\$ 3,941,487

As of June 30, 2022, the District had authorized but unissued bonds in the amount of \$51,029,000 for utility facilities. The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount.

As of June 30, 2022, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 130,000	\$ 127,400	\$ 257,400
2024	175,000	79,525	254,525
2025	180,000	74,725	254,725
2026	185,000	69,800	254,800
2027	190,000	64,700	254,700
2028-2032	1,025,000	260,050	1,285,050
2033-2037	1,200,000	149,000	1,349,000
2038-2040	800,000	26,730	826,730
	\$ 3,885,000	\$ 851,930	\$ 4,736,930

During the year ended June 30, 2022, the District levied an ad valorem debt service tax rate of \$0.036 per \$100 of assessed valuation, which resulted in a tax levy of \$253,194 on the adjusted taxable valuation of \$703,316,611 for the 2021 tax year. The 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 7 for the maintenance tax levy.



**MASON CREEK UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 3. LONG-TERM DEBT (Continued)**

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 levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

**NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS**

The bond resolutions state that the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information, operating data, and notices of certain events to certain information repositories. 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. 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 the issue.

**NOTE 5. DEPOSITS AND INVESTMENTS**

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.

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$10,618,496 and the bank balance was \$10,811,468. The District was not exposed to custodial credit risk at year-end.

**MASON CREEK UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Deposits (Continued)

The carrying values of the deposits at year end are summarized in the following table:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 3,723,497	\$ 4,948,048	\$ 8,671,545
DEBT SERVICE FUND	613,227		613,227
CAPITAL PROJECTS FUND	1,333,724		1,333,724
<b>TOTAL DEPOSITS</b>	<b>\$ 5,670,448</b>	<b>\$ 4,948,048</b>	<b>\$ 10,618,496</b>

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. 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.

Certificates of deposit are recorded at acquisition cost. As of June 30, 2022, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 2 years
<u>GENERAL FUND</u>		
Certificates of Deposit	\$4,948,048	\$ 4,948,048

**MASON CREEK UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

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 typically investing in certificates of deposit with balances below FDIC coverage or that are covered by pledged securities for balances that exceed FDIC coverage. 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 two years.

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2022, is summarized in the following table:

	July 1, 2021	Increases	Decreases	June 30, 2022
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 729,167	\$	\$	\$ 729,167
Construction in Progress	<u>666,411</u>	<u>1,520,733</u>	<u>1,781,680</u>	<u>405,464</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>\$ 1,395,578</u>	<u>\$ 1,520,733</u>	<u>\$ 1,781,680</u>	<u>\$ 1,134,631</u>
<b>Capital Assets Subject to Depreciation</b>				
Community Center	\$ 1,362,101	\$	\$	\$ 1,362,101
Recreational Facility	99,752			99,752
Buildings and Improvements	812,740	15,747		828,487
Furniture and Equipment	1,902,607	111,995		2,014,602
Water System	11,585,604	276,210		11,861,814
Wastewater System	9,283,518	1,430,850		10,714,368
Drainage System	<u>4,333,210</u>			<u>4,333,210</u>
<b>Total Capital Assets Subject to Depreciation</b>	<u>\$ 29,379,532</u>	<u>\$ 1,834,802</u>	<u>\$ - 0 -</u>	<u>\$ 31,214,334</u>
<b>Accumulated Depreciation</b>				
Community Center	\$ 1,172,628	\$ 22,366	\$	\$ 1,194,994
Recreational Facility	75,778	6,650		82,428
Buildings and Improvements	349,684	22,892		372,576
Furniture and Equipment	1,274,684	108,244		1,382,928
Water System	7,471,928	349,045		7,820,973
Wastewater System	5,429,872	288,931		5,718,803
Drainage System	<u>4,301,128</u>	<u>2,083</u>		<u>4,303,211</u>
<b>Total Accumulated Depreciation</b>	<u>\$ 20,075,702</u>	<u>\$ 800,211</u>	<u>\$ - 0 -</u>	<u>\$ 20,875,913</u>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 9,303,830</u>	<u>\$ 1,034,591</u>	<u>\$ - 0 -</u>	<u>\$ 10,338,421</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 10,699,408</u>	<u>\$ 2,555,324</u>	<u>\$ 1,781,680</u>	<u>\$ 11,473,052</u>

**MASON CREEK UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 7. MAINTENANCE TAX**

On May 1, 1999, the voters within the District approved for the District to levy an unlimited maintenance tax rate per \$100 of assessed valuation on property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District’s waterworks and wastewater system. During the year ended June 30, 2022, the District levied an ad valorem maintenance tax rate of \$0.300 per \$100 of assessed valuation, which resulted in a tax levy of \$2,109,950 on the adjusted taxable valuation of \$703,316,611 for the 2021 tax year.

**NOTE 8. WASTEWATER TREATMENT PLANT FACILITIES**

West Memorial Regional Wastewater Treatment Plant

On December 18, 1972, the District entered into agreements with Harris County Municipal Utility District No. 81, West Memorial Municipal Utility District (“West Memorial”), then known as Harris County Water Control and Improvement District No. 134, and Cimarron Municipal Utility District (the “Participants”) for the provision of a regional waste treatment facility. The Plant is owned and operated by West Memorial and expanded by the Participants.

On August 30, 1983, the District and the Participants amended the agreement to include Interstate Municipal Utility District. On January 25, 1994, West Memorial purchased 29,000 gallons per day (gpd) of capacity from Cimarron Municipal Utility District. The amendment also provided for the expansion of the Plant to a capacity of 6,475,000 gpd. The Participants agreed to finance the expansion to include the issuance of bonds, if required. The term of the agreement is 40 years from the effective date of the amendment. Current capacity ownership is as follows:

	<u>Owned Capacity in Gallons Per Day</u>	<u>Percentage of Ownership</u>
The District	800,000	12.36%
West Memorial Municipal Utility District	599,000	9.25
Harris County Municipal Utility District No. 81	1,255,000	19.38
Cimarron Municipal Utility District	2,471,000	38.16
Interstate Municipal Utility District	<u>1,350,000</u>	<u>20.85</u>
<b>TOTAL</b>	<u><u>6,475,000</u></u>	<u><u>100.00%</u></u>

**MASON CREEK UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 8. WASTEWATER TREATMENT PLANT FACILITIES (Continued)**

West Memorial Regional Wastewater Treatment Plant (Continued)

Oversight of the Plant is exercised by the Board of Directors of West Memorial. The terms of the agreement provide for an operating reserve equivalent to three months operation and maintenance costs as set forth in the annual budget allocated to the Participants based on equivalent connections. The District's share of the operating reserve at June 30, 2022, was \$44,105. The Participants are billed for operations based on a budgeted cost per connection. At fiscal year-end, revenues are adjusted to equal actual expenditures. Overages are disbursed to participants and shortages are billed to participants. The following summary financial data of the West Memorial Regional Wastewater Plant is presented for the fiscal year ended June 30, 2022.

Total Assets	\$ 656,221
Total Liabilities	<u>180,983</u>
Total Fund Balance	<u>\$ 475,238</u>
Total Revenues	\$ 2,289,727
Total Expenditures	<u>2,289,727</u>
Net Change in Fund Balance	\$ -0-
Increase (Decrease) in Operating Reserve	54,818
Beginning Fund Balance	<u>420,420</u>
Ending Fund Balance	<u>\$ 475,238</u>

Cinco Regional Sewage Treatment Plant

Cinco Regional Sewage Treatment Plant (the Plant) was established by agreements between Cornerstones Municipal Utility District, Harris County Municipal Utility District No. 81 (District No. 81), the District and Memorial Municipal Utility District on May 15, 1978, and as subsequently amended and restated. The agreement and subsequent amendments were entered into for the purpose of sharing the costs of constructing and operating a regional sewage treatment plant.

The participants are billed for fixed and variable plant operating costs on a monthly basis. Variable costs, consisting primarily of chemicals, sludge, and electricity costs, are allocated to each participant based on the number of connections served for each participant divided by the total number of connections served by the plant. Fixed costs are allocated based on ownership percentage and consist of all other costs of operating the plant. Major capital costs may be allocated as fixed or variable costs, depending on the nature of the costs. The District's share of the operating reserve is \$30,000.

**MASON CREEK UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 8. WASTEWATER TREATMENT PLANT FACILITIES (Continued)**

Cinco Regional Sewage Treatment Plant (Continued)

Current capacity and ownership is as follows:

	<u>Owned Capacity in Gallons Per Day</u>	<u>Percentage of Ownership</u>
The District	500,000	16.67%
Cornerstones Municipal Utility District	1,000,000	33.33
Harris County Municipal Utility District No. 81	560,000	18.67
Memorial Municipal Utility District	<u>940,000</u>	<u>31.33</u>
<b>TOTAL</b>	<u><u>3,000,000</u></u>	<u><u>100.00%</u></u>

The following summary financial data of the Cinco Regional Sewage Treatment Plant is presented for the fiscal year ended December 31, 2021.

Total Assets	\$ 1,139,603
Total Liabilities	<u>1,019,603</u>
Total Fund Balance	<u><u>\$ 120,000</u></u>
Total Revenues	\$ 1,030,342
Total Expenditures	<u>1,030,342</u>
Net Change in Fund Balance	\$ -0-
Beginning Fund Balance	<u>120,000</u>
Ending Fund Balance	<u><u>\$ 120,000</u></u>

**NOTE 9. COMPENSATED ABSENCES**

Employees of the District are entitled to paid vacation, sick days and holidays based on meeting certain criteria. These benefits are determined on a calendar year basis and may not be carried over to the succeeding year. The District has elected not to accrue immaterial, compensated absences as of June 30, 2022.

**MASON CREEK UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 10. RETIREMENT PLAN**

The District established a simplified employee pension plan (defined contribution) on December 13, 1995. The plan has a calendar year end and provides for a maximum contribution of 25% of wages for eligible employees. Eligible employees are fully vested in plan balances. The District contributed 10% of the eligible employees' salaries to the plan which totaled \$43,984 for the current fiscal year.

**NOTE 11. GROUNDWATER REDUCTION PLAN**

On January 8, 2003, the District executed an agreement between the City of Houston and the District, which was effective as of the date countersigned by the City of Houston ("GRP Manager") which was July 18, 2003. The agreement is known as the "City of Houston Water Supply and Groundwater Reduction Plan Wholesale Agreement for Regulatory Area 3 of the Harris-Galveston Costal Subsidence District," (the "Agreement") and expires on October 31, 2040. The District's costs for the year ended June 30, 2022, totaled \$368,228.

**NOTE 12. RISK MANAGEMENT**

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

**NOTE 13. STRATEGIC PARTNERSHIP AGREEMENT**

Effective December 2, 2002, the District entered into a Strategic Partnership Agreement with the City of Houston, Texas. The agreement provides that in accordance with Subchapter F of Chapter 43 of the Local Government Code and Act, the City shall annex a tract of land defined as the "Subject Tract" for the limited purposes of applying the City's Planning, Zoning, Health, and Safety Ordinances within the Subject Tract within the boundaries of the District. Upon annexation, the City began imposing a Sales and Use Tax within the boundaries of the Subject Tract at the rate of one percent or the rate specified under the future amendments to Chapter 321 of the Tax Code. The City pays the District one-half of all Sales and Use Tax revenues generated within the boundaries of the Subject Tract within 30 days of the City receiving the funds from the State Comptroller's office. During the current fiscal year, the District collected \$310,362 in sales tax revenue from the City of Houston. The City agrees that it will not annex the District for full purposes or commence any action to annex the District for full purposes during the term of this Agreement. The term of this Agreement is 30 years from the effective date of the agreement.

**MASON CREEK UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 14. EMERGENCY WATER SUPPLY CONTRACTS**

On January 1, 1998, the District executed an emergency water supply contract with Harris County Municipal Utility District No. 81. The parties agree to furnish water to each other on an emergency basis for a maximum period of 15 days unless otherwise agreed in writing between the districts. The price to be paid for water delivered is \$1.75 per 1,000 gallons of water used. This contract will remain in effect until terminated in writing by either party.

On October 16, 2006, the District executed an emergency water supply contract with Interstate Municipal Utility District. The parties agree to furnish water to each other on an emergency basis for a maximum period of 15 days unless otherwise agreed in writing between the districts. The price to be paid for water delivered is \$1.75 per 1,000 gallons of water used. This contract will remain in effect until terminated in writing by either party.

On June 15, 2012, the District executed an emergency water supply contract with Green Trails Municipal Utility District. The parties agree to furnish water to each other on an emergency basis for a maximum period of 30 days unless otherwise agreed in writing between the districts. The price to be paid for water delivered is the first increment of volume used above the minimum monthly charge by single-family residential customers inside the district's boundaries, plus an additional amount necessary to cover City of Houston groundwater reduction fees. This contract will remain in effect until terminated in writing by either party.



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**MASON CREEK UTILITY DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2022**

**MASON CREEK UTILITY DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 2,049,300	\$ 2,049,300	\$ 2,064,089	\$ 14,789
Water Service	1,335,353	1,335,353	1,369,689	34,336
Wastewater Service	1,209,261	1,209,261	1,152,727	(56,534)
Groundwater Reduction Fees	362,500	362,500	337,726	(24,774)
Sales Tax Revenues	213,800	213,800	310,362	96,562
Penalty and Interest	25,000	9,100	22,026	12,926
Tap Connection and Inspection Fees	9,600	6,000	14,935	8,935
Community Center Fees	70,000	70,000	6,390	(63,610)
Investment and Miscellaneous Revenues	179,765	199,265	28,831	(170,434)
<b>TOTAL REVENUES</b>	<u>\$ 5,454,579</u>	<u>\$ 5,454,579</u>	<u>\$ 5,306,775</u>	<u>\$ (147,804)</u>
<b>EXPENDITURES</b>				
Service Operations:				
Personnel	\$ 831,300	\$ 831,400	\$ 836,668	\$ (5,268)
Professional Fees	163,000	116,200	139,829	(23,629)
Contracted Services	857,800	857,800	885,128	(27,328)
Purchased Wastewater Service	445,800	445,800	302,192	143,608
Utilities	245,000	245,000	292,097	(47,097)
Groundwater Reduction Costs	430,794	430,794	368,228	62,566
Repairs and Maintenance	1,010,000	1,010,000	491,512	518,488
Community Center	262,200	262,200	343,351	(81,151)
Other	315,393	515,393	296,130	219,263
Capital Outlay	1,150,000	500,000	579,769	(79,769)
<b>TOTAL EXPENDITURES</b>	<u>\$ 5,711,287</u>	<u>\$ 5,214,587</u>	<u>\$ 4,534,904</u>	<u>\$ 679,683</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ (256,708)	\$ 239,992	\$ 771,871	\$ 531,879
<b>FUND BALANCE - JULY 1, 2021</b>	<u>7,668,881</u>	<u>7,668,881</u>	<u>7,668,881</u>	<u>_____</u>
<b>FUND BALANCE - JUNE 30, 2022</b>	<u>\$ 7,412,173</u>	<u>\$ 7,908,873</u>	<u>\$ 8,440,752</u>	<u>\$ 531,879</u>

See accompanying independent auditor's report.

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**MASON CREEK UTILITY DISTRICT**  
**SUPPLEMENTARY INFORMATION – REQUIRED BY THE**  
**WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**

**JUNE 30, 2022**



**MASON CREEK UTILITY DISTRICT  
SERVICES AND RATES  
FOR THE YEAR ENDED JUNE 30, 2022**

**2. RETAIL SERVICE PROVIDERS (Continued)**

**b. WATER AND WASTEWATER RETAIL CONNECTIONS:**

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤¾"	<u>2,454</u>	<u>2,443</u>	x 1.0	<u>2,443</u>
1"	<u>67</u>	<u>66</u>	x 2.5	<u>165</u>
1½"	<u>17</u>	<u>16</u>	x 5.0	<u>80</u>
2"	<u>45</u>	<u>45</u>	x 8.0	<u>360</u>
3"	<u>1</u>	<u>1</u>	x 15.0	<u>15</u>
4"	<u>2</u>	<u>2</u>	x 25.0	<u>50</u>
6"	<u>9</u>	<u>9</u>	x 50.0	<u>450</u>
8"	<u>3</u>	<u>3</u>	x 80.0	<u>240</u>
10"			x 115.0	
Total Water Connections	<u><u>2,598</u></u>	<u><u>2,585</u></u>		<u><u>3,803</u></u>
Total Wastewater Connections	<u><u>2,351</u></u>	<u><u>2,339</u></u>	x 1.0	<u><u>2,339</u></u>

**3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND:**

Gallons pumped into system:	338,218,000	Water Accountability Ratio: 97% (Gallons billed/Gallons pumped)
Gallons billed to customers:	326,670,000	

See accompanying independent auditor's report.

**MASON CREEK UTILITY DISTRICT  
SERVICES AND RATES  
FOR THE YEAR ENDED JUNE 30, 2022**

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

Does the District have Debt Service standby fees? Yes  No

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

**5. LOCATION OF DISTRICT:**

Is the District located entirely within one county?

Yes  No

County in which District is located:

Harris 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

\*Assumes that "within a city" means "within a city's general-purpose city limits (not its limited-purpose city limits)" and that any area within a city's limited-purpose city limits (not its general-purpose city limits) is within the city's extraterritorial jurisdiction (ETJ).

See accompanying independent auditor's report.



**MASON CREEK UTILITY DISTRICT  
GENERAL FUND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2022**

PERSONNEL EXPENDITURES (Including Benefits)	\$ <u>836,668</u>
PROFESSIONAL FEES:	
Auditing	\$ 18,500
Engineering	61,122
Legal	<u>60,207</u>
TOTAL PROFESSIONAL FEES	\$ <u>139,829</u>
PURCHASED WASTEWATER SERVICE	\$ <u>302,192</u>
CONTRACTED SERVICES:	
Tax Collection Costs	\$ 55,357
Bookkeeping	56,234
Billing and Collections	33,342
Solid Waste Disposal	724,299
Security	12,279
Sales Tax Monitoring	<u>3,617</u>
TOTAL CONTRACTED SERVICES	\$ <u>885,128</u>
UTILITIES:	
Electricity	\$ 178,955
Street Lights	92,780
Telephone	<u>20,362</u>
TOTAL UTILITIES	\$ <u>292,097</u>
REPAIRS AND MAINTENANCE	\$ <u>491,512</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 22,200
Election Costs	12,028
Insurance	81,092
Office Supplies and Postage	67,960
Service Charges/Credit Card Fees	18,055
Travel and Meetings	7,703
Rent and Leases	14,375
Other	<u>8,160</u>
TOTAL ADMINISTRATIVE EXPENDITURES	\$ <u>231,573</u>

See accompanying independent auditor's report.

**MASON CREEK UTILITY DISTRICT  
GENERAL FUND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2022**

CAPITAL OUTLAY		\$ <u>579,769</u>
COMMUNITY CENTER		\$ <u>343,351</u>
OTHER EXPENDITURES:		
Chemicals		\$ 34,511
Groundwater Reduction Costs		368,228
Permit Fees		18,288
Regulatory Assessment		<u>11,758</u>
TOTAL OTHER EXPENDITURES		\$ <u>432,785</u>
TOTAL EXPENDITURES		\$ <u><u>4,534,904</u></u>
Number of persons employed by the District		
	<u>9</u>	Full-Time
		<u>4</u> Part-Time

See accompanying independent auditor's report.

**MASON CREEK UTILITY DISTRICT**  
**INVESTMENTS**  
**JUNE 30, 2022**

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<b><u>GENERAL FUND</u></b>					
Certificate of Deposit	XXXX6212	2.00%	12/11/23	\$ 225,268	\$ 4,505
Certificate of Deposit	XXXX7705	0.40%	12/17/22	1,250,000	5,000
Certificate of Deposit	XXXX0243	0.20%	09/08/23	253,237	158
Certificate of Deposit	XXXX4520	0.25%	08/12/22	276,741	260
Certificate of Deposit	XXXX4868	0.50%	08/24/22	1,003,744	5,019
Certificate of Deposit	XXXX9631	0.25%	06/19/22	431,673	1,079
Certificate of Deposit	XXXX9628	0.25%	09/19/22	404,694	1,012
Certificate of Deposit	XXXX8605	0.20%	10/07/22	1,102,691	2,205
<b>TOTAL GENERAL FUND</b>				<b><u>\$ 4,948,048</u></b>	<b><u>\$ 19,238</u></b>

See accompanying independent auditor's report.

**MASON CREEK UTILITY DISTRICT**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
JULY 1, 2021	\$	59,318		\$ 6,769
Adjustments to Beginning				
Balance		<u>(42,171)</u>	\$ 17,147	<u>(5,244)</u> \$ 1,525
Original 2021 Tax Levy	\$	1,910,536		\$ 229,264
Adjustment to 2021 Tax Levy		<u>199,414</u>	<u>2,109,950</u>	<u>23,930</u> <u>253,194</u>
TOTAL TO BE				
ACCOUNTED FOR			\$ 2,127,097	\$ 254,719
TAX COLLECTIONS:				
Prior Years	\$	(18,738)		\$ (2,329)
Current Year		<u>2,082,827</u>	<u>2,064,089</u>	<u>249,939</u> <u>247,610</u>
TAXES RECEIVABLE -				
JUNE 30, 2022			<u>\$ 63,008</u>	<u>\$ 7,109</u>
TAXES RECEIVABLE BY				
YEAR:				
2021		\$ 27,123		\$ 3,255
2020		7,264		908
2019		4,596		659
2018		4,759		424
2017		4,283		391
2016		3,485		370
2015		2,954		313
2014 and prior		<u>8,544</u>		<u>789</u>
TOTAL			<u>\$ 63,008</u>	<u>\$ 7,109</u>

See accompanying independent auditor's report.

**MASON CREEK UTILITY DISTRICT**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	2021	2020	2019	2018
<b>PROPERTY VALUATIONS:</b>				
Land	\$ 215,779,142	\$ 214,742,254	\$ 194,211,597	\$ 189,462,463
Improvements	674,931,087	629,255,370	626,297,843	599,097,402
Personal Property	47,916,041	48,503,190	42,733,037	42,315,529
Exemptions	<u>(235,309,659)</u>	<u>(222,206,681)</u>	<u>(218,064,968)</u>	<u>(212,416,854)</u>
<b>TOTAL PROPERTY VALUATIONS</b>	<b><u>\$ 703,316,611</u></b>	<b><u>\$ 670,294,133</u></b>	<b><u>\$ 645,177,509</u></b>	<b><u>\$ 618,458,540</u></b>
<b>TAX RATES PER \$100 VALUATION:</b>				
Debt Service	\$ 0.036	\$ 0.039	\$ 0.044	\$ 0.027
Maintenance	<u>0.300</u>	<u>0.312</u>	<u>0.307</u>	<u>0.303</u>
<b>TOTAL TAX RATES PER \$100 VALUATION</b>	<b><u>\$ 0.336</u></b>	<b><u>\$ 0.351</u></b>	<b><u>\$ 0.351</u></b>	<b><u>\$ 0.330</u></b>
<b>ADJUSTED TAX LEVY*</b>	<b><u>\$ 2,363,144</u></b>	<b><u>\$ 2,352,732</u></b>	<b><u>\$ 2,264,573</u></b>	<b><u>\$ 2,040,914</u></b>
<b>PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED</b>	<b><u>98.71 %</u></b>	<b><u>99.65 %</u></b>	<b><u>99.77 %</u></b>	<b><u>99.75 %</u></b>

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

\*\* Maintenance Tax - Unlimited tax rate per \$100 of assessed valuation approved by voters on May 1, 1999.

See accompanying independent auditor's report.

**MASON CREEK UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**JUNE 30, 2022**

S E R I E S - 2 0 2 0

Due During Fiscal Years Ending June 30	Principal Due August 1	Interest Due August 1/ February 1	Total
2023	\$ 50,000	\$ 51,600	\$ 101,600
2024	50,000	50,600	100,600
2025	55,000	49,550	104,550
2026	55,000	48,450	103,450
2027	50,000	47,400	97,400
2028	50,000	46,400	96,400
2029	55,000	45,350	100,350
2030	55,000	44,250	99,250
2031	50,000	43,200	93,200
2032	55,000	42,150	97,150
2033	230,000	39,300	269,300
2034	235,000	34,650	269,650
2035	240,000	29,900	269,900
2036	245,000	25,050	270,050
2037	250,000	20,100	270,100
2038	260,000	14,740	274,740
2039	265,000	8,965	273,965
2040	275,000	3,025	278,025
	<u>\$ 2,525,000</u>	<u>\$ 644,680</u>	<u>\$ 3,169,680</u>

See accompanying independent auditor's report.

**MASON CREEK UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**JUNE 30, 2022**

REFUNDING SERIES - 2020

Due During Fiscal Years Ending June 30	Principal Due August 1	Interest Due August 1/ February 1	Total
2023	\$ 80,000	\$ 75,800	\$ 155,800
2024	125,000	28,925	153,925
2025	125,000	25,175	150,175
2026	130,000	21,350	151,350
2027	140,000	17,300	157,300
2028	145,000	13,750	158,750
2029	150,000	10,800	160,800
2030	150,000	7,800	157,800
2031	155,000	4,750	159,750
2032	160,000	1,600	161,600
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
	<u>\$ 1,360,000</u>	<u>\$ 207,250</u>	<u>\$ 1,567,250</u>

See accompanying independent auditor's report.

**MASON CREEK UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**JUNE 30, 2022**

ANNUAL REQUIREMENTS  
FOR ALL SERIES

Due During Fiscal Years Ending June 30	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2023	\$ 130,000	\$ 127,400	\$ 257,400
2024	175,000	79,525	254,525
2025	180,000	74,725	254,725
2026	185,000	69,800	254,800
2027	190,000	64,700	254,700
2028	195,000	60,150	255,150
2029	205,000	56,150	261,150
2030	205,000	52,050	257,050
2031	205,000	47,950	252,950
2032	215,000	43,750	258,750
2033	230,000	39,300	269,300
2034	235,000	34,650	269,650
2035	240,000	29,900	269,900
2036	245,000	25,050	270,050
2037	250,000	20,100	270,100
2038	260,000	14,740	274,740
2039	265,000	8,965	273,965
2040	275,000	3,025	278,025
	<u>\$ 3,885,000</u>	<u>\$ 851,930</u>	<u>\$ 4,736,930</u>

See accompanying independent auditor's report.



**MASON CREEK UTILITY DISTRICT  
CHANGES IN LONG-TERM BOND DEBT  
FOR THE YEAR ENDED JUNE 30, 2022**

Description	Original Bonds Issued	Bonds Outstanding July 1, 2021
Mason Creek Utility District Unlimited Tax Bonds - Series 2020	\$ 2,650,000	\$ 2,575,000
Mason Creek Utility District Unlimited Tax Refunding Bonds - Series 2020	<u>1,485,000</u>	<u>1,485,000</u>
TOTAL	<u>\$ 4,135,000</u>	<u>\$ 4,060,000</u>

Bond Authority:	<u>Tax Bonds</u>
Amount Authorized by Voters	\$ 72,899,000
Amount Issued	<u>21,870,000</u>
Remaining to be Issued	<u>\$ 51,029,000</u>

Debt Service Fund cash balance as of June 30, 2022:	<u>\$ 613,227</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:	<u>\$ 263,163</u>

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

See accompanying independent auditor's report.

Current Year Transactions

<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding June 30, 2022</u>	<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>		
\$	\$ 50,000	\$ 52,600	\$ 2,525,000	UMB Bank N.A. Houston, TX
	<u>125,000</u>	<u>32,675</u>	<u>1,360,000</u>	UMB Bank N.A. Houston, TX
<u>\$ - 0 -</u>	<u>\$ 175,000</u>	<u>\$ 85,275</u>	<u>\$ 3,885,000</u>	

See accompanying independent auditor's report.

**MASON CREEK UTILITY DISTRICT**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND - FIVE YEARS**

	Amounts		
	2022	2021	2020
<b>REVENUES</b>			
Property Taxes	\$ 2,064,089	\$ 2,085,452	\$ 1,959,364
Water Service	1,369,689	1,319,575	1,292,141
Wastewater Service	1,152,727	1,187,834	1,158,561
Groundwater Reduction Fees	337,726	345,782	342,245
Sales Tax Revenues	310,362	248,123	228,058
Penalty and Interest	22,026	3,956	18,375
Tap Connection and Inspection Fees	14,935	9,545	10,666
Community Center Fees	6,390	21,638	16,510
Investment, FEMA and Miscellaneous Revenues	28,831	124,955	167,795
<b>TOTAL REVENUES</b>	<b>\$ 5,306,775</b>	<b>\$ 5,346,860</b>	<b>\$ 5,193,715</b>
<b>EXPENDITURES</b>			
Personnel	\$ 836,668	\$ 778,625	\$ 629,731
Professional Fees	139,829	115,088	106,430
Contracted Services	885,128	853,132	856,697
Purchased Wastewater Service	302,192	341,996	271,543
Utilities	292,097	302,657	319,406
Groundwater Reduction Costs	368,228	361,754	415,496
Repairs and Maintenance	491,512	1,648,470	861,789
Community Center	343,351	380,064	189,840
Other	296,130	270,323	286,394
Capital Outlay	579,769	791,106	264,151
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,534,904</b>	<b>\$ 5,843,215</b>	<b>\$ 4,201,477</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 771,871</b>	<b>\$ (496,355)</b>	<b>\$ 992,238</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In(Out)	\$	\$ (91,310)	\$ (57,995)
Developer Contributions			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ - 0 -</b>	<b>\$ (91,310)</b>	<b>\$ (57,995)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 771,871</b>	<b>\$ (587,665)</b>	<b>\$ 934,243</b>
<b>BEGINNING FUND BALANCE</b>	<b>7,668,881</b>	<b>8,256,546</b>	<b>7,322,303</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 8,440,752</b>	<b>\$ 7,668,881</b>	<b>\$ 8,256,546</b>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2019	2018	2022	2021	2020	2019	2018
\$ 1,848,767	\$ 1,823,418	38.9 %	39.0 %	37.7 %	36.6 %	36.4 %
1,173,294	1,286,332	25.8	24.7	24.9	23.2	25.7
1,074,650	1,093,110	21.7	22.2	22.3	21.2	21.9
311,791	329,729	6.4	6.5	6.6	6.2	6.6
245,075	269,026	5.8	4.6	4.4	4.8	5.4
26,148	23,436	0.4	0.1	0.4	0.5	0.5
25,129	21,241	0.3	0.2	0.2	0.5	0.4
63,818	77,596	0.1	0.4	0.3	1.3	1.6
289,672	75,380	0.6	2.3	3.2	5.7	1.5
<u>\$ 5,058,344</u>	<u>\$ 4,999,268</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 404,672	\$ 390,752	15.8 %	14.6 %	12.1 %	8.0 %	7.8 %
109,321	128,061	2.6	2.2	2.0	2.2	2.6
1,111,522	1,073,643	16.7	16.0	16.5	22.0	21.5
302,137	336,046	5.7	6.4	5.2	6.0	6.7
319,981	330,054	5.5	5.7	6.1	6.3	6.6
313,588	321,493	6.9	6.8	8.0	6.2	6.4
678,116	733,564	9.3	30.8	16.6	13.4	14.7
328,748	98,550	6.5	7.1	3.7	6.5	2.0
237,301	238,007	5.6	5.1	5.5	4.7	4.8
676,790	1,832,840	10.9	14.8	5.1	13.4	36.7
<u>\$ 4,482,176</u>	<u>\$ 5,483,010</u>	<u>85.5 %</u>	<u>109.5 %</u>	<u>80.8 %</u>	<u>88.7 %</u>	<u>109.8 %</u>
<u>\$ 576,168</u>	<u>\$ (483,742)</u>	<u>14.5 %</u>	<u>(9.5) %</u>	<u>19.2 %</u>	<u>11.3 %</u>	<u>(9.8) %</u>
\$ (506,324)	\$					
	383,049					
<u>\$ (506,324)</u>	<u>\$ 383,049</u>					
\$ 69,844	\$ (100,693)					
7,252,459	7,353,152					
<u>\$ 7,322,303</u>	<u>\$ 7,252,459</u>					

See accompanying independent auditor's report.

**MASON CREEK UTILITY DISTRICT**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**DEBT SERVICE FUND - FIVE YEARS**

	Amounts		
	2022	2021	2020
<b>REVENUES</b>			
Property Taxes	\$ 247,610	\$ 260,862	\$ 280,515
Penalty and Interest	20,512	17,725	12,626
Investment and Miscellaneous Revenues	<u>46,902</u>	<u>15,928</u>	<u>2,710</u>
<b>TOTAL REVENUES</b>	<u>\$ 315,024</u>	<u>\$ 294,515</u>	<u>\$ 295,851</u>
<b>EXPENDITURES</b>			
Tax Collection Expenditures	\$ 7,117	\$ 7,523	\$ 8,081
Debt Service Principal	175,000	180,000	105,000
Debt Service Interest and Fees	85,775	89,221	62,476
Bond Issuance Costs	<u>          </u>	<u>99,618</u>	<u>          </u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 267,892</u>	<u>\$ 376,362</u>	<u>\$ 175,557</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 47,132</u>	<u>\$ (81,847)</u>	<u>\$ 120,294</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In(Out)	\$	\$	\$ 100,000
Proceeds from Issuance of Refunding Bonds		1,485,000	
Payment to Refunded Bond Escrow Agent		(1,495,233)	
Bond Premium	<u>          </u>	<u>110,350</u>	<u>          </u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ - 0 -</u>	<u>\$ 100,117</u>	<u>\$ 100,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ 47,132	\$ 18,270	\$ 220,294
<b>BEGINNING FUND BALANCE (DEFICIT)</b>	<u>650,930</u>	<u>632,660</u>	<u>412,366</u>
<b>ENDING FUND BALANCE (DEFICIT)</b>	<u>\$ 698,062</u>	<u>\$ 650,930</u>	<u>\$ 632,660</u>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	<u>2,585</u>	<u>2,564</u>	<u>2,565</u>
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	<u>2,339</u>	<u>2,327</u>	<u>2,344</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
<u>2019</u>	<u>2018</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 164,858	\$ 166,502	78.6 %	88.6 %	94.8 %	90.5 %	91.1 %
15,439	14,866	6.5	6.0	4.3	8.5	8.1
<u>1,783</u>	<u>1,442</u>	<u>14.9</u>	<u>5.4</u>	<u>0.9</u>	<u>1.0</u>	<u>0.8</u>
<u>\$ 182,080</u>	<u>\$ 182,810</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 60,607	\$ 60,111	2.3 %	2.6 %	2.7 %	33.3 %	32.9 %
100,000	100,000	55.6	61.1	35.5	54.9	54.7
66,575	70,575	27.2	30.3	21.1	36.6	38.6
			<u>33.8</u>			
<u>\$ 227,182</u>	<u>\$ 230,686</u>	<u>85.1 %</u>	<u>127.8 %</u>	<u>59.3 %</u>	<u>124.8 %</u>	<u>126.2 %</u>
\$ (45,102)	\$ (47,876)	<u>14.9 %</u>	<u>(27.8) %</u>	<u>40.7 %</u>	<u>(24.8) %</u>	<u>(26.2) %</u>
\$ 506,324	\$					
<u>\$ 506,324</u>	<u>\$ - 0 -</u>					
\$ 461,222	\$ (47,876)					
<u>(48,856)</u>	<u>(980)</u>					
<u>\$ 412,366</u>	<u>\$ (48,856)</u>					
<u>2,562</u>	<u>2,550</u>					
<u>2,341</u>	<u>2,337</u>					

See accompanying independent auditor's report.

**MASON CREEK UTILITY DISTRICT**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**JUNE 30, 2022**

District Mailing Address - Mason Creek Utility District  
847 Dominion  
Katy, TX 77450

District Telephone Number - (281) 578-7272

<b>Board Members:</b>	Term of Office (Elected or Appointed)	Fees of Office for the year ended June 30, 2022	Expense Reimbursements for the year ended June 30, 2022	Title
Len Forsyth	05/22 05/26 (Elected)	\$ 7,200	\$ -0-	President
James Hamblet III	05/20 05/24 (Elected)	\$ 4,050	\$ -0-	Vice President
Brian C. Connolly	05/20 05/24 (Elected)	\$ 3,600	\$ -0-	Secretary/Treasurer
John H. Cameron	05/20 05/24 (Elected)	\$ 5,700	\$ -0-	Assistant Treasurer
James K. Nordhaus	05/22 05/26 (Elected)	\$ 900	\$ -0-	Assistant Secretary/ Assistant Treasurer

Note: 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 developer or with any of the District's consultants.

Submission Date of most recent District Registration: May 12, 2022

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

See accompanying independent auditor's report.

**MASON CREEK UTILITY DISTRICT**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**JUNE 30, 2022**

<b>Key Personnel:</b>	<u>Date Hired</u>	<u>Fees for the year ended June 30, 2022</u>	<u>Title</u>
James Parrot	02/17/99	\$ 117,025	System Operator
Susan Saccomen	07/2002	\$ 77,252	District Office Manager
<b>Consultants</b>			
James L. Dougherty	08/1984	\$ 57,282	General Counsel
McCall Gibson Swedlund Barfoot PLLC	07/2013	\$ 18,500	Audit Related
McLennan & Associates	01/01/22	\$ 23,278	Bookkeeper
Municipal Accounts & Consulting LP	12/2011	\$ 38,426	Prior Bookkeeper
Hal R. Gordon	08/1984	\$ 4,506	Delinquent Tax Attorney
Venturi Engineers, LLC	01/2017	\$ 90,639	Engineer
Blitch Associates, Inc.	10/2010	\$ -0-	Financial Advisor
BLICO, Inc.	06/1995	\$ 40,569	Tax Collector/ Sales Tax Consultant

See accompanying independent auditor's report.