

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, 2026

For fiscal year (FY) ending June 30, 2027 ("current year")

Information required by Sec. 26.18, Texas Tax Code, by subdivision number and description		Information posted (for the information item shown in left column)
(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 C
(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	<i>Revenues (consolidated):</i> Increase of \$5,395,311, which is 52.6%; <i>Expenditures (consolidated):</i> Increase of \$5,464,010, which is 53.7% See Note 1, below, and attached EXHIBIT C.
(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 and EXHIBIT C (see transfers of tax revenue from Tax Account to General Fund)
(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 and EXHIBIT C (see transfers of tax revenue from Tax Account to Debt Service Fund)
(9)	the tax rate for maintenance and operations adopted by the taxing unit for the preceding two years	\$0.27357 for TY 2024 \$0.28000 for TY 2025
(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	\$0.02780 for TY 2024 \$0.07100 for TY 2025
(12)	the tax rate for maintenance and operations proposed by the taxing unit for the current year	\$0.30800 for TY 2025
(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	\$0.07400 for TY 2025
(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.	See financial audit attached as EXHIBIT D

Note 1: Calculation of change in the amount of taxing unit's budget from preceding year to current year, consolidated, with data from EXHIBIT C:

Category	Fund/Accounts, excluding CPF Fund	Preceding Year	Current Year	Change, by dollar amount	Change, by percentage
REVENUES	GOF w-o MCCC, excl. transfer from Tax Fund. (maint. tax)	7,311,559	12,203,657		
	MCCC	57,000	72,000		
	Tax Fund	2,881,000	3,369,213		
	TOTAL (consolidated)	10,249,559	15,644,870	Increase of \$5,395,311	Increase of 52.6%
EXPENDITURES	GOF w-o MCCC	9,488,759	14,511,404		
	MCCC	367,600	382,900		
	Tax Fund, excluding transfer to GOF. (maint. tax)	324,500	750,565		
	TOTAL (consolidated)	10,180,859	15,644,869	Increase of \$5,464,010	Increase of 53.7%

The exhibits listed below are attached and are integral parts hereof:

EXHIBIT A
EXHIBIT B
EXHIBIT C
EXHIBIT D

EXHIBIT A (part of TAX RATE AND BUDGET INFORMATION)

Information required by Sec. 26.18, Texas Tax Code, subdivisions (1), (2) and (3):

(1) the name of each member of the governing body of the taxing unit

Brian C. Connolly
James K. Nordhaus
Fredrick J. Castellano
Joe M. Adams
John H. Cameron

(2) the mailing address, e-mail address, and telephone number of the taxing unit

847 Dominion Dr.
Karty, Texas

billing@mcud.com

281-578-7272

(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)

c/o Mason Creek Utility District
847 Dominion Dr.
Karty, Texas

billing@mcud.com (c/o Mason Creek Utility District)

281-578-7272 (c/o Mason Creek Utility District)

EXHIBIT B (part of TAX RATE AND BUDGET INFORMATION)*Budgets for three preceding years*

	Adopted Budget FY 2024	Adopted Budget FY 2025	Adopted Budget FY 2026	Budget Variance \$ FY 2025-FY 2026	Budget Variance % FY 2025-FY 2026
Revenues					
14110 · Water - Customer Service	1,316,882	1,490,659	1,312,778	(177,881)	-14%
14112 · Ground Water Reduction Program	369,200	947,800	833,200	(114,600)	-14%
14125 · TCEQ Assessment Fees	12,896	13,936	12,517	(1,419)	-11%
14130 · Reconnection Fees	0	0	2,100	2,100	100%
14140 · Transfer Fees	500	4,700	4,200	(500)	-12%
14150 · Tap Connections	4,900	500	1,000	500	50%
14151 · Fire Tap Connection Fees	500	9,072	9,100	28	0%
14210 · Sewer - Customer Service Fee	1,262,397	1,296,475	1,190,564	(105,911)	-9%
14310 · Penalties & Interest	9,100	25,000	25,000	0	0%
14330 · Miscellaneous Income	25,000	11,000	11,000	0	0%
14332 · Recycle Bin Sales	5,000	5,000	650	(4,350)	-669%
14333 · Reclaimed Water Revenue - Cinco	1,000	1,000	1,000	0	0%
14350 · Maintenance Tax Collections -(Transfer from Tax Fund)	2,080,300	2,377,400	2,487,800	110,400	4%
14370 · Interest Earned on Temp. Invest	24,066	364,500	364,500	0	0%
14375 · COH Sales Tax Revenues	547,800	320,000	320,000	0	0%
14380 · Interest on Checking Accounts	100	0	0	0	0%
14335 · Insurance Income	100	0	159,600	159,600	100%
14950 · Transfer from CPF		7,300	0	(7,300)	0%
14900 · Use of Prior Years Reserves		5,431,910	0	(5,431,910)	0
Total Revenues	5,659,741	12,306,251	6,735,008	(132,032)	-2%
Expenditures-District					
16011 · Solid Waste Collection	675,675	984,000	1,018,742	34,742	3.41%
16012 · Garbage- Dumpster	158,200	19,200	19,200	0	0.00%
16013 · Recycle Bins & Carts	3,300	3,500	3,500	0	0.00%
16120 · Ground Water Fee	451,539	991,548	917,737	(73,811)	-8.04%
16130-1 · Meter Change Out Program	50,000	50,000	0	(50,000)	0.00%
16130 · Maintenance & Repairs	800,000	1,212,000	823,000	(389,000)	-47.27%
16132 · Valve Replacements	100,000	100,000	0	(100,000)	0.00%
16135 · Surface Water Projects	50,000	0	0	0	0.00%
16140 · Chemicals-Fuel-Gasoline	34,767	48,000	41,400	(6,600)	-15.94%
16160 · Utilities	147,000	240,000	216,800	(23,200)	-10.70%
16162 · Utilities-Streetlights	84,000	105,000	111,100	6,100	5.49%
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	150,000	(50,000)	-33.33%
16220 · Purchase Sewer Service Cinco	359,600	368,600	227,000	(141,600)	-62.38%
16221 · Purchase Sewer Service West Memorial		0	193,000	193,000	0.00%
16270 · Rents & Leases	21,000	1,100	1,100	0	0.00%
16300 · Professional		0	0	0	0.00%
16330 · Legal Fees	20,000	65,000	58,400	(6,600)	-11.30%
16340 · Auditing Fees	18,500	24,000	25,100	1,100	4.38%
16350 · Engineering Fees	65,500	500,000	525,400	25,400	4.83%
16360 · Arbitrage Expense	1,600	13,300	0	(13,300)	0.00%
16351 · Lobbying Expense (Note 1)	0	0	0	0	0.00%
16365 · Directors Fees	25,000	36,000	34,600	(1,400)	-4.05%
16366 · Directors Expenses & Conference	4,000	4,000	2,200	(1,800)	-81.82%
16370 · Election Expense	0	0	0	0	0.00%
16380 · Permit Expense	7,000	7,000	21,100	14,100	66.82%
16385 · TCEQ Assessment Fees	12,896	13,936	9,100	(4,836)	-53.14%
16390 · Telephone Expense	25,000	25,000	27,500	2,500	9.09%
16420 · Billing & Collecting	47,000	47,000	36,300	(10,700)	-29.48%
16430 · Bookkeeping Fees	49,000	49,000	48,900	(100)	-0.20%
16440 · Payroll Admin Fee		9,400	3,500	(5,900)	-168.57%
16435 · Sales Tax Monitoring	2,000	2,000	3,300	1,300	39.39%
16450 · Newspaper Notices Req. by Law (Sec. 140.0045, LGC)	2,100	1,100	300	(800)	-266.67%
16460-1 · Office Furniture & Fixtures	0	0	0	0	0.00%
16460 · Office Supplies & Services	70,600	58,600	53,800	(4,800)	-8.92%
16465 · Bank Service Charges	4,800	600	700	100	14.29%
16467 · ACH & Credit Card Fees	13,600	13,700	13,900	200	1.44%
16530 · Insurance & Surety Bond	81,100	135,300	129,600	(5,700)	-4.40%
16550 · Security Expenses	50,700	7,700	8,900	1,200	13.48%
16560 · Miscellaneous Expense	25,150	25,150	44,600	19,450	43.61%
16563 · Sales Tax Expense	120	120	0	(120)	0.00%
16600 · Payroll Expenses					
1660001 · Salaries- Employees	580,500	661,800	689,600	27,800	4.03%
1660002 · Payroll Tax Expense	51,200	51,800	59,400	7,600	12.79%
16611 · Mileage Reimbursement-Employee	4,800	4,800	0	(4,800)	0.00%
16612 · Employee Incentive Program		4,800	0	(4,800)	0.00%
16620 · Pension Costs	58,100	66,200	34,480	(31,720)	-92.00%
16610 · Employee Medical					
1661001 · Health Insurance	174,800	152,300	125,500	(26,800)	-21.35%
1661002 · Reimbursements-Employee	20,000	20,000	20,000	0	0.00%
16500 · Tax Expenses					
46310 · Delinquent Attorney Fees	3,900	6,600	0	(6,600)	0.00%
46320 · HCAD Fees	12,700	13,000	0	(13,000)	0.00%
46340 · Assessor/Collector Fees	26,200	26,400	0	(26,400)	0.00%
46450 · Miscellaneous Expense	6,600	9,300	0	(9,300)	0.00%

EXHIBIT B, cont. (part of TAX RATE AND BUDGET INFORMATION) *Budgets for three preceding years*

Total 16500 · Tax Expenses					
17100 · Capital Outlay	250,000	250,000	250,000	0	0.00%
17100-4 · Capital - Admin Building Rehab	200,000	0	0	0	0.00%
17100-5 · Capital - Brondesbury LS Rehab	0	135,812	0	(135,812)	0.00%
17100-6 · Capital- Rennie LS Rehab	0	2,032,545	1,878,000	(154,545)	0.00%
17100-7 · Capital - SS Lines - Repairs	250,000	250,000	250,000	0	0.00%
17100-8 · Capital - Section 6 SS Line Rehab		3,180,000	912,000	(2,268,000)	0.00%
17100-9 · Capital - Emergency WL Repairs		300,000	300,000	0	0.00%
Total District Expenditures	<u>5,499,548</u>	<u>12,726,211</u>	<u>9,488,759</u>	<u>(3,237,452)</u>	<u>-58.87%</u>
Net Excess Revenues <Expenditures>	<u>160,193</u>	<u>(419,960)</u>	<u>(2,753,751)</u>	<u>(2,333,790)</u>	<u>1456.86%</u>
MCCC (Community Center) Fund					
MCCC Revenues					
14385 · MCCC-Room Rental Fee	35,000	35,000	20,000	(15,000)	-75.00%
14390 · MCCC-Pool Usage Fees	25,000	25,000	20,000	(5,000)	-25.00%
14395 · MCCC-Tennis Usage Fees	10,000	10,000	17,000	7,000	41.18%
Total MCCC Revenues	<u>70,000</u>	<u>70,000</u>	<u>57,000</u>	<u>(13,000)</u>	<u>-58.82%</u>
16000 · MCCC Expenditures					
16020 · MCCC-Pool Contracted Serv.	74,000	75,000	74,000	(1,000)	-1.35%
16131-1 · Club House Repairs	75,000	75,000	50,000	(25,000)	-50.00%
16131-3 · MCCC Repairs - Pool	20,000	20,000	20,000	0	0.00%
16131 · MCCC-Maint. & Repairs	150,000	150,000	150,000	0	0.00%
16161 · MCCC_Uilities	6,000	6,000	18,000	12,000	66.67%
16271 · Rents & Leases		11,500	6,000	(5,500)	-91.67%
16391 · MCCC-Telephone	2,300	6,500	8,100	1,600	19.75%
16461 · MCCC-Bldg. Supplies & Services	15,900	7,400	15,900	8,500	53.46%
16466 · Pool Tags & Team Supplies	2,500	2,500	5,000	2,500	50.00%
16561 · MCCC-Miscellaneous Exp.	10,600	10,600	10,600	0	0.00%
16700 · MCCC Capital Outlay	10,000	10,000	10,000	0	0.00%
Total MCCC Expenditures	<u>366,300</u>	<u>374,500</u>	<u>367,600</u>	<u>(6,900)</u>	<u>7%</u>
Net MCCC Excess Expenditures	<u>(296,300)</u>	<u>(304,500)</u>	<u>(310,600)</u>	<u>(6,100)</u>	<u>-305%</u>
14900 · Use of Prior Years Reserves	136,107	0	3,064,351	3,064,351	-23.64%
Net District & MCCC ExcessRevenues <Expenditures>	<u>0</u>	<u>(724,460)</u>	<u>0</u>	<u>724,461</u>	<u>39.62%</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 three preceding years*

TAX FUND					
Revenues					
Current & Prior Years Taxes	2,395,000	2,692,100	2,802,500	110,400	3.94%
Penalty & Interest	11,800	11,800	11,800	0	0.00%
Additional Collection Penalty	5,200	5,200	5,200	0	0.00%
Overpayments	9,000	9,000	9,000	0	0.00%
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	44,900	51,900	51,900	0	0.00%
Unpaid Account	0	0	0	0	0.00%
Substantial Error Penalty	0	0	0	0	0.00%
Rendition Penalty	600	600	600	0	0.00%
Refund Rendition Penalty	0	0	0	0	0.00%
TOTAL REVENUES	2,466,500	2,770,600	2,881,000	110,400	3.94%
Expenditures					
Atty's Fees, Delq. collection	500	700	700	0	0.00%
CAD Quarterly Assessment	1,500	1,400	1,400	0	0.00%
Newspaper Notices Req. by Law (Sec. 140.0045, LGC)	100	0	0	0	0.00%
Refund - due to adjustments	44,900	51,900	51,900	0	0.00%
Refund - due to overpayments	5,400	5,400	5,400	0	0.00%
Tax A/C Bond Premium	300	200	200	0	0.00%
Transfer to Debt Service Fund (property tax revenue budgeted for debt service)	261,400	261,400	261,400	0	0.00%
Transfer to General Fund (property tax revenue budgeted for Maint. And Oper)	2,080,300	2,377,400	2,487,800	110,400	5.31%
Tax Assessor/Collector Fee	3,100	2,900	2,900	0	0.00%
Unpaid Account	0	100	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	300	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	100	100	0	0.00%
Envelopes - Original Stmt	100	0	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%
TOTAL EXPENDITURES	2,397,900	2,701,900	2,812,300	110,400	5.31%
Net Excess Revenues <Expenditures>	68,600	68,700	68,700	0	-1.37%

Mason Creek - GOF
Draft Budget
FYE 6/30/2027

	Actuals July 25-Apr 26	Annualized FYE June 2026	Adopted 2026 Budget	Draft 2027 Budget	2027 Budget Compared to 2026 Annualized <Over> Under
Revenue					
14110 · Water - Customer Service	1,176,076	1,411,291	1,312,778	1,446,573	35,282
14112 · Ground Water Reduction Program	775,000	930,000	833,200	961,600	31,600
14125 · TCEQ Assessment Fees	11,321	13,585	12,517	13,710	125
14130 · Reconnection Fee	630	756	2,100	800	44
14140 · Transfer Fees	3,527	4,232	4,200	4,200	(32)
14150 · Tap Connections	-	-	1,000	-	-
14151 · Fire Tap Connection Fees	7,564	9,077	9,100	9,100	23
14210 · Sewer - Customer Service Fee	1,053,218	1,263,862	1,190,564	1,295,458	31,597
14310 · Penalties & Interest	16,301	19,561	25,000	25,000	5,439
14330 · Miscellaneous Income	592	710	11,000	11,000	10,290
14332 · Recycle Bin Sales	420	504	650	650	146
14333 · Reclaimed Water Revenue-Cinco	-	-	1,000	1,000	1,000
14350 · Maintenance Tax Collections - 2	2,603,649	2,603,649	2,487,800	2,618,648	14,999
14370 · Interest Earned on Temp. Invest	203,850	244,620	364,500	206,651	(37,969)
14375 · COH Sales Tax Revenues	205,222	246,266	320,000	197,013	(49,253)
14950 · Transfer from CPF	-	-	159,600	2,916,384	2,916,384
14900 · Use of Prior Years Reserves	1,069,256	1,596,623	3,064,350	5,114,517	3,517,894
Total Revenue	7,126,626	8,344,737	9,799,359	14,822,305	6,477,567
Expenditures-District					
16011 · Solid Waste Collection	790,490	948,588	1,018,742	986,532	37,944
16012 · Garbage- Dumpster	-	-	19,200	19,200	19,200
16013 · Recycle Bins & Carts	-	-	3,500	3,500	3,500
16120 · Ground Water Fee	776,888	932,266	917,737	963,963	31,697
16130 · Maintenance & Repairs	372,992	447,590	823,000	447,600	10
16132 · Valve Replacements	-	-	-	-	-
16135 · Surface Water Projects	-	-	-	-	-
16140 · Chemicals-Fuel-Gasoline	30,491	36,589	41,400	36,600	11
16160 · Utilities	284,599	341,519	216,800	341,500	(19)
16162 · Utilities-Streetlights	89,536	107,443	111,100	107,400	(43)
16220-1 · Capital Outlay-WMM STP	-	-	200,000	300,000	300,000
16220-2 · Capital Outlay - Cinco STP	61,006	73,207	150,000	100,000	26,793
16220 · Purchase Sewer Service Cinco	197,925	237,510	227,000	300,000	62,490
16221 · Purchase Sewer Service West Memorial	207,016	248,419	193,000	248,400	(19)
16270 · Rents & Leases	1,211	1,453	1,100	1,500	47
16300 · Professional					-
16330 · Legal Fees	26,469	31,763	58,400	31,800	37
16340 · Auditing Fees	24,500	24,500	25,100	26,000	1,500
16350 · Engineering Fees	569,311	683,173	525,400	683,200	27
16360 · Arbitrage Expense	4,513	4,513	-	4,500	(13)
16365 · Directors Fees	26,180	31,416	34,600	36,000	4,584
16366 · Directors Expenses & Conference	1,485	1,485	2,200	2,200	715
16370 · Election Expense	-	-	-	-	-
16380 · Permit Expense	17,292	20,750	21,100	20,800	50
16385 · TCEQ Assessment Fees	5,720	13,376	9,100	13,710	334
16390 · Telephone Expense	18,530	22,236	27,500	22,200	(36)
16420 · Billing & Collecting	31,273	37,528	36,300	37,500	(28)
16430 · Bookkeeping Fees	42,863	51,436	48,900	51,400	(36)
16440 · Payroll Admin Fee	3,246	3,895	3,500	3,900	5
16436 · Sales Tax Monitoring	2,850	3,420	3,300	3,400	(20)
16450 · Legal Notices required by law - 3	416	499	300	500	1
16451 · Legislative Lobbying - 1				-	
16460 · Office Supplies & Services	40,960	49,152	53,800	49,200	48
16465 · Bank Service Charges	1,925	2,310	700	2,300	(10)
16467 · ACH & Credit Card Fees	11,200	13,440	13,900	13,400	(40)
16530 · Insurance & Surety Bond	118,294	141,953	129,600	142,000	47
16550 · Security Expenses	5,219	6,263	8,900	6,300	37
16560 · Miscellaneous Expense	38,769	46,523	44,600	46,500	(23)
16563 · Sales Tax Expense	-	-	-	-	-
16565 · Water Conservation & Water Wise	-	-	-	-	-

Mason Creek - GOF
Draft Budget
FYE 6/30/2027

	Actuals July 25-Apr 26	Annualized FYE June 2026	Adopted 2026 Budget	Draft 2027 Budget	2027 Budget Compared to 2026 Annualized <Over> Under
16600 · Payroll Expenses					
1660001 · Salaries- Employees	532,366	638,839	689,600	670,800	31,961
1660002 · Payroll Tax Expense	41,358	49,630	59,400	52,100	2,470
16611 · Mileage Reimbursement-Employee	-	-	-	-	-
16612 · Employee Incentive Program	-	-	-	-	-
16620 · Pension Costs	31,875	31,875	34,480	33,500	1,625
16600 · Payroll Expense - Other	-	-	-	-	-
16610 · Employee Medical					
1661001 · Health Insurance	133,979	160,775	125,500	172,000	11,225
1661002 · Reimbursements-Employee	14,643	17,572	20,000	20,000	2,428
16610 · Employee Medical - Other	-	-	-	-	-
15000 · UD Expenses Other	-	-	-	-	-
16500 · Tax Expenses					
46310 · Delinquent Attorney Fees	-	-	-	-	-
46320 · HCAD Fees	-	-	-	-	-
46340 · Assessor/Collector Fees	-	-	-	-	-
46450 · Miscellaneous Expense	-	-	-	-	-
Total 16500 · Tax Expenses					
17100 · Capital Outlay	114,361	114,361	250,000	250,000	135,639
17100-1 · Capital - GST Recoating	-	-	-	-	-
17100-5 · Capital - Capital Brondesbury Rehab	-	138,659	-	-	(138,659)
17100-6 · Capital - Rennie LS Rehab	-	154,570	1,878,000	-	(154,570)
17100-7 · Capital - SS Lines - Repairs	-	-	250,000	250,000	250,000
17100-8 · Capital - Section 6 SS Line Rehab	2,241,836	2,241,836	912,000	-	(2,241,836)
17100-9 · Capital - Emergency WL Repairs	-	-	300,000	300,000	300,000
17100-10 · Capital - Sections 1 and 3 SS Line Rehab				675,000	675,000
17100-11 · Capital - Dominion Electrical Improvements				285,000	285,000
17100-12 · Capital - Section 1 WL Rehabilitation				4,500,000	4,500,000
17100-13 · Capital - Section 2 SS Rehabilitation				2,250,000	2,250,000
Total District Expenditures	6,913,587	8,112,331	9,488,759	14,511,404	6,399,073
Net Excess Revenues <Expenditures>	213,039	232,406	310,600	310,900	78,494
MCCC Revenues					
14385 · MCCC-Room Rental Fee	32,165	35,089	20,000	35,000	(89)
14390 · MCCC-Pool Usage Fees	5,939	6,479	20,000	20,000	13,521
14395 · MCCC-Tennis Usage Fees	12,411	13,539	17,000	17,000	3,461
Total MCCC Revenues	50,515	55,107	57,000	72,000	16,893
16000 · MCCC Expenditures					
16020 · MCCC-Pool Contracted Serv.	59,267	64,655	74,000	74,000	9,345
16131-1 · Club House Repairs	-	-	50,000	75,000	75,000
16131-3 · MCCC Repairs - Pool	-	-	20,000	20,000	20,000
16131 · MCCC-Maint. & Repairs	166,236	181,348	150,000	150,000	(31,348)
16161 · MCCC_Uilities	13,007	14,189	18,000	6,000	(8,189)
16271 · MCCC_Rents & Leases	2,391	2,608	6,000	11,500	8,892
16391 · MCCC-Telephone	6,384	6,964	8,100	7,000	36
16461 · MCCC-Bldg. Supplies & Services	12,674	13,826	15,900	13,800	(26)
16466 · Pool Tags & Team Supplies	-	-	5,000	5,000	5,000
16561 · MCCC-Miscellaneous Exp.	3,595	3,922	10,600	10,600	6,678
16700 · MCCC Capital Outlay	-	-	10,000	10,000	10,000
Total MCCC Expenditures	263,554	287,513	367,600	382,900	95,387
Net MCCC Excess Expenditures	(213,039)	(232,406)	(310,600)	(310,900)	(78,494)
14900 · Use of Prior Years Reserves	-	-	-	-	-
Net District & MCCC ExcessRevenues <Expenditures>	-	(0)	(0)	0	0

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

Note 2: Maintenance Tax Collections based on 2025 AV \$954,317,697 / 100 @ 98% collection rate x .280 Tax Rate

Note 3: notices required by law to be published in newspaper

Mason Creek - GOF
Draft Budget
FYE 6/30/2027

	Actuals July 25-Apr 26	Annualized FYE June 2026	Adopted 2026 Budget	Draft 2027 Budget	2027 Budget Compared to 2026 Annualized <Over> Under
TAX FUND					
Revenues					
Current & Prior Years Taxes	3,260,720	3,260,720	2,802,500	3,336,013	75,294
Penalty & Interest	15,119	18,143	11,800	18,200	57
Additional Collection Penalty	5,740	6,888	5,200	6,900	12
Overpayments	6,064	7,276	9,000	7,300	24
Erroneous Overpayment	-	-	-	-	-
Refund - due to adjustments	56,353	67,623	51,900	-	(67,623)
Notice to Purchaser	-	-	-	-	-
Rendition Penalty	647	776	600	800	24
TOTAL REVENUES	3,344,642	3,361,427	2,881,000	3,369,213	7,786
Expenditures					
Atty's Fees, Delq. collection	6,121	6,677	700	6,700	23
CAD Quarterly Assessment	17,130	18,688	1,400	18,700	12
Publications, Legal Notice	437	477	-	500	23
Refund - due to adjustments	-	-	51,900	-	-
Refund - due to overpayments	-	-	5,400	5,400	5,400
Tax A/C Bond Premium	4,357	4,753	200	4,800	47
Transfer to Debt Service Fund	580,000	580,000	261,400	677,566	97,566
Transfer to General Fund	2,605,096	2,605,096	2,487,800	2,618,648	13,552
Tax Assessor/Collector Fee	25,750	28,091	2,900	28,100	9
Unpaid Account	1,986	2,166	100	2,200	34
Rendition Penalty	20	22	-	-	(22)
Rendition Penalty Refund	-	-	-	-	-
Rendition Penalty CAD Portion	-	-	-	-	-
Computer Cost	-	-	-	-	-
Postage	2,460	2,683	300	2,700	17
Supplies	1,203	1,313	100	1,300	(13)
Audit Preparation	96	104	-	100	(4)
Additional Services BLI	115	125	-	100	(25)
Records Maintenance	115	125	-	100	(25)
Copies	667	728	100	700	(28)
Envelopes - Original Stmts	393	429	-	400	(29)
NSF Fee to BLI	-	-	-	-	-
Duplicate Statements	14	16	-	-	(16)
Mileage Expense	156	170	-	200	30
Envelopes - Feb Delinq Stmts	83	91	-	100	9
Tax Affidavits	77	84	-	100	16
Envelopes - May Del Stmts	-	-	-	-	-
Tax Lien Transfers	-	-	-	-	-
Legal notices to be published in newspaper - 4	-	-	-	100	100
Delinquent Report Assistance	-	-	-	-	-
Exemption Assistance	359	392	-	400	8
SB 2 Compliance	230	251	-	300	49
TOTAL EXPENDITURES	3,246,865	3,252,480	2,812,300	3,369,213	116,733
Overall Surplus / (Deficit)	97,778	108,947	68,700	-	(108,947)

Note 4: notices required by law to be published in newspaper

Mason Creek - GOF
Draft Budget
FYE 6/30/2027

	Actuals July 25-Apr 26	Annualized FYE June 2026	Adopted 2026 Budget	Draft 2027 Budget	2027 Budget Compared to 2026 Annualized <Over> Under
CPF FUND					
Revenues					
Bond Proceeds	-	-	-	6,425,000	-
TOTAL REVENUES	-	-	-	6,425,000	-
Expenditures					
Sections 1 & 3 WW Rehabilitation	-	-	-	2,692,927	2,692,927
Section 6 WW Rehabilitation	-	-	-	2,279,492	2,279,492
Engineering (18.20% of items 1 & 2)	-	-	-	905,000	905,000
TOTAL EXPENDITURES	-	-	-	5,877,419	-
Non Construction Costs					
Legal Fees				143,500	
Fiscal Agent Fees				86,750	
Capitalized Interest				-	
Bond Discount				192,750	
Bond Issuance Expenses				42,093	
Bond Application Report Costs				60,000	
Attorney General Fee				6,425	
TCEQ Bond Issuance Fee				16,063	
Total Non Construction Costs				547,581	
 Total Bond Issue Requirement				6,425,000	

Appendix

This Appendix is included in the attached budget. This Appendix consists of the following two documents, both attached:

- (1) The tax rate calculation form entitled “2025 Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts” used by the designated officer or employee of the District to calculate tax rate(s) for the District for TY 2025 (two pages)
- (2) The tax rate calculation form entitled "[2026 Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts](#)” proposed to be used by the designated officer or employee of the District to calculate tax rate(s) for the District for TY 2026 (estimate, based on preliminary value; subject to revision when certified values become available) (two pages)

2025 Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts

MASON CREEK U.D.

Water District Name

11111 Katy Freeway # 725, Houston, Texas 77079

Water District's Address, City, State, ZIP code

713-932-9011

Phone(Area code and Number)

Developing water district

GENERAL INFORMATION: The Comptroller's office provides this worksheet to assist water districts in determining their voter-approval tax rate. The information provided in this worksheet is offered as technical assistance and not legal advice. Water districts should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

The voter-approval rate for low tax rate and developing water districts is the current year's debt service and contract tax rates plus the maintenance and operation (M&O) rate that would impose no more than 1.08 times the amount of M&O tax imposed by the water district in the preceding year on the average appraised value of a residence homestead in the water district. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older.

The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll or certified estimate of value and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

If any part of a developed water district is located in an area declared a disaster area during the current tax year by the governor or by the president, the board of the district may calculate the voter-approval tax rate in the manner provided in Water Code Section 49.23601(a) and determine whether an election is required to approve the adopted tax rate in the manner provided in Water Code Section 49.23601(c). In such cases, the developed water district may use this form to calculate its voter-approval tax rate.

For a low tax rate water district, the election tax rate is the highest total tax rate the district may adopt without holding an automatic election to approve the adopted tax rate.

For a developing water district, the election tax rate is the highest total tax rate the district may adopt before qualified voters of the district may petition for an election to lower the adopted tax rate.

If any part of a developed water district is located in an area declared a disaster area during the current tax by the governor or by the president, the board of the district may calculate the election tax rate as the highest tax rate the district may adopt without holding an automatic election to approve the adopted tax rate.

In these cases, the election tax rate is the rate that would impose 1.08 times the amount of tax imposed by the by the district in the preceding year on the average appraised value of a residence homestead in the water district. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older.

Line	Worksheet	Amount/Rate
1.	2024 average appraised value of residence homestead.	393,603
2.	2024 general exemptions available for the average homestead. Excluding age 65 or older or disabled persons exemptions.	78,721
3.	2024 average taxable value of residence homestead. Line 1 minus line 2.	314,882
4.	2024 adopted M&O tax rate.	.27357
5.	2024 M&O tax on average residence homestead. Multiply Line 3 by line 4, divide by \$100.	861.42
6.	Highest M&O tax on average residence homestead with increase. Multiply Line 5 by 1.08.	930.33
7.	2025 average appraised value of residence homestead.	413,715
8.	2025 general exemptions available for the average homestead. Excluding age 65 or older or disabled person exemptions.	82,743
9.	2025 average taxable value of residence homestead. Line 7 minus Line 8.	330,972
10.	Highest 2025 M&O tax rate. Line 6 divided by Line 9, multiply by \$100.	.28109
11.	2025 debt tax rate.	.07100
12.	2025 contract tax rate.	.00000
13.	2025 voter-approval tax rate. Add Line 10, 11 and 12.	.35209
14.	2024 average taxable value of residence homestead. Amount from Line 3.	314,882
15.	2024 adopted total tax rate.	.30137
16.	2024 total tax on average residence homestead. Multiply Line 14 by Line 15.	948.95
17.	2025 highest amount of taxes per average residence homestead. Multiply Line 16 by 1.08.	1,024.86
18.	2025 tax election tax rate. Divide Line 17 by Line 9 and multiply by \$100.	.30965

2026 Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts

Form 50-858

Mason Creek UD 2026 ESTIMATE ONLY - BASED ON PRELIMINARY VALUE

(713) 932-9011

Water District Name

Phone (area code and number)

11111 Katy Freeway #725 Houston, Texas 77079

Water District's Address, City, State, ZIP Code

Water District's Website Address

GENERAL INFORMATION: The Comptroller's office provides this worksheet to assist water districts in determining their voter-approval tax rate. The information provided in this worksheet is offered as technical assistance and not legal advice. Water districts should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

Indicate type of water district:

☐ Low tax rate water district
(Water Code Section 49.23601)

☒ Developing water district
(Water Code Section 49.23603)

☐ Developed water district in a declared disaster area
(Water Code Section 49.23602(d))

SECTION 1: Voter Approval Tax Rate

The voter-approval tax rate for low tax rate and developing water districts is the current year's debt service and contract tax rates plus the maintenance and operation (M&O) tax rate that would impose no more than 1.08 times the amount of M&O tax imposed by the water district in the preceding year on the average appraised value of a residence homestead in the water district. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older.

The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll or certified estimate of value and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

If any part of a developed water district is located in an area declared a disaster area during the current tax year by the governor or by the president, the board of the district may calculate the voter-approval tax rate in the manner provided in Water Code Section 49.23601(a) and determine whether an election is required to approve the adopted tax rate in the manner provided in Water Code Section 49.23601(c). In such cases, the developed water district may use this form to calculate its voter-approval tax rate.

Taxing units must include a hyperlink to a document that evidences the accuracy of each entry in the worksheet other than an entry making a mathematical calculation.¹ Source materials must contain data for all worksheets used.

Insert hyperlink:

Line	Worksheet	Amount/Rate
1.	Prior year average appraised value of residence homestead. ²	\$ 412,567
2.	Prior year general exemptions available for the average homestead. Excluding age 65 or older or disabled persons exemptions. ³	\$ 82,513
3.	Prior year average taxable value of residence homestead. Line 1 minus Line 2.	\$ 330,054
4.	Prior year adopted M&O tax rate.	\$.28 /\$100
5.	Prior year M&O tax on average residence homestead. Multiply Line 3 by Line 4, divide by \$100.	\$ 924.15
6.	Highest M&O tax on average residence homestead with increase. Multiply Line 5 by 1.08. ⁴	\$ 998.08
7.	Current year average appraised value of residence homestead.	\$ 415,370
8.	Current year general exemptions available for the average homestead. Excluding age 65 or older or disabled persons exemptions. ⁵	\$ 83,074
9.	Current year average taxable value of residence homestead. Line 7 minus Line 8.	\$ 332,296
10.	Highest current year M&O tax rate. Line 6 divided by Line 9, multiply by \$100. ⁶	\$.300358 /\$100

¹ Tex. Tax Code §§5.07(g)(4) and 26.04(d-1)

² Tex. Water Code §49.236(a)(2)(D)

³ Tex. Water Code §49.236(a)(2)(D)

⁴ Tex. Water Code §§49.23601(a)(3) and 49.23603(a)(3)

⁵ Tex. Water Code §49.236(a)(2)(E)

⁶ Tex. Water Code §§49.23601(a)(3) and 49.23603(a)(3)

SECTION 1: Voter Approval Tax Rate (continued)

Line	Worksheet	Amount/Rate
11.	Current year debt tax rate.	\$ <u>.071</u> /\$100
12.	Current year contract tax rate.	\$ <u>0</u> /\$100
13.	Current year voter-approval tax rate. Add lines 10, 11 and 12.	\$ <u>.371358</u> /\$100

SECTION 2: Election Tax Rate

For a low tax rate water district, the election tax rate is the highest total tax rate the district may adopt without holding an automatic election to approve the adopted tax rate.

For a developing water district, the election tax rate is the highest total tax rate the district may adopt before qualified voters of the district may petition for an election to lower the adopted tax rate.

If any part of a developed water district is located in an area declared a disaster area during the current tax year by the governor or by the president, the board of the district may calculate the election tax rate as the highest tax rate the district may adopt without holding an automatic election to approve the adopted tax rate.

In these cases, the election tax rate is the rate that would impose 1.08 times the amount of tax imposed by the district in the preceding year on the average appraised value of a residence homestead in the water district. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older.⁷

Line	Worksheet	Amount/Rate
14.	Prior year average taxable value of residence homestead. Enter the amount from Line 3.	\$ <u>330,054</u>
15.	Prior year adopted total tax rate.	\$ <u>.351</u> /\$100
16.	Prior year total tax on average residence homestead. Multiply Line 14 by Line 15, divide by \$100.	\$ <u>1,158.48</u>
17.	Current year highest amount of taxes per average residence homestead. Multiply Line 16 by 1.08.	\$ <u>1,251.15</u>
18.	Current year tax election tax rate. Divide Line 17 by Line 9 and multiply by \$100.	\$ <u>.376516</u> /\$100

SECTION 3: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the voter-approval tax rate as authorized by the governing body of the water district. By signing below, you certify that you are the designated officer or employee of the taxing unit and have calculated the tax rates in accordance with requirements in Water Code.

print
here ➡

Michelle Guerrero

Printed Name of Water District Representative

sign
here ➡

Water District Representative

06/10/2026

Date

Reset

Print

⁷ Tex. Water Code §§49.23601, 49.23602(d), and 49.23603

MASON CREEK UTILITY DISTRICT
HARRIS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
JUNE 30, 2025

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

*Chris Swedlund
Noel W. Barfoot
Joseph Ellis
Ashlee Martin*

*Mike M. McCall
(retired)
Debbie Gibson
(retired)*

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, 2025, 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, 2025, 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 Ellis PLLC

McCall Gibson Swedlund Barfoot Ellis PLLC
Certified Public Accountants
Houston, Texas

November 6, 2025

MASON CREEK UTILITY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2025

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, 2025. 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 deferred 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 two 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.

MASON CREEK UTILITY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2025

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 \$20,497,072 as of June 30, 2025. A portion of the District's net position reflects its net investment in capital assets which includes 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 table on the following page presents a comparative analysis of the Statement of Net Position as of June 30, 2025, and June 30, 2024.

MASON CREEK UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2025	2024	Change Positive (Negative)
Current and Other Assets	\$ 8,569,861	\$ 10,287,581	\$ (1,717,720)
Capital Assets and Intangible Assets Net of Depreciation and Amortization)	16,198,528	13,832,388	2,366,140
Total Assets	\$ 24,768,389	\$ 24,119,969	\$ 648,420
Deferred Outflows of Resources	\$ 28,080	\$ 32,691	\$ (4,611)
Bonds Payable	\$ 3,437,834	\$ 3,624,046	\$ 186,212
Other Liabilities	861,563	883,974	22,411
Total Liabilities	\$ 4,299,397	\$ 4,508,020	\$ 208,623
Net Position:			
Net Investment in Capital Assets	\$ 12,663,243	\$ 10,093,346	\$ 2,569,897
Restricted	794,664	773,816	20,848
Unrestricted	7,039,165	8,777,478	(1,738,313)
Total Net Position	\$ 20,497,072	\$ 19,644,640	\$ 852,432

The following table provides a comparative analysis of the District's operations for the fiscal years ending June 30, 2025, and June 30, 2024:

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 2,750,924	\$ 2,625,767	\$ 125,157
Charges for Services	3,352,731	3,668,991	(316,260)
Sales Taxes	246,040	288,688	(42,648)
Other Revenues	524,483	566,168	(41,685)
Total Revenues	\$ 6,874,178	\$ 7,149,614	\$ (275,436)
Expenses for Services	6,021,746	6,135,018	113,272
Change in Net Position	\$ 852,432	\$ 1,014,596	\$ (162,164)
Net Position, Beginning of Year	19,644,640	18,630,044	1,014,596
Net Position, End of Year	\$ 20,497,072	\$ 19,644,640	\$ 852,432

**MASON CREEK UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of June 30, 2025, were \$7,748,914, a decrease of \$1,731,576 from the prior year.

The General Fund fund balance decreased by \$1,745,701, primarily due to operating and capital expenditures exceeding service and property tax revenues.

The Debt Service Fund fund balance increased by \$14,125, primarily due to the structure of the District's outstanding debt requirements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted a budget for the current fiscal year. Actual revenues were \$379,560 less than budgeted revenues and actual expenditures were \$4,789,229 less than budgeted expenditures which resulted in a positive variance of \$4,409,669. See the budget to actual comparison for more information.

LONG-TERM DEBT ACTIVITY

As of June 30, 2025, the District had total bond debt payable of \$3,400,000. The changes in the debt position of the District for the current fiscal year are summarized in the following table:

Bond Debt Payable, July 1, 2024	\$ 3,580,000
Less: Bond Principal Paid	<u>(180,000)</u>
Bond Debt Payable, June 30, 2025	<u>\$ 3,400,000</u>

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

See also Note 15 for information related to the District's subscription liability.

**MASON CREEK UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

CAPITAL ASSETS

Capital assets as of June 30, 2025, total \$16,072,997 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			
	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 729,167	\$ 729,167	\$
Construction in Progress	5,954,443	2,819,941	3,134,502
Capital Assets Subject to Depreciation:			
Community Center	1,420,931	1,396,931	24,000
Recreational Facility	99,752	99,752	
Buildings and Improvements	828,487	828,487	
Furniture and Equipment	2,128,304	2,093,609	34,695
Water System	12,400,711	12,296,711	104,000
Wastewater System	11,738,765	11,738,765	
Drainage System	4,333,210	4,333,210	
Less Accumulated Depreciation	<u>(23,560,773)</u>	<u>(22,651,872)</u>	<u>(908,901)</u>
Total Net Capital Assets	<u>\$ 16,072,997</u>	<u>\$ 13,684,701</u>	<u>\$ 2,388,296</u>

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, 2025

	<u>General Fund</u>	<u>Debt Service Fund</u>
ASSETS		
Cash	\$ 387,465	\$ 91,528
Investments	7,204,464	347,103
Receivables:		
Property Taxes	83,990	8,883
Penalty and Interest on Delinquent Taxes		
Service Accounts	272,199	
Due from Other Funds		359,816
Due from the City of Houston	59,614	
Right-to-Use Subscription-Based Service Asset		
Joint Facilities Operating Advances	79,075	
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	<u>\$ 8,086,807</u>	<u>\$ 807,330</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 <u><u>\$ 8,086,807</u></u>	 <u><u>\$ 807,330</u></u>

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

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 478,993	\$	\$ 478,993
7,551,567		7,551,567
92,873		92,873
	35,540	35,540
272,199		272,199
359,816	(359,816)	
59,614		59,614
	125,531	125,531
79,075		79,075
	729,167	729,167
	5,954,443	5,954,443
	9,389,387	9,389,387
<u>\$ 8,894,137</u>	<u>\$ 15,874,252</u>	<u>\$ 24,768,389</u>
<u>\$ - 0 -</u>	<u>\$ 28,080</u>	<u>\$ 28,080</u>
<u><u>\$ 8,894,137</u></u>	<u><u>\$ 15,902,332</u></u>	<u><u>\$ 24,796,469</u></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, 2025

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	\$ 600,449	\$ 18,081
Accrued Interest Payable		
Due to Other Funds	359,816	
Security Deposits	74,004	
Long-Term Liabilities:		
Subscription Payable, Due Within One Year		
Subscription Payable, Due After One Year		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	<u>\$ 1,034,269</u>	<u>\$ 18,081</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	<u>\$ 83,990</u>	<u>\$ 8,883</u>
FUND BALANCES		
Nonspendable:		
Joint Facilities Operating Advances	\$ 79,075	\$
Restricted for Debt Service		780,366
Assigned For 2026 Budget	3,064,351	
Unassigned	<u>3,825,122</u>	
TOTAL FUND BALANCES	<u>\$ 6,968,548</u>	<u>\$ 780,366</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 8,086,807</u></u>	<u><u>\$ 807,330</u></u>
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 618,530	\$	\$ 618,530
	30,125	30,125
359,816	(359,816)	
74,004		74,004
	21,748	21,748
	117,156	117,156
	185,000	185,000
	3,252,834	3,252,834
<u>\$ 1,052,350</u>	<u>\$ 3,247,047</u>	<u>\$ 4,299,397</u>
<u>\$ 92,873</u>	<u>\$ (92,873)</u>	<u>\$ - 0 -</u>
\$ 79,075	\$ (79,075)	\$
780,366	(780,366)	
3,064,351	(3,064,351)	
3,825,122	(3,825,122)	
<u>\$ 7,748,914</u>	<u>\$ (7,748,914)</u>	<u>\$ - 0 -</u>
<u><u>\$ 8,894,137</u></u>		
	\$ 12,663,243	\$ 12,663,243
	794,664	794,664
	<u>7,039,165</u>	<u>7,039,165</u>
	<u>\$ 20,497,072</u>	<u>\$ 20,497,072</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, 2025

Total Fund Balances - Governmental Funds	\$	7,748,914
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets and intangible assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		16,198,528
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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.		28,080
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Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2024 and prior tax levies became part of recognized revenue in the governmental activities of the District.		128,413
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Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Accrued Interest Payable	\$ (30,125)	
Subscription Payable	(138,904)	
Bonds Payable	<u>(3,437,834)</u>	<u>(3,606,863)</u>

Total Net Position - Governmental Activities	\$	<u>20,497,072</u>
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The accompanying notes to the financial
statements are an integral part of this report.

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, 2025

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 2,488,440	\$ 252,775
Water Service	1,303,511	
Wastewater Service	1,172,324	
Groundwater Reduction Fees	817,720	
Sales Tax Revenues	246,040	
Penalty and Interest	22,451	32,880
Community Center Fees	55,309	
Investment and Miscellaneous Revenues	458,986	10,188
TOTAL REVENUES	\$ 6,564,781	\$ 295,843
EXPENDITURES/EXPENSES		
Service Operations:		
Personnel	\$ 924,095	\$
Professional Fees	147,707	720
Contracted Services	1,048,060	6,885
Purchased Wastewater Service	408,978	
Utilities	391,576	
Groundwater Reduction Costs	901,436	
Repairs and Maintenance	596,634	
Depreciation and Amortization		
Community Center	240,993	
Other	353,806	19,388
Capital Outlay	3,297,197	
Debt Service:		
Bond Principal		180,000
Bond Interest		74,725
TOTAL EXPENDITURES/EXPENSES	\$ 8,310,482	\$ 281,718
NET CHANGE IN FUND BALANCES	\$ (1,745,701)	\$ 14,125
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JULY 1, 2024	8,714,249	766,241
FUND BALANCES/NET POSITION - JUNE 30, 2025	\$ 6,968,548	\$ 780,366

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

Total	Adjustments	Statement of Activities
\$ 2,741,215	\$ 9,709	\$ 2,750,924
1,303,511		1,303,511
1,172,324		1,172,324
817,720		817,720
246,040		246,040
55,331	3,845	59,176
55,309		55,309
469,174		469,174
<u>\$ 6,860,624</u>	<u>\$ 13,554</u>	<u>\$ 6,874,178</u>
\$ 924,095	\$	\$ 924,095
148,427		148,427
1,054,945		1,054,945
408,978		408,978
391,576		391,576
901,436		901,436
596,634		596,634
	931,057	931,057
240,993		240,993
373,194	(20,692)	352,502
3,297,197	(3,297,197)	
180,000	(180,000)	
74,725	(3,622)	71,103
<u>\$ 8,592,200</u>	<u>\$ (2,570,454)</u>	<u>\$ 6,021,746</u>
\$ (1,731,576)	\$ 1,731,576	\$
	852,432	852,432
<u>9,480,490</u>	<u>10,164,150</u>	<u>19,644,640</u>
<u>\$ 7,748,914</u>	<u>\$ 12,748,158</u>	<u>\$ 20,497,072</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, 2025

Net Change in Fund Balances - Governmental Funds	\$ (1,731,576)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	9,709
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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.	3,845
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Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities. Certain assets are also amortized related to subscriptions payable.	(931,057)
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Governmental funds report capital outlay 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.	3,297,197
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Governmental funds report bond principal and subscription payments as expenditures. However, in the Statement of Net Position, bond principal payments and subscription payments are reported as decreases in long-term liabilities.	200,692
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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.	3,622
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Change in Net Position - Governmental Activities	\$ 852,432
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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, 2025

NOTE 1. CREATION OF DISTRICT

Mason Creek Utility District of Harris County, Texas (the “District”) was created by the Acts of the 62nd 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 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”). 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, is legally separate, and is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statements as component units.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”). 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, 2025

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 two 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.

MASON CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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 \$359,816 for the over transfer of maintenance tax collections and tax collection costs.

Capital Assets and Intangible 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.

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.

MASON CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Intangible Assets (Continued)

Estimated useful lives are as follows:

	<u>Years</u>
Buildings	50
Water System	50
Wastewater System	50
Drainage System	40
Sewer Plant Contribution	50
Community Center	20
Machinery and Equipment	5-15

In accordance with GASB Statement No. 96, the District records its subscription based meter reading service as an intangible asset (see Note 15). The right-to-use asset is being amortized over the same term as the subscription contract using the straight-line method of amortization.

Budgeting

An annual budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the budgeted amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has established a simplified pension plan and has elected to provide social security coverage to all employees who are not participating in a public retirement system (see Note 10). Directors' fees of office are 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, 2025

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 did 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. The District assigned \$3,064,351 of its General Fund fund balance to cover the 2026 budget deficit.

Unassigned: all other spendable amounts in the General Fund.

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

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, 2025

NOTE 3. LONG-TERM DEBT

	Series 2020
Amounts Outstanding - June 30, 2025	\$ 2,370,000
Interest Rates	2.00% - 2.20%
Maturity Dates – Serially Beginning/Ending	August 1, 2025/2039
Interest Payment Dates	August 1 / February 1
Callable Dates	August 1, 2026*

	Series 2020 Refunding
Amounts Outstanding - June 30, 2025	\$ 1,030,000
Interest Rates	2.00% - 3.00%
Maturity Dates – Serially Beginning/Ending	August 1, 2025/2031
Interest Payment Dates	August 1 / February 1
Callable Dates	August 1, 2026*

* 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.

As of June 30, 2025, 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.

Subsequent to the report date, the District intends to issue bonds not to exceed \$6,790,000. A portion of the bond proceeds totaling approximately \$4,820,110 will be used to reimburse the General Fund for construction and engineering costs paid by the General Fund for the Sanitary Sewer Rehabilitation projects covering Sections 1, 3 and 6.

MASON CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3. LONG-TERM DEBT (Continued)

Bonds payable activity for the current fiscal year is summarized in the following table:

	July 1, 2024	Additions	Retirements	June 30, 2025
Bonds Payable	\$ 3,580,000	\$	\$ 180,000	\$ 3,400,000
Unamortized Premiums	44,046		6,212	37,834
Bonds Payable, Net	<u>\$ 3,624,046</u>	<u>\$ -0-</u>	<u>\$ 186,212</u>	<u>\$ 3,437,834</u>
		Amount Due Within One Year		\$ 185,000
		Amount Due After One Year		<u>3,252,834</u>
		Bonds Payable, Net		<u>\$ 3,437,834</u>

As of June 30, 2025, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
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
2031-2035	1,125,000	195,550	1,320,550
2036-2040	<u>1,295,000</u>	<u>71,880</u>	<u>1,366,880</u>
	<u>\$ 3,400,000</u>	<u>\$ 570,280</u>	<u>\$ 3,970,280</u>

During the year ended June 30, 2025, the District levied an ad valorem debt service tax rate of \$0.0278 per \$100 of assessed valuation, which resulted in a tax levy of \$257,786 on the adjusted taxable valuation of \$927,287,398 for the 2024 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 6 for the maintenance tax levy.

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

MASON CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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 each five-year anniversary of the bonds.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$478,993 and the bank balance was \$522,774. The District was not exposed to custodial credit risk at year-end.

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

	<u>Cash</u>
GENERAL FUND	\$ 387,465
DEBT SERVICE FUND	<u>91,528</u>
TOTAL DEPOSITS	<u>\$ 478,993</u>

MASON CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Restrictions

All cash of the Debt Service Fund is restricted for the payment of debt service and the cost of assessing and collecting taxes.

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.

As of June 30, 2025, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 year
<u>GENERAL FUND</u>		
TexPool	\$ 7,204,464	\$ 7,204,464
<u>DEBT SERVICE FUND</u>		
TexPool	347,103	347,103
TOTAL INVESTMENTS	<u>\$ 7,551,567</u>	<u>\$ 7,551,567</u>

MASON CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District invests in TexPool, an external investment pool that is not SEC-registered. The Texas Comptroller of Public Accounts has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures its portfolio assets at amortized cost as does the District for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District's investment in TexPool is rated AAAm by Standard and Poor's.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in TexPool to have a maturity of less than one year since the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value.

NOTE 6. 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, 2025, the District levied an ad valorem maintenance tax rate of \$0.27357 per \$100 of assessed valuation, which resulted in a tax levy of \$2,536,780 on the adjusted taxable valuation of \$927,287,398 for the 2024 tax year.

MASON CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7. CAPITAL ASSETS

Capital asset activity for the current fiscal year is summarized in the following table:

	July 1, 2024	Increases	Decreases	June 30, 2025
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 729,167	\$	\$	\$ 729,167
Construction in Progress	<u>2,819,941</u>	<u>3,297,197</u>	<u>162,695</u>	<u>5,954,443</u>
Total Capital Assets Not Being Depreciated	<u>\$ 3,549,108</u>	<u>\$ 3,297,197</u>	<u>\$ 162,695</u>	<u>\$ 6,683,610</u>
Capital Assets Subject to Depreciation				
Community Center	\$ 1,396,931	\$ 24,000	\$	\$ 1,420,931
Recreational Facility	99,752			99,752
Buildings and Improvements	828,487			828,487
Furniture and Equipment	2,093,609	34,695		2,128,304
Water System	12,296,711	104,000		12,400,711
Wastewater System	11,738,765			11,738,765
Drainage System	<u>4,333,210</u>			<u>4,333,210</u>
Total Capital Assets Subject to Depreciation	<u>\$ 32,787,465</u>	<u>\$ 162,695</u>	<u>\$ - 0 -</u>	<u>\$ 32,950,160</u>
Accumulated Depreciation				
Community Center	\$ 1,248,793	\$ 22,555	\$	\$ 1,271,348
Recreational Facility	95,746	3,525		99,271
Buildings and Improvements	418,366	22,863		441,229
Furniture and Equipment	1,519,404	103,293		1,622,697
Water System	8,633,482	373,239		9,006,721
Wastewater System	6,428,698	381,343		6,810,041
Drainage System	<u>4,307,383</u>	<u>2,083</u>		<u>4,309,466</u>
Total Accumulated Depreciation	<u>\$ 22,651,872</u>	<u>\$ 908,901</u>	<u>\$ - 0 -</u>	<u>\$ 23,560,773</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 10,135,593</u>	<u>\$ (746,206)</u>	<u>\$ - 0 -</u>	<u>\$ 9,389,387</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 13,684,701</u>	<u>\$ 2,550,991</u>	<u>\$ 162,695</u>	<u>\$ 16,072,997</u>

MASON CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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.

On August 30, 2023, the District amended the terms of the agreement extending the initial term of 40 years for an additional 40 years from the effective date of the amendment, renewable for successive one-year terms (renewal periods).

Current capacity ownership is summarized in the following table:

	Owned Capacity in Gallons Per Day	Percentage of Ownership
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>
TOTAL	<u>6,475,000</u>	<u>100.00%</u>

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.

MASON CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8. WASTEWATER TREATMENT PLANT FACILITIES (Continued)

West Memorial Regional Wastewater Treatment Plant (Continued)

The District's share of the operating reserve at June 30, 2025, was \$49,075. 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, 2025.

Total Assets	\$ 815,965
Total Liabilities	<u>241,366</u>
Total Fund Balance	<u>\$ 574,599</u>
Total Revenues	\$ 3,347,918
Total Expenditures	<u>3,347,918</u>
Net Change in Fund Balance	\$ -0-
Increase in Operating Reserve	26,173
Beginning Fund Balance	<u>548,426</u>
Ending Fund Balance	<u>\$ 574,599</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, 2025

NOTE 8. WASTEWATER TREATMENT PLANT FACILITIES (Continued)

Cinco Regional Sewage Treatment Plant (Continued)

Current capacity and ownership is as follows:

	Owned Capacity in Gallons Per Day	Percentage of Ownership
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>
TOTAL	<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, 2024.

Total Assets	\$ 551,316
Total Liabilities	<u>431,316</u>
Total Fund Balance	<u><u>\$ 120,000</u></u>
Total Revenues	\$ 1,206,807
Total Expenditures	<u>1,206,807</u>
Net Increase (Decrease) in Fund Balance	\$ -0-
Fund Balance, Beginning of Year	<u>120,000</u>
Fund Balance, End of Year	<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, 2025.

MASON CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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 \$56,094 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, 2025, totaled \$901,436.

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 \$246,040 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, 2025

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.

NOTE 15. SUBSCRIPTION-BASED SERVICE AGREEMENT

In accordance with the requirements of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, the District recorded a right-to-use asset and related subscription payable in its financial statements pertaining to the subscription service agreement it has with Badger Meter dated October 13, 2017, and as amended most recently on March 3, 2021. The term of the agreement continues through March 3, 2031.

Monthly payments are based on the number of connections serviced times the contractual rate per connection, which is currently \$0.89 per connection per month. The monthly costs are approximately \$2,350 per month and vary slightly as the number of connections fluctuates month-to-month. Current year subscription payments totaled approximately \$28,200 with \$20,692 allocated to principal and the remainder to interest. The subscription liability was measured using a discount rate of 5.00%.

MASON CREEK UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15. SUBSCRIPTION-BASED SERVICE AGREEMENT (Continued)

Right-to-use assets, current amortization expense, and accumulated amortization are summarized in the following table.

	July 1, 2024	Increases	Decreases	June 30, 2025
Intangible Assets Subject to Amortization				
Subscription Based Service	\$ 221,561	\$	\$	\$ 221,561
Accumulated Amortization				
Subscription Based Service	73,874	22,156		96,030
Total Intangible Assets, Net of Accumulated Amortization	<u>\$ 147,687</u>	<u>\$ 22,156</u>	<u>\$ -0-</u>	<u>\$ 125,531</u>

The change in subscription payable during the current fiscal year is summarized in the following table:

	July 1, 2024	Additions	Retirements	June 30, 2025
Subscription Payable	<u>\$ 159,596</u>	<u>\$ -0-</u>	<u>\$ 20,692</u>	<u>\$ 138,904</u>

Future subscription payments, including the amount due within one year and amounts due after one year, are summarized in the following tables:

Fiscal Year	Principal	Interest	Total
2026	\$ 21,748	\$ 6,452	\$ 28,200
2027	22,861	5,339	28,200
2028	24,030	4,170	28,200
2029	25,260	2,940	28,200
2030	26,553	1,647	28,200
2031	18,452	348	18,800
	<u>\$ 138,904</u>	<u>\$ 20,896</u>	<u>\$ 159,800</u>
Amount Due Within One Year			\$ 21,748
Amount Due After One Year			117,156
Total Subscription Payable			<u>\$ 138,904</u>

MASON CREEK UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2025

MASON CREEK UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 2,377,400	\$ 2,488,440	\$ 111,040
Water Service	1,490,659	1,303,511	(187,148)
Wastewater Service	1,296,475	1,172,324	(124,151)
Groundwater Reduction Fees	947,800	817,720	(130,080)
Sales Tax Revenues	320,000	246,040	(73,960)
Penalty and Interest	25,000	22,451	(2,549)
Community Center Fees	70,000	55,309	(14,691)
Investment and Miscellaneous Revenues	417,007	458,986	41,979
TOTAL REVENUES	\$ 6,944,341	\$ 6,564,781	\$ (379,560)
EXPENDITURES			
Service Operations:			
Personnel	\$ 956,900	\$ 924,095	\$ 32,805
Professional Fees	152,300	147,707	4,593
Contracted Services	1,167,800	1,048,060	119,740
Purchased Wastewater Service	368,600	408,978	(40,378)
Utilities	370,000	391,576	(21,576)
Groundwater Reduction Costs	991,548	901,436	90,112
Repairs and Maintenance	1,362,000	596,634	765,366
Community Center	373,500	240,993	132,507
Other	358,706	353,806	4,900
Capital Outlay	6,998,357	3,297,197	3,701,160
TOTAL EXPENDITURES	\$ 13,099,711	\$ 8,310,482	\$ 4,789,229
NET CHANGE IN FUND BALANCE	\$ (6,155,370)	\$ (1,745,701)	\$ 4,409,669
FUND BALANCE - JULY 1, 2024	8,714,249	8,714,249	
FUND BALANCE - JUNE 30, 2025	\$ 2,558,879	\$ 6,968,548	\$ 4,409,669

See accompanying independent auditor's report.

MASON CREEK UTILITY DISTRICT
SUPPLEMENTARY INFORMATION – REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE
JUNE 30, 2025

MASON CREEK UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2025

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

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

2. RETAIL SERVICE PROVIDERS

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

The following rates are based on the rate order adopted February 12, 2025.

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
WATER:	\$ 21.53	3,000	N	\$ 2.07 \$ 3.15 \$ 3.46 \$ 5.33	3,001 to 10,000 10,001 to 15,000 15,001 to 20,000 20,001 and up
WASTEWATER:	\$ 21.92	3,000	N	\$2.01 \$2.82 \$3.10	3,001 to 10,000 10,001 to 15,000 15,001 and up
SURCHARGE:					
Groundwater Reduction				\$2.63	Per 1,000 gallons
Regulatory Assessment Fee	.5% of water and wastewater billed				

District employs winter averaging for wastewater usage? X
Yes No

Total monthly charges per 10,000 gallons usage: Water: \$36.02 Wastewater: \$35.99 Surcharge: \$26.66

See accompanying independent auditor's report.

MASON CREEK UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2025

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"	<u>2,469</u>	<u>2,452</u>	x 1.0	<u>2,452</u>
1"	<u>68</u>	<u>68</u>	x 2.5	<u>170</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>2,614</u>	<u>2,596</u>		<u>3,817</u>
Total Wastewater Connections	<u>2,339</u>	<u>2,323</u>	x 1.0	<u>2,323</u>

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

Gallons pumped into system:	344,891,000	Water Accountability Ratio: 92.97 % (Gallons billed/Gallons pumped)
Gallons billed to customers:	320,659,000	

See accompanying independent auditor's report.

MASON CREEK UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025

PERSONNEL EXPENDITURES (Including Benefits)	\$ 924,095
PROFESSIONAL FEES:	
Auditing	\$ 23,000
Engineering	59,649
Legal	<u>65,058</u>
TOTAL PROFESSIONAL FEES	<u>\$ 147,707</u>
PURCHASED WASTEWATER SERVICE	<u>\$ 408,978</u>
CONTRACTED SERVICES:	
Tax Collection Costs	\$ 64,997
Bookkeeping	49,345
Billing and Collections	35,788
Solid Waste Disposal	<u>897,930</u>
TOTAL CONTRACTED SERVICES	<u>\$ 1,048,060</u>
UTILITIES:	
Electricity	\$ 240,598
Street Lights	122,039
Telephone	<u>28,939</u>
TOTAL UTILITIES	<u>\$ 391,576</u>
REPAIRS AND MAINTENANCE	<u>\$ 596,634</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 32,160
Insurance	117,693
Office Supplies and Postage	55,617
Service Charges and Credit Card Fees	15,371
Travel and Meetings	9,823
Subscriptions, Rents, and Leases	27,411
Other	<u>19,855</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 277,930</u>

See accompanying independent auditor's report.

MASON CREEK UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

CAPITAL OUTLAY	\$ <u>3,297,197</u>
COMMUNITY CENTER	\$ <u>240,993</u>
OTHER EXPENDITURES:	
Chemicals	\$ 41,904
Groundwater Reduction Costs	901,436
Permit Fees	20,203
Regulatory Assessment	<u>13,769</u>
TOTAL OTHER EXPENDITURES	\$ <u>977,312</u>
TOTAL EXPENDITURES	\$ <u><u>8,310,482</u></u>
Number of persons employed by the District	<u>9</u> Full-Time <u>1</u> Part-Time

See accompanying independent auditor's report.

MASON CREEK UTILITY DISTRICT
INVESTMENTS
JUNE 30, 2025

<u>Fund</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
TexPool	XXXX0001	Varies	Daily	<u>\$ 7,204,464</u>	<u>\$ - 0 -</u>
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0002	Varies	Daily	<u>\$ 347,103</u>	<u>\$ - 0 -</u>
TOTAL - ALL FUNDS				<u><u>\$ 7,551,567</u></u>	<u><u>\$ - 0 -</u></u>

See accompanying independent auditor's report.

MASON CREEK UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Maintenance Taxes</u>		<u>Debt Service Taxes</u>	
TAXES RECEIVABLE -				
JULY 1, 2024	\$	75,138	\$	8,026
Adjustments to Beginning				
Balance		<u>(39,488)</u>		<u>(4,154)</u>
	\$	35,650	\$	3,872
Original 2024 Tax Levy	\$	2,419,119	\$	245,829
Adjustment to 2024 Tax Levy		<u>117,661</u>		<u>11,957</u>
		2,536,780		257,786
TOTAL TO BE				
ACCOUNTED FOR		\$ 2,572,430		\$ 261,658
TAX COLLECTIONS:				
Prior Years	\$	(12,306)	\$	(1,349)
Current Year		<u>2,500,746</u>		<u>254,124</u>
		2,488,440		252,775
TAXES RECEIVABLE -				
JUNE 30, 2025		<u>\$ 83,990</u>		<u>\$ 8,883</u>
TAXES RECEIVABLE BY				
YEAR:				
2024	\$	36,034	\$	3,662
2023		10,501		1,115
2022		6,918		763
2021		4,564		548
2020		3,784		473
2019		3,111		446
2018		3,722		332
2017 and prior		<u>15,356</u>		<u>1,544</u>
TOTAL	\$	<u>83,990</u>	\$	<u>8,883</u>

See accompanying independent auditor's report.

MASON CREEK UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
PROPERTY VALUATIONS:				
Land	\$ 334,152,157	\$ 322,741,819	\$ 262,483,559	\$ 215,779,142
Improvements	856,990,411	854,511,063	787,209,610	674,931,087
Personal Property	59,410,496	59,669,727	57,612,636	47,916,041
Exemptions	<u>(323,265,666)</u>	<u>(359,095,124)</u>	<u>(306,423,320)</u>	<u>(235,309,659)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 927,287,398</u>	<u>\$ 877,827,485</u>	<u>\$ 800,882,485</u>	<u>\$ 703,316,611</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.02780	\$ 0.0293	\$ 0.031	\$ 0.036
Maintenance	<u>0.27357</u>	<u>0.2760</u>	<u>0.281</u>	<u>0.300</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.30137</u>	<u>\$ 0.3053</u>	<u>\$ 0.312</u>	<u>\$ 0.336</u>
ADJUSTED TAX LEVY*	<u>\$ 2,794,566</u>	<u>\$ 2,680,007</u>	<u>\$ 2,498,754</u>	<u>\$ 2,363,144</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>98.58 %</u>	<u>99.57 %</u>	<u>99.69 %</u>	<u>99.78 %</u>

* 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, 2025

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
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>\$ 2,370,000</u>	<u>\$ 492,930</u>	<u>\$ 2,862,930</u>

See accompanying independent auditor's report.

MASON CREEK UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

REFUNDING SERIES - 2020			
Due During Fiscal Years Ending June 30	Principal Due August 1	Interest Due August 1/ February 1	Total
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>\$ 1,030,000</u>	<u>\$ 77,350</u>	<u>\$ 1,107,350</u>

See accompanying independent auditor's report.

MASON CREEK UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending June 30	Total Principal Due	Total Interest Due	Total Principal and Interest Due
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>\$ 3,400,000</u>	<u>\$ 570,280</u>	<u>\$ 3,970,280</u>

See accompanying independent auditor's report.

MASON CREEK UTILITY DISTRICT
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JUNE 30, 2025

Description	Original Bonds Issued	Bonds Outstanding July 1, 2024
Mason Creek Utility District Unlimited Tax Bonds - Series 2020	\$ 2,650,000	\$ 2,425,000
Mason Creek Utility District Unlimited Tax Refunding Bonds - Series 2020	<u>1,485,000</u>	<u>1,155,000</u>
TOTAL	<u>\$ 4,135,000</u>	<u>\$ 3,580,000</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, 2025: \$ 438,631

Average annual debt service payment for remaining term of all bond debt: \$ 264,685

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

See accompanying independent auditor's report.

Current Year Transactions				
Bonds Sold	Retirements		Bonds Outstanding June 30, 2025	Paying Agent
	Principal	Interest		
\$	\$ 55,000	\$ 49,550	\$ 2,370,000	UMB Bank N.A. Houston, TX
	125,000	25,175	1,030,000	UMB Bank N.A. Houston, TX
<u>\$ - 0 -</u>	<u>\$ 180,000</u>	<u>\$ 74,725</u>	<u>\$ 3,400,000</u>	

See accompanying independent auditor's report.

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

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	\$ 2,488,440	\$ 2,369,140	\$ 2,230,792
Water Service	1,303,511	1,454,976	1,482,701
Wastewater Service	1,172,324	1,257,078	1,234,146
Groundwater Reduction Fees	817,720	914,145	590,880
Sales Tax Revenues	246,040	288,688	298,696
Penalty and Interest	22,451	23,051	23,825
Community Center Fees	55,309	52,822	25,645
Investment, FEMA and Miscellaneous Revenues	<u>458,986</u>	<u>463,981</u>	<u>159,014</u>
TOTAL REVENUES	<u>\$ 6,564,781</u>	<u>\$ 6,823,881</u>	<u>\$ 6,045,699</u>
EXPENDITURES			
Personnel	\$ 924,095	\$ 899,401	\$ 849,123
Professional Fees	147,707	158,848	113,011
Contracted Services	1,048,060	1,007,121	913,398
Purchased Wastewater Service	408,978	378,340	381,987
Utilities	391,576	393,351	327,625
Groundwater Reduction Costs	901,436	944,669	469,016
Repairs and Maintenance	596,634	670,374	1,143,882
Community Center	240,993	296,454	224,513
Other	353,806	345,896	346,555
Capital Outlay	<u>3,297,197</u>	<u>2,163,430</u>	<u>569,089</u>
TOTAL EXPENDITURES	<u>\$ 8,310,482</u>	<u>\$ 7,257,884</u>	<u>\$ 5,338,199</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (1,745,701)</u>	<u>\$ (434,003)</u>	<u>\$ 707,500</u>
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,745,701)</u>	<u>\$ (434,003)</u>	<u>\$ 707,500</u>
BEGINNING FUND BALANCE	<u>8,714,249</u>	<u>9,148,252</u>	<u>8,440,752</u>
ENDING FUND BALANCE	<u><u>\$ 6,968,548</u></u>	<u><u>\$ 8,714,249</u></u>	<u><u>\$ 9,148,252</u></u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
\$ 2,064,089	\$ 2,085,452	37.9 %	34.8 %	36.9 %	38.9 %	39.0 %
1,369,689	1,319,575	19.9	21.3	24.5	25.8	24.7
1,152,727	1,187,834	17.9	18.4	20.4	21.7	22.2
337,726	345,782	12.5	13.4	9.8	6.4	6.5
310,362	248,123	3.7	4.2	4.9	5.8	4.6
22,026	3,956	0.3	0.3	0.4	0.4	0.1
6,390	21,638	0.8	0.8	0.4	0.1	0.4
43,766	134,500	7.0	6.8	2.7	0.9	2.5
<u>\$ 5,306,775</u>	<u>\$ 5,346,860</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 836,668	\$ 778,625	14.1 %	13.2 %	14.0 %	15.8 %	14.6 %
139,829	115,088	2.2	2.3	1.9	2.6	2.2
885,128	853,132	16.0	14.8	15.1	16.7	16.0
302,192	341,996	6.2	5.5	6.3	5.7	6.4
292,097	302,657	6.0	5.8	5.4	5.5	5.7
368,228	361,754	13.7	13.8	7.8	6.9	6.8
491,512	1,648,470	9.1	9.8	18.9	9.3	30.8
343,351	380,064	3.7	4.3	3.7	6.5	7.1
296,130	270,323	5.4	5.1	5.7	5.6	5.1
579,769	791,106	50.2	31.7	9.4	10.9	14.8
<u>\$ 4,534,904</u>	<u>\$ 5,843,215</u>	<u>126.6 %</u>	<u>106.3 %</u>	<u>88.2 %</u>	<u>85.5 %</u>	<u>109.5 %</u>
\$ 771,871	\$ (496,355)	(26.6) %	(6.3) %	11.8 %	14.5 %	(9.5) %
<u>\$ - 0 -</u>	<u>\$ (91,310)</u>					
\$ 771,871	\$ (587,665)					
<u>7,668,881</u>	<u>8,256,546</u>					
<u>\$ 8,440,752</u>	<u>\$ 7,668,881</u>					

See accompanying independent auditor's report.

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

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	\$ 252,775	\$ 248,742	\$ 246,122
Penalty and Interest	32,880	19,741	24,573
Investment and Miscellaneous Revenues	<u>10,188</u>	<u>43,616</u>	<u>14,136</u>
TOTAL REVENUES	<u>\$ 295,843</u>	<u>\$ 312,099</u>	<u>\$ 284,831</u>
EXPENDITURES			
Tax Collection Expenditures	\$ 25,993	\$ 6,850	\$ 7,476
Debt Service Principal	180,000	175,000	130,000
Debt Service Interest and Fees	75,725	80,525	128,900
Bond Issuance Costs	<u></u>	<u></u>	<u></u>
TOTAL EXPENDITURES	<u>\$ 281,718</u>	<u>\$ 262,375</u>	<u>\$ 266,376</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 14,125</u>	<u>\$ 49,724</u>	<u>\$ 18,455</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Issuance of Refunding Bonds	\$	\$	\$
Payment to Refunded Bond Escrow Agent			
Bond Premium	<u></u>	<u></u>	<u></u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
NET CHANGE IN FUND BALANCE	\$ 14,125	\$ 49,724	\$ 18,455
BEGINNING FUND BALANCE	<u>766,241</u>	<u>716,517</u>	<u>698,062</u>
ENDING FUND BALANCE	<u>\$ 780,366</u>	<u>\$ 766,241</u>	<u>\$ 716,517</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>2,596</u>	<u>2,597</u>	<u>2,593</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>2,323</u>	<u>2,334</u>	<u>2,341</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
\$ 247,610	\$ 260,862	85.5 %	79.7 %	86.4 %	78.6 %	88.6 %
20,512	17,725	11.1	6.3	8.6	6.5	6.0
46,902	15,928	3.4	14.0	5.0	14.9	5.4
<u>\$ 315,024</u>	<u>\$ 294,515</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 7,117	\$ 7,523	8.8 %	2.2 %	2.6 %	2.3 %	2.6 %
175,000	180,000	60.8	56.1	45.6	55.6	61.1
85,775	89,221	25.6	25.8	45.3	27.2	30.3
<u>99,618</u>	<u>99,618</u>					<u>33.8</u>
<u>\$ 267,892</u>	<u>\$ 376,362</u>	<u>95.2 %</u>	<u>84.1 %</u>	<u>93.5 %</u>	<u>85.1 %</u>	<u>127.8 %</u>
\$ 47,132	\$ (81,847)	4.8 %	15.9 %	6.5 %	14.9 %	(27.8) %
\$	\$ 1,485,000					
	(1,495,233)					
	<u>110,350</u>					
<u>\$ - 0 -</u>	<u>\$ 100,117</u>					
\$ 47,132	\$ 18,270					
650,930	632,660					
<u>\$ 698,062</u>	<u>\$ 650,930</u>					
<u>2,585</u>	<u>2,564</u>					
<u>2,339</u>	<u>2,327</u>					

See accompanying independent auditor's report.

MASON CREEK UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2025

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

District Telephone Number - (281) 578-7272

Board Members:	<u>Term of Office (Elected or Appointed)</u>	<u>Fees of Office for the year ended June 30, 2025</u>	<u>Expense Reimbursements for the year ended June 30, 2025</u>	<u>Title</u>
Brian C. Connolly	05/24 05/28 (Elected)	\$ 7,200	\$ -0-	President
James K. Nordhaus	05/22 05/26 (Elected)	\$ 7,200	\$ -0-	Vice President
Frederick Castellano	05/24 05/28 (Elected)	\$ 5,280	\$ -0-	Secretary/Treasurer
Joe Adams	10/24 05/26 (Appointed)	\$ 3,080	\$ -0-	Director
John H. Cameron	05/24 05/28 (Elected)	\$ 7,200	\$ -0-	Director
Len Forsyth (Resigned 09/24)	05/22 05/26 (Elected)	\$ 2,200	\$ -0-	Former Director

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.

The most recent submission date of the District Registration Form was on October 3, 2024.

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, 2025

Key Personnel:	<u>Date Hired</u>	<u>Fees for the year ended June 30, 2025</u>	<u>Title</u>
James Parrot	02/17/99	\$ 136,915	System Operator
Susan Saccomen	07/2002	\$ 87,650	District Office Manager
Consultants:			
James L. Dougherty	08/1984	\$ 72,281	General Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	07/2013	\$ 23,000	Audit Related
McLennan & Associates	01/01/22	\$ 55,593	Bookkeeper
Hal R. Gordon	08/1984	\$ 7,529	Delinquent Tax Attorney
Venturi Engineers, LLC	01/2017	\$ 522,569	Engineer
Blitch Associates, Inc.	10/2010	\$ -0-	Financial Advisor
BLICO, Inc.	06/1995	\$ 39,753	Tax Collector/ Sales Tax Consultant

See accompanying independent auditor's report.

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS }

COUNTY OF HARRIS }

I, Noel W. Barfoot of the
(Name of Duly Authorized District Representative)
Mason Creek Utility District
(Name of District)

hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of Directors of the District on the 6th day of November, 2025, its annual audit report for the fiscal year or period ended June 30, 2025 and that copies of the annual audit report have been filed in the district office, located at

847 Dominion – Katy, TX 77450

(Address of District)

The annual filing affidavit and the attached copy of the audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of the annual filing requirements of Texas Water Code Section 49.194.

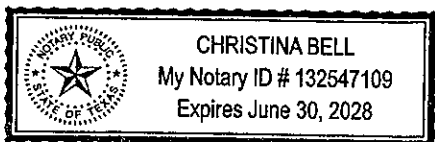
Date: November 12, 2025

By: Noel W. Barfoot
(Signature of District Representative)

Noel W. Barfoot, Auditor
(Typed Name & Title of above District Representative)

Sworn to and subscribed to before me this the 12th day of November, 2025.

(Seal)



C Bell
(Signature of Notary)

My Commission Expires On: June 30, 2028.
Notary Public in the State of Texas.