

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT
MONTGOMERY COUNTY, TEXAS
ANNUAL AUDIT REPORT
SEPTEMBER 30, 2023

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Mark C. Eyring, CPA, PLLC

12702 Century Drive • Suite C2 • Stafford, Texas 77477 • 281-277-9595 • Mark@EyringCPA.com

February 1, 2024

INDEPENDENT AUDITOR'S REPORT

Board of Directors
River Plantation Municipal
Utility District
Montgomery County, Texas

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the River Plantation Municipal Utility District as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise River Plantation Municipal Utility District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the River Plantation Municipal Utility District, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows there of for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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. I 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 River Plantation Municipal Utility District's internal control. Accordingly, no such opinion is expressed. I 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. I conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about River Plantation Municipal Utility District's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITOR'S REPORT (Continued)**Supplementary Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise River Plantation Municipal Utility District's basic financial statements. The supplementary information on Pages 23 to 39 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. Except for the portion marked "unaudited," the information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The supplementary information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it. The accompanying supplementary information includes financial data excerpted from prior year financial statements which were audited by my firm.

A handwritten signature in black ink, appearing to read "M. A. J.", is located in the lower right quadrant of the page.

Management's Discussion and Analysis

Using this Annual Report

Within this section of the River Plantation Municipal Utility District (the "District") annual report, the District's Board of Directors provides narrative discussion and analysis of the financial activities of the District for the fiscal year ended September 30, 2023.

The annual report consists of a series of financial statements plus additional supplemental information to the financial statements as required by its state oversight agency, the Texas Commission on Environmental Quality. In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program. In the District's case, the single governmental program is provision of water and sewer services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements, and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets and liabilities owned by the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's total assets and total liabilities is labeled as *net position* and this difference is similar to the total owners' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Although the statement of activities looks different from a commercial enterprise's income statement, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as *change in net position*, essentially the same thing.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures and change in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and water and sewer systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

Because the focus of the government-wide and fund financial statements are different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in Note 3 of the notes to the financial statements that reconciles the total fund balances to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in Note 3 of the notes to the financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the statement of activities.

Financial Analysis of the District as a Whole

Financial Analysis of the District as a Whole begins with an understanding of how financial resources flow through the District's funds. Resources in the Capital Projects Fund are derived principally from proceeds of the sale of bonds, and expenditures from this fund are subject to the Rules of the Texas Commission on Environmental Quality. Resources in the Debt Service Fund are derived principally from the collection of property taxes and are used for the payment of tax collection costs and bond principal and interest. Resources in the General Fund are derived principally from property taxes and billings for water and sewer services and are used to operate and maintain the system and to pay costs of administration of the District.

Management has financial objectives for each of the District's funds. The financial objective for the Capital Projects Fund is to spend the funds as necessary in accordance with the Rules of the Texas Commission on Environmental Quality. The financial objective for the General Fund is to keep the fund's expenditures as low as possible while ensuring that revenues are adequate to cover expenditures and maintaining the fund balance that Management believes is prudent. Management believes that these financial objectives were met during the fiscal year.

Management believes that the required method of accounting for certain elements of the government-wide financial statements makes the government-wide financial statements as a whole not useful for financial analysis. In the government-wide financial statements, capital assets and depreciation expense have been required to be recorded at historical cost. Management's policy is to maintain the District's capital assets in a condition greater than or equal to the condition required by regulatory authorities, and management does not believe that depreciation expense is relevant to the management of the District. In the government-wide financial statements, property tax revenues are required to be recorded in the fiscal year for which the taxes are levied, regardless of the year of collection. Management believes that the cash basis method of accounting for property taxes in the funds provides more useful financial information.

The following required summaries of the District's overall financial position and operations for the past two years are based on the information included in the government-wide financial statements. For the reasons described in the preceding paragraph, a separate analysis of the summaries is not presented.

Summary of Net Position

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Current and other assets	\$ 6,921,178	\$ 7,766,268	\$ (845,090)
Capital assets	6,627,741	6,070,257	557,484
Total assets	<u>13,548,919</u>	<u>13,836,525</u>	<u>(287,606)</u>
Long-term liabilities	8,568,470	8,723,082	(154,612)
Other liabilities	649,720	538,113	111,607
Total liabilities	<u>9,218,190</u>	<u>9,261,195</u>	<u>(43,005)</u>
Net position:			
Invested in capital assets, net of related debt	(2,095,341)	(2,714,688)	619,347
Restricted	5,202,204	5,986,152	(783,948)
Unrestricted	1,223,866	1,303,866	(80,000)
Total net position	<u>\$ 4,330,729</u>	<u>\$ 4,575,330</u>	<u>\$ (244,601)</u>

Summary of Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Revenues:			
Property taxes, including related penalty and interest	\$ 1,062,349	\$ 531,380	\$ 530,969
Charges for services	1,143,161	990,462	152,699
Other revenues	344,554	51,273	293,281
Total revenues	<u>2,550,064</u>	<u>1,573,115</u>	<u>976,949</u>
Expenses:			
Service operations	2,387,365	1,917,934	469,431
Debt service	407,300	1,102,269	(694,969)
Total expenses	<u>2,794,665</u>	<u>3,020,203</u>	<u>(225,538)</u>
Change in net position	(244,601)	(1,447,088)	1,202,487
Net position, beginning of year	<u>4,575,330</u>	<u>6,022,418</u>	<u>(1,447,088)</u>
Net position, end of year	<u>\$ 4,330,729</u>	<u>\$ 4,575,330</u>	<u>\$ (244,601)</u>

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended September 30, 2023, were \$6,421,931, a decrease of \$874,982 from the prior year.

The General Fund balance decreased by \$84,350, in accordance with the District's financial plan.

The Special Revenue Fund balance increased by \$25,000 due to District's contribution of \$25,000.

The Debt Service Fund balance increased by \$25,00, in accordance with the District's financial plan.

The Capital Projects Fund balance decreased by \$850,343, as authorized expenditures exceeded interest earnings on deposits and investments.

General Fund Budgetary Highlights

The Board of Directors did not amend the budget during the fiscal year. The District's budget is primarily a planning tool. Accordingly, actual results varied from the budgeted amounts. A comparison of actual to budgeted amounts is presented on Page 21 of this report. The budgetary fund balance as of September 30, 2023, was expected to be \$1,196,982 and the actual end of year fund balance was \$1,183,831.

Capital Asset and Debt Administration

Capital Assets

Capital assets held by the District at the end of the current and previous fiscal years are summarized as follows:

	<u>Capital Assets (Net of Accumulated Depreciation)</u>		
	<u>2023</u>	<u>2022</u>	<u>Change</u>
Land	\$ 1,444,898	\$ 1,444,898	\$ 0
Construction in progress	527,103	0	527,103
Buildings and improvements	47,047	55,531	(8,484)
Machinery and equipment	3,455	3,671	(216)
Infrastructure	<u>4,605,238</u>	<u>4,566,157</u>	<u>39,081</u>
Totals	<u>\$ 6,627,741</u>	<u>\$ 6,070,257</u>	<u>\$ 557,484</u>

Changes to capital assets during the fiscal year ended September 30, 2023, are summarized as follows:

Additions:		
Water system improvements		\$ 146,752
Sewer system improvements		<u>687,974</u>
Total additions to capital assets		834,726
Decreases:		
Depreciation		<u>(277,242)</u>
Net change to capital assets		<u>\$ 557,484</u>

Debt

Changes in the bonded debt position of the District during the fiscal year ended September 30, 2023, are summarized as follows:

Bonded debt payable, beginning of year	\$ 8,610,000
Bonds paid	<u>(50,000)</u>
Bonded debt payable, end of year	<u>\$ 8,560,000</u>

At September 30, 2023, the District had \$8,050,000 of bonds authorized but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage system within the District and \$325,943 of bonds authorized but unissued for parks and recreational facilities.

The District's Series 2022 utility bonds and Series 2022 park bonds are insured by Build America Mutual Assurance Company. The insured rating of the Series 2022 utility bonds and Series 2022 park bonds is AA by Standard & Poor's. There were no changes in the bond ratings during the fiscal year ended September 30, 2023.

RELEVANT FACTORS AND WATER SUPPLY ISSUES

Property Tax Base

The District's tax base increased approximately \$35,025,000 for the 2022 tax year (approximately 20%), due to the increase in the average assessed valuations on existing properties.

Relationship to the City of Conroe

Under existing Texas law, since the District lies totally within the extraterritorial jurisdiction of the City of Conroe ("City"), the District must conform to a City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City. If the District is annexed, the City will assume the District's assets and obligations (including the bonded indebtedness) and dissolve the District within ninety (90) days.

Utilizing a provision of Texas law, the City and the District entered into a Strategic Partnership Agreement ("SPA") effective as of November 14, 2014. The SPA continues through December 31, 2034 and provides guarantees against municipal annexation for the portions of the District located to the East of Interstate 45 in exchange for the District's exclusion of certain commercial and undeveloped non-residential territory located to the West of Interstate 45 in order to facilitate the annexation of such territory by the City.

Water Supply Issues

The District is within the boundaries of the Lone Star Groundwater Conservation District ("LSGCD"). The LSGCD was created by the Legislature of the State of Texas in Acts 2001, 77th Legislature, Regular Session. The LSGCD is a political subdivision of the State of Texas, governed by an elected seven member board of directors. The purpose of the LSGCD is to provide for the conservation, preservation, protection, recharging, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, and the control of subsidence caused by the withdrawal of water from those groundwater reservoirs or their subdivisions, consistent with the objectives of Section 59, Article XVI, Texas Constitution. Rule 8.1 of the rules of the LSGCD authorizes the board of directors of the LSGCD to establish by resolution a regulatory water use fee to accomplish the purposes of the LSGCD. In accordance with this rule, as of September 30, 2023, the LSGCD had established a regulatory water use fee of \$0.085 per 1,000 gallons of water pumped from each regulated well.

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2023

	General	Special Revenue Fund	Debt Service	Capital Projects	Total	Adjustments (Note 3)	Statement of Net Position
ASSETS							
Cash, including interest-bearing accounts, Note 7	\$ 130,775	\$ 64,109	\$	\$ 360	\$ 195,244	\$	\$ 195,244
Temporary investments, at cost, Note 7	999,812		348,826	5,150,848	6,499,486		6,499,486
Receivables:							
Property taxes	40,035		18,137		58,172		58,172
Service accounts	111,287				111,287		111,287
Due from East Plantation Utility District, Note 9		50,671		6,318	56,989		56,989
Maintenance taxes collected not yet transferred from other fund	921				921	(921)	0
Due from other fund	235,934	44,727		6,009	286,670	(286,670)	0
Operating reserve at joint facilities, Note 9	25,000				25,000	(25,000)	0
Capital assets, net of accumulated depreciation, Note 4:							
Capital assets not being depreciated					0	1,972,000	1,972,000
Depreciable capital assets					0	4,655,740	4,655,740
Total assets	<u>\$ 1,543,764</u>	<u>\$ 159,507</u>	<u>\$ 366,963</u>	<u>\$ 5,163,535</u>	<u>\$ 7,233,769</u>	<u>6,315,149</u>	<u>13,548,918</u>
LIABILITIES							
Accounts payable	\$ 159,002	\$ 75,785	\$	\$ 5,618	\$ 240,405		240,405
Construction contracts payable				106,626	106,626		106,626
Accrued interest payable					0	29,033	29,033
Customer and builder deposits	119,044				119,044		119,044
Maintenance taxes collected not yet transferred to other fund			921		921	(921)	0
Due to other fund	41,852	58,722		186,096	286,670	(286,670)	0
Long-term liabilities, Note 5:							
Due within one year					0	154,612	154,612
Due in more than one year					0	8,568,470	8,568,470
Total liabilities	<u>319,898</u>	<u>134,507</u>	<u>921</u>	<u>298,340</u>	<u>753,666</u>	<u>8,464,524</u>	<u>9,218,190</u>
DEFERRED INFLOWS OF RESOURCES							
Property tax revenues	40,035	0	18,137	0	58,172	(58,172)	0
FUND BALANCES / NET POSITION							
Fund balances:							
Reserved for:							
Operating reserve at joint facilities, Note 9	25,000				25,000	(25,000)	0
Committed to construction contracts in progress				717,199	717,199	(717,199)	0
Assigned to:							
Debt service			347,905		347,905	(347,905)	0
Capital projects				4,147,996	4,147,996	(4,147,996)	0
Operating reserve at joint facilities, Note 9		25,000			25,000	(25,000)	0
Unassigned	1,158,831				1,158,831	(1,158,831)	0
Total fund balances	<u>1,183,831</u>	<u>25,000</u>	<u>347,905</u>	<u>4,865,195</u>	<u>6,421,931</u>	<u>(6,421,931)</u>	<u>0</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 1,543,764</u>	<u>\$ 159,507</u>	<u>\$ 366,963</u>	<u>\$ 5,163,535</u>	<u>\$ 7,233,769</u>		
Net position:							
Invested in capital assets, net of related debt, Note 4						(2,095,341)	(2,095,341)
Restricted for debt service						337,009	337,009
Restricted for capital projects						4,865,195	4,865,195
Unrestricted						1,223,866	1,223,866
Total net position						<u>\$ 4,330,729</u>	<u>\$ 4,330,729</u>

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

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Note 3)	Statement of Activities
REVENUES							
Property taxes	\$ 545,241		\$ 491,485		\$ 1,036,726	\$ 22,487	\$ 1,059,213
Water service	455,796				455,796		455,796
Sewer service	436,001				436,001		436,001
Surface water fees, Note 10	10,097				10,097		10,097
From participants in joint facilities		407,876			407,876	(235,930)	171,946
Penalty and interest	26,839		3,136		29,975		29,975
Interest on deposits and investments	49,266	56	22,800	272,432	344,554		344,554
Other revenues	42,482				42,482		42,482
Total revenues	<u>1,565,722</u>	<u>407,932</u>	<u>517,421</u>	<u>272,432</u>	<u>2,763,507</u>	<u>(213,443)</u>	<u>2,550,064</u>
EXPENDITURES / EXPENSES							
Service operations:							
Purchased services, Note 9	235,930				235,930	(235,930)	0
Professional fees	349,956	47,321			397,277		397,277
Contracted services	219,448	41,257			260,705		260,705
Utilities	73,751	50,136			123,887		123,887
Surface water fees, Note 10	19,199				19,199		19,199
Repairs and maintenance	607,019	194,723		288,049	1,089,791		1,089,791
Other operating expenditures	42,071	70,781			112,852		112,852
Administrative expenditures	102,698	3,714			106,412		106,412
Depreciation					0	277,242	277,242
Capital outlay / non-capital outlay				834,726	834,726	(834,726)	0
Debt service:							
Principal retirement			50,000		50,000	(50,000)	0
Interest and fees			432,710		432,710	(25,410)	407,300
Total expenditures / expenses	<u>1,650,072</u>	<u>407,932</u>	<u>482,710</u>	<u>1,122,775</u>	<u>3,663,489</u>	<u>(868,824)</u>	<u>2,794,665</u>
Excess (deficiency) of revenues over expenditures	<u>(84,350)</u>	<u>0</u>	<u>34,711</u>	<u>(850,343)</u>	<u>(899,982)</u>	<u>655,381</u>	<u>(244,601)</u>
OTHER FINANCING SOURCES (USES)							
Increase (decrease) in operating reserve	<u>0</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>(25,000)</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>(25,000)</u>	<u>0</u>
Net change in fund balances / net position	<u>(84,350)</u>	<u>25,000</u>	<u>34,711</u>	<u>(850,343)</u>	<u>(874,982)</u>	<u>630,381</u>	<u>(244,601)</u>
Beginning of year	<u>1,268,181</u>	<u>0</u>	<u>313,194</u>	<u>5,715,538</u>	<u>7,296,913</u>	<u>(2,721,583)</u>	<u>4,575,330</u>
End of year	<u>\$ 1,183,831</u>	<u>\$ 25,000</u>	<u>\$ 347,905</u>	<u>\$ 4,865,195</u>	<u>\$ 6,421,931</u>	<u>\$ (2,091,202)</u>	<u>\$ 4,330,729</u>

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

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1: REPORTING ENTITY

River Plantation Municipal Utility District (the "District") was created by the Texas Legislature in 1963 as a fresh water supply district and converted to a municipal utility district in 1978. The District operates in accordance with Texas Water Code Chapters 49 and 54. The first bonds were sold on April 15, 1966. The District is a political subdivision of the State of Texas, governed by an elected five member Board of Directors. The District is subject to the continuing supervision of the Texas Commission on Environmental Quality.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water. The District may provide garbage disposal and collection services. In addition, the District is empowered, if approved by the electorate, the Texas Commission on Environmental Quality and other governmental entities having jurisdiction, to establish, operate and maintain a fire department, either independently or jointly with certain other districts.

Under existing Texas law, since the District lies totally within the extraterritorial jurisdiction of the City of Conroe ("City"), the District must conform to a City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City without the District's consent. If the District is annexed, the City will assume the District's assets and obligations (including the bonded indebtedness) and dissolve the District within ninety (90) days.

Utilizing a provision of Texas law, the City and the District entered into a Strategic Partnership Agreement ("SPA") effective as of November 14, 2014. The SPA continues through December 31, 2034 and provides guarantees against municipal annexation for the portions of the District located to the East of Interstate 45 in exchange for the District's exclusion of certain commercial and undeveloped non-residential territory located to the West of Interstate 45 in order to facilitate the annexation of such territory by the City.

In evaluating how to define the District for financial reporting purposes, the Board of Directors of the District has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no other entities which were included as a component unit in the District's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board (the "GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board issued through November 30, 1989 (when applicable), that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

Basic Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and governmental fund financial statements (reporting the District's funds). Because the District is a single-program government as defined by the GASB, the District has combined the government-wide statements and the fund financial statements using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column on the face of the financial statements. An additional reconciliation between the fund and the government-wide financial data is presented in Note 3.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The government-wide statement of activities reports the components of the changes in net position during the reporting period.

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for in a separate set of self-balancing accounts that comprises its assets, liabilities, fund balances, revenues and expenditures and changes in fund balances. The District's fund balances are reported as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balances are either not in spendable form or are contractually required to remain intact. Restricted fund balances include amounts that can only be used for the specific purposes stipulated by constitutional provisions, external resource providers or enabling legislation. Committed fund balances include amounts that can only be used for the specific purposes determined by formal action of the District's Board of Directors. Assigned fund balances are intended for a specific purpose but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. The transactions of the District are accounted for in the following funds:

General Fund -- To account for all revenues and expenditures not required to be accounted for in other funds.

Special Revenue Fund -- To account for all revenues and expenditures of the general operations of the joint wastewater and drainage facilities with East Plantation Utility District.

Debt Service Fund -- To account for the accumulation of financial resources for, and the payment of, bond principal and interest, paid principally from property taxes levied by the District.

Capital Projects Fund -- To account for financial resources designated to construct or acquire capital assets. Such resources are derived principally from proceeds of the sale of bonds.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Basis of Accounting

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting which recognizes all long-term assets and receivables as well as long-term debt and obligations. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem property taxes are recognized as revenues in the fiscal year for which they have been levied and related penalties and interest are recognized in the fiscal year in which they are imposed. An allowance for uncollectibles is estimated for delinquent property taxes and reported separately in the financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred except for principal and interest on bonds payable which are recorded only when payment is due.

Interfund Activity

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is reported as interfund receivables or payables, as appropriate, as are all other outstanding balances between funds. Operating transfers between funds represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Receivables

Service accounts receivable as reported are considered collectible. The District uses the direct write off method for uncollectible service accounts. Unbilled water and sewer revenues are not material and are not recorded at year end. The District considers service accounts revenues to be available if they are to be collected within 60 days after the end of the fiscal year.

In the fund financial statements, ad valorem taxes and penalties and interest are reported as revenues in the fiscal year in which they become available to finance expenditures of the fiscal year for which they have been levied. Property taxes which have been levied and are not yet collected (or have been collected in advance of the fiscal year for which they have been levied) are recorded as deferred inflow of resources. Property taxes collected after the end of the fiscal year are not included in revenues.

Inventory

Inventory is valued at cost. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased and significant inventories on hand at the balance sheet date are reported as an asset in the balance sheet. Reported inventory is equally offset by a fund balance reserve which indicates that it does not constitute "available spendable resources."

Capital Assets

Capital assets, which include property, plant, equipment, and immovable public domain or "infrastructure" assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,000 (including installation costs, if any, and associated professional fees) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed by the District. Donated capital assets are recorded at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset or increase the value of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

Plant and equipment	10-45 years
Underground lines	45 years

Long-term Liabilities

Long-term debt and other long-term obligations are reported in the government-wide financial statements. Bond premiums and discounts, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable premium or discount. If bonds are refunded and the carrying amount of the new debt is different than the net carrying amount of the old debt, the difference is netted against the new debt and amortized using the effective interest method over the shorter of the remaining life of the refunded debt or the life of the new debt issued.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures of the fund from which they are paid.

NOTE 3: RECONCILIATION OF FUND TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

Reconciliation of year end fund balances to net position:

Total fund balances, end of year		\$ 6,421,931
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Total capital assets, net		6,627,741
Some long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable	\$ (8,560,000)	
Issuance premiums (to be amortized as interest expense)	<u>(163,082)</u>	(8,723,082)
The assets in the special revenue fund are owned by the District and other participants in the joint venture:		
The District's equity		(25,000)
Some receivables that do not provide current financial resources are not reported as receivables in the funds:		
Uncollected property taxes		58,172
Some liabilities that do not require the use of current financial resources are not reported as liabilities in the funds:		
Accrued interest		<u>(29,033)</u>
Net position, end of year		<u>\$ 4,330,729</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Reconciliation of net change in fund balances to change in net position:

Total net change in fund balances		\$ (874,982)
<p>The funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p>		
Capital outlay	\$ 834,726	
Depreciation	<u>(277,242)</u>	557,484
<p>The issuance of long-term debt (bonds payable) provides current financial resources to the funds, while the repayment of the principal of long-term debt consumes the current financial resources of the funds. Neither transaction, however, has any effect on net position. The effect of these differences in the treatment of long-term debt:</p>		
Principal reduction		50,000
<p>The funds report the effect of bond issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of these items:</p>		
Issuance premiums		11,863
<p>Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the funds:</p>		
Uncollected property taxes		22,487
<p>Changes in the in the special revenue fund reserve are due to contributions from the participants in the joint venture</p>		
		(25,000)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds:</p>		
Accrued interest		<u>13,547</u>
Change in net position		<u>\$ (244,601)</u>

NOTE 4: CAPITAL ASSETS

At September 30, 2023, "Invested in capital assets, net of related debt" was \$(2,095,341). This amount was negative primarily because not all expenditures from bond proceeds (such as bond issuance costs) were for the acquisition of capital assets. Within Montgomery County, the county government assumes the maintenance and other incidents of ownership of most storm sewer facilities constructed by the District. Accordingly, these assets are not recorded in the financial statements of the District. In addition, some expenditures from bond proceeds were for the acquisition of capital assets beneath the capitalization threshold of \$5,000 (see Note 2) and some authorized expenditures were not for capital assets.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 1,444,898	\$	\$	\$ 1,444,898
Construction in progress	<u>0</u>	<u>527,103</u>		<u>527,103</u>
Total capital assets not being depreciated	<u>1,444,898</u>	<u>527,103</u>	<u>0</u>	<u>1,972,001</u>
Depreciable capital assets:				
Buildings and improvements	238,122			238,122
Machinery and equipment	170,326			170,326
Infrastructures	<u>13,423,419</u>	<u>307,623</u>		<u>13,731,042</u>
Total depreciable capital assets	<u>13,831,867</u>	<u>307,623</u>	<u>0</u>	<u>14,139,490</u>
Less accumulated depreciation for:				
Buildings and improvements	(182,591)	(8,484)		(191,075)
Machinery and equipment	(166,655)	(216)		(166,871)
Infrastructures	<u>(8,857,262)</u>	<u>(268,542)</u>		<u>(9,125,804)</u>
Total accumulated depreciation	<u>(9,206,508)</u>	<u>(277,242)</u>	<u>0</u>	<u>(9,483,750)</u>
Total depreciable capital assets, net	<u>4,625,359</u>	<u>30,381</u>	<u>0</u>	<u>4,655,740</u>
Total capital assets, net	<u>\$ 6,070,257</u>	<u>\$ 557,484</u>	<u>\$ 0</u>	<u>\$ 6,627,741</u>
Changes to capital assets:				
Capital outlay		\$ 834,726	\$	
Depreciation expense for the fiscal year		<u>(277,242)</u>		
Net increases / decreases to capital assets		<u>\$ 557,484</u>	<u>\$ 0</u>	

NOTE 5: LONG-TERM LIABILITIES

Long-term liability activity for the fiscal year ended September 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Bonds payable	\$ 8,610,000	\$	\$ 50,000	\$ 8,560,000	\$ 145,000
Deferred amounts:					
For issuance (discounts) premiums	<u>174,945</u>		<u>11,863</u>	<u>163,082</u>	<u>9,612</u>
Total bonds payable	<u>8,784,945</u>	<u>0</u>	<u>61,863</u>	<u>8,723,082</u>	<u>154,612</u>
Total long-term liabilities	<u>\$ 8,784,945</u>	<u>\$ 0</u>	<u>\$ 61,863</u>	<u>\$ 8,723,082</u>	<u>\$ 154,612</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

As of September 30, 2023, the debt service requirements on the bonds payable were as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 145,000	\$ 348,393	\$ 493,393
2025	155,000	338,856	493,856
2026	160,000	328,593	488,593
2027	170,000	317,969	487,969
2028	175,000	306,619	481,619
2029 - 2033	1,015,000	1,382,972	2,397,972
2034 - 2038	1,265,000	1,180,120	2,445,120
2039 - 2043	1,580,000	920,480	2,500,480
2044 - 2048	1,970,000	596,698	2,566,698
2049 - 2052	1,925,000	189,938	2,114,938
	<u>\$ 8,560,000</u>	<u>\$ 5,910,638</u>	<u>\$ 14,470,638</u>

Bonds voted for financing facilities	\$ 21,470,000
Bonds for financing facilities approved for sale and sold	13,420,000
Bonds voted for financing facilities and not issued	8,050,000
Bonds voted for financing parks and recreational facilities	\$ 2,000,943
Bonds voted for financing parks and recreational facilities and issued	1,675,000
Bonds voted for financing parks and recreational facilities and not issued	325,943

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.

The bond issues payable at September 30, 2023, were as follows:

	<u>Series 2022</u>	<u>Series 2022 Park</u>
Amounts outstanding, September 30, 2023	\$6,925,000	\$1,635,000
Interest rates	3.25% to 7.25%	2.75% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2024/2052	September 1, 2024/2051
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates	September 1, 2028*	September 1, 2028*

*Or any date thereafter at par plus accrued interest to the date of redemption, in whole or in part at the option of the District.

Developer Construction Commitments and Liabilities

At September 30, 2023, there were no developer construction commitments or liabilities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 6: PROPERTY TAXES

The Montgomery Central Appraisal District has the responsibility for appraising property for all taxing units within the county as of January 1 of each year, subject to review and change by the county Appraisal Review Board. The appraisal roll, as approved by the Appraisal Review Board, must be used by the District in establishing its tax roll and tax rate. The District's taxes are usually levied in the fall, are due when billed and become delinquent after September 30 of the following year or 30 days after the date billed, whichever is later. On January 1 of each year, a statutory tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property.

At an election held on November 6, 2007, the voters within the District authorized a maintenance tax without limit as to rate or amount on all property subject to taxation within the District. This maintenance tax is being used by the General Fund to pay expenditures of operating the District.

On September 15, 2022, the District levied the following ad valorem taxes for the 2022 tax year on the adjusted taxable valuation of \$203,768,617:

	Rate	Amount
Debt service	\$ 0.2500	\$ 509,536
Maintenance	0.2700	550,299
	\$ 0.5200	\$ 1,059,835

A reconciliation of the tax levy to property tax revenues on the Statement of Activities is as follows:

2022 tax year total property tax levy	\$ 1,059,835
Appraisal district adjustments to prior year taxes	(622)
Statement of Activities property tax revenues	\$ 1,059,213

NOTE 7: DEPOSITS

The District complied with the requirements of the Public Funds Investment Act during the current fiscal year including the preparation of quarterly investment reports required by the Act.

State statutes authorize the District to invest and reinvest in direct or indirect obligations of the United States, the State of Texas, any county, city, school district, or other political subdivision of the state, or in local government investment pools authorized under the Public Funds Investment Act. Funds of the District may be placed in certificates of deposit of state or national banks or savings and loan associations within the state provided that they are secured in the manner provided for the security of the funds under the laws of the State of Texas. In accordance with the District's investment policies, during the current year the District's funds were invested in interest bearing accounts at authorized financial institutions and an authorized private sector investment pool. The private sector investment pool is rated AAAM by Standard & Poor's.

In accordance with state statutes and the District's investment policies, the District requires that insurance or security be provided by depositories for all funds held by them. At the balance sheet date, the District's deposits were covered by federal insurance.

At the balance sheet date the carrying value and market value of the investments in the authorized private sector investment pool was \$6,499,486.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Deposits and temporary investments restricted by state statutes and the Bond Orders:

Debt Service Fund

For payment of debt principal and interest,
paying agent fees and costs of assessing and
collecting taxes:

Temporary investments	\$ <u>348,826</u>
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Capital Projects Fund

For construction of capital assets:

Cash	\$ 360
Temporary investments	<u>5,150,848</u>
	<u>\$ 5,151,208</u>

NOTE 8: 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; personal injuries and natural disasters. Significant losses are covered by insurance as described below. There were no significant reductions in insurance coverage from the prior fiscal year. There have been no settlements which have exceeded the insurance coverage for each of the past three fiscal years.

At September 30, 2023, the District had physical damage coverage of \$14,728,000, mobile equipment coverage of \$6,655, boiler and machinery coverage of \$100,000, general liability coverage with a per occurrence limit of \$5,000,000 and \$10,000,000 general aggregate and employee's crime coverage of \$50,000.

NOTE 9: CONTRACT WITH EAST PLANTATION UTILITY DISTRICT

On March 28, 2019, the District entered into a ten year agreement with the East Plantation Utility District ("EPUD") upon the expiration of the original 1979 agreement. Under the terms of the agreement, the District owns 59% of the District's sewage treatment facilities and EPUD owns 41%. In addition the districts each own half of the joint sewage trunkline improvements serving EPUD. Costs of operating the sewage treatment facilities are divided based upon the number of connections served by each district and are billed to EPUD monthly. Capital improvements are billed based upon capacity owned by each district. The agreement also provides that each district will provide water to the other district in event of emergency at cost.

Each participant is responsible only for its share of the operating costs of the Plant. Participants are billed a monthly amount which is based upon actual costs incurred during the prior month as allocated based upon capacity owned and the number of equivalent connections within each participating district. The District has contributed \$25,000 for the operating reserve. The District's share of operating costs was \$235,930 and capital improvement costs were \$5,514 for the year ended September 30, 2023.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 10: GROUNDWATER CONSERVATION DISTRICT

The District is within the boundaries of the Lone Star Groundwater Conservation District ("LSGCD"). The LSGCD was created by the Legislature of the State of Texas in Acts 2001, 77th Legislature, Regular Session. The LSGCD is a political subdivision of the State of Texas, governed by an elected seven member board of directors. The purpose of the LSGCD is to provide for the conservation, preservation, protection, recharging, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, and the control of subsidence caused by the withdrawal of water from those groundwater reservoirs or their subdivisions, consistent with the objectives of Section 59, Article XVI, Texas Constitution. Rule 8.1 of the rules of the LSGCD authorizes the board of directors of the LSGCD to establish by resolution a regulatory water use fee to accomplish the purposes of the LSGCD. In accordance with this rule, as of September 30, 2023, the LSGCD had established a regulatory water use fee of \$0.085 per 1,000 gallons of water pumped from each regulated well. The District's well regulatory water use fees payable to the LSGCD for the fiscal year ended September 30, 2023, were \$19,199. The District billed its customers \$10,097 during the fiscal year to pay for the fees charged by the LSGCD.

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE, BUDGET AND ACTUAL, GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 535,000	\$ 535,000	\$ 545,241	\$ 10,241
Water service	400,000	400,000	455,796	55,796
Sewer service	420,000	420,000	436,001	16,001
Surface water fees	13,000	13,000	10,097	(2,903)
Penalty and interest	25,000	25,000	26,839	1,839
Interest on deposits	4,740	4,740	49,266	44,526
Other revenues	8,930	8,930	42,482	33,552
TOTAL REVENUES	<u>1,406,670</u>	<u>1,406,670</u>	<u>1,565,722</u>	<u>159,052</u>
EXPENDITURES				
Service operations:				
Purchased services	167,924	167,924	235,930	68,006
Professional fees	252,000	252,000	349,956	97,956
Contracted services	122,695	122,695	219,448	96,753
Utilities	65,100	65,100	73,751	8,651
Surface water fees	20,500	20,500	19,199	(1,301)
Repairs, maintenance and other operating expenditures	797,380	797,380	649,090	(148,290)
Administrative expenditures	52,270	52,270	102,698	50,428
Capital outlay	0	0	0	0
TOTAL EXPENDITURES	<u>1,477,869</u>	<u>1,477,869</u>	<u>1,650,072</u>	<u>172,203</u>
EXCESS REVENUES (EXPENDITURES)	(71,199)	(71,199)	(84,350)	(13,151)
FUND BALANCE, BEGINNING OF YEAR	<u>1,268,181</u>	<u>1,268,181</u>	<u>1,268,181</u>	<u>0</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,196,982</u>	<u>\$ 1,196,982</u>	<u>\$ 1,183,831</u>	<u>\$ (13,151)</u>

The District's Board of Directors adopts an annual nonappropriated budget. This budget may be amended throughout the fiscal year and is prepared on a basis consistent with generally accepted accounting principles.

See accompanying independent auditor's report.

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE, BUDGET AND ACTUAL, SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
From participants in plant:				
River Plantation Municipal Utility District	\$ 167,924	\$ 167,924	\$ 241,444	\$ 73,520
East Plantation Utility District	119,716	119,716	166,432	46,716
Interest on deposits	200	200	56	(144)
TOTAL REVENUES	<u>287,840</u>	<u>287,840</u>	<u>407,932</u>	<u>120,092</u>
EXPENDITURES				
Service operations:				
Professional fees	10,000	10,000	47,321	37,321
Contracted services	30,000	30,000	41,257	11,257
Utilities	48,300	48,300	50,136	1,836
Repairs and maintenance	106,620	106,620	194,723	88,103
Other operating expenditures	54,320	54,320	70,781	16,461
Administrative expenditures	38,600	38,600	3,714	(34,886)
Capital outlay	0	0	0	0
TOTAL EXPENDITURES	<u>287,840</u>	<u>287,840</u>	<u>407,932</u>	<u>120,092</u>
EXCESS REVENUES (EXPENDITURES)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Increase (decrease) in operating reserve	0	0	25,000	25,000
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>25,000</u>
EXCESS SOURCES (USES)	0	0	25,000	25,000
FUND BALANCE, BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE, END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>

The District's Board of Directors adopts an annual nonappropriated budget. This budget may be amended throughout the fiscal year and is prepared on a basis consistent with generally accepted accounting principles.

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

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT
SCHEDULE OF TEXAS SUPPLEMENTARY INFORMATION
REQUIRED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
SEPTEMBER 30, 2023

(Schedules included are checked or explanatory notes provided for omitted schedules.)

- [X] TSI-1. Services and Rates
- [X] TSI-2. General Fund Expenditures
- [X] TSI-3. Temporary Investments
- [X] TSI-4. Taxes Levied and Receivable
- [X] TSI-5. Long-Term Debt Service Requirements by Years
- [X] TSI-6. Changes in Long-Term Bonded Debt
- [X] TSI-7. Comparative Schedule of Revenues and Expenditures -
General Fund and Debt Service Fund - Five Year
- [X] TSI-8. Board Members, Key Personnel and Consultants

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT

SCHEDULE OF SERVICES AND RATES

SEPTEMBER 30, 2023

1. Services Provided by the District during the Fiscal Year:

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

2. Retail Service Providers

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

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1000 Gallons Over Minimum</u>	<u>Usage Levels</u>
WATER:	\$12.75	under 3,000	N	\$2.85	3,001 to 10,000
				3.15	10,001 to 20,000
				3.55	20,001 to 30,000
				4.00	30,001 to 40,000
				4.75	40,001 to 50,000
				6.00	Over 50,000
WASTEWATER:	\$31.00	under 3,000	Y	\$0.00	
	39.00	over 3,000	Y	0.00	

SURCHARGE: 0.50 % of monthly billing -- TCEQ assessment fees.
 \$0.085 per 1,000 gallons of water used. – LSGCD surface water fees.

District employs winter averaging for wastewater usage: Yes No

Total charges per 10,000 gallons usage: Water: \$32.70 Wastewater: \$39.00 Surcharge: \$1.21

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT

SCHEDULE OF SERVICES AND RATES (Continued)

SEPTEMBER 30, 2023

b. Water and Wastewater Retail Connections (unaudited):

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC* Factor</u>	<u>Active ESFCs</u>
Unmetered	0	0	1.0	0
< or = 3/4"	931	923	1.0	923
1"	19	19	2.5	48
1-1/2"	1	1	5.0	5
2"	12	12	8.0	96
3"	0	0	15.0	0
4"	0	0	25.0	0
6"	0	0	50.0	0
8"	0	0	80.0	0
10"	0	0	115.0	0
Total Water	<u>963</u>	<u>955</u>		<u>1,072</u>
Total Wastewater**	<u>943</u>	<u>935</u>	1.0	<u>935</u>

*Single family equivalents

**Does not include the approximately 550 sewer connections in East Plantation Utility District.

3. Total Water Consumption during the Fiscal Year (rounded to thousands):

Gallons pumped into system (unaudited): 125,179
 Gallons billed to customers (unaudited): 121,121

Water Accountability Ratio
 (Gallons billed/ gallons pumped): 97%

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

Does the District have Debt Service standby fees? Yes No

If yes, date of the most recent Commission Order: _____

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

If yes, date of the most recent Commission Order: _____

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT

EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Totals (Memorandum Only)</u>
CURRENT					
Purchased services:					
Wastewater	\$ 209,966	\$	\$	\$	\$ 209,966
Drainage	25,964				25,964
	<u>235,930</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>235,930</u>
Professional fees:					
Auditing	9,300				9,300
Legal	266,553	47,321			313,874
Engineering	74,103				74,103
	<u>349,956</u>	<u>47,321</u>	<u>0</u>	<u>0</u>	<u>397,277</u>
Contracted services:					
Operation and billing	132,165	14,569			146,734
Bookkeeping	79,836	26,688			106,524
Tax assessor-collector	444				444
Central appraisal district	7,003				7,003
	<u>219,448</u>	<u>41,257</u>	<u>0</u>	<u>0</u>	<u>260,705</u>
Utilities	<u>73,751</u>	<u>50,136</u>	<u>0</u>	<u>0</u>	<u>123,887</u>
Surface water fees	<u>19,199</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,199</u>
Repairs and maintenance	<u>607,019</u>	<u>194,723</u>	<u>0</u>	<u>288,049</u>	<u>1,089,791</u>
Other operating expenditures:					
Sludge hauling		31,622			31,622
Chemicals	10,567	6,845			17,412
Laboratory costs	27,606	12,503			40,109
Security		18,474			18,474
TCEQ assessment	3,898				3,898
Other		1,337			1,337
	<u>42,071</u>	<u>70,781</u>	<u>0</u>	<u>0</u>	<u>112,852</u>
Administrative expenditures:					
Director's fees	9,450				9,450
Office supplies and postage	49,895				49,895
Insurance	30,604				30,604
Permit fees	2,467	3,474			5,941
Other	10,282	240			10,522
	<u>102,698</u>	<u>3,714</u>	<u>0</u>	<u>0</u>	<u>106,412</u>

See accompanying independent auditor's report.

RIVER PLANTATION MUNICIPAL UTILITY DISTRICTEXPENDITURES (Continued)FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Totals (Memorandum Only)</u>
CAPITAL OUTLAY					
Authorized expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 834,726</u>	<u>\$ 834,726</u>
DEBT SERVICE					
Principal retirement	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>50,000</u>
Interest and fees:					
Interest			431,210		431,210
Paying agent fees			1,500		1,500
	<u>0</u>	<u>0</u>	<u>432,710</u>	<u>0</u>	<u>432,710</u>
TOTAL EXPENDITURES	<u>\$1,650,072</u>	<u>\$ 407,932</u>	<u>\$ 482,710</u>	<u>\$1,122,775</u>	<u>\$3,663,489</u>

See accompanying independent auditor's report.

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT

ANALYSIS OF CHANGES IN DEPOSITS
ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Totals (Memorandum Only)</u>
SOURCES OF DEPOSITS AND TEMPORARY INVESTMENTS					
Cash receipts from revenues excluding maintenance taxes	\$ 1,015,551	\$ 371,256	\$ 517,421	\$ 272,432	\$ 2,176,660
Maintenance tax collections			545,241		545,241
Maintenance tax transfers	544,320				544,320
Reimbursement from other fund	42,621			32,114	74,735
Increase in customer and builder deposits	2,790				2,790
Increase in reserve at joint facilities		<u>25,000</u>			<u>25,000</u>
TOTAL DEPOSITS AND TEMPORARY INVESTMENTS PROVIDED	<u>1,605,282</u>	<u>396,256</u>	<u>1,062,662</u>	<u>304,546</u>	<u>3,368,746</u>
APPLICATIONS OF DEPOSITS AND TEMPORARY INVESTMENTS					
Cash disbursements for:					
Current expenditures	1,696,100	332,147		282,431	2,310,678
Capital outlay				822,676	822,676
Debt service			482,710		482,710
Other fund				6,009	6,009
Reimbursement to other fund	32,114			42,621	74,735
Maintenance tax transfers			544,320		544,320
Increase in reserve at joint facilities	<u>25,000</u>				<u>25,000</u>
TOTAL DEPOSITS AND TEMPORARY INVESTMENTS APPLIED	<u>1,753,214</u>	<u>332,147</u>	<u>1,027,030</u>	<u>1,153,737</u>	<u>4,266,128</u>
INCREASE (DECREASE) IN DEPOSITS AND TEMPORARY INVESTMENTS	(147,932)	64,109	35,632	(849,191)	(897,382)
DEPOSITS AND TEMPORARY INVESTMENTS BALANCES, BEGINNING OF YEAR	<u>1,278,519</u>	<u>0</u>	<u>313,194</u>	<u>6,000,399</u>	<u>7,592,112</u>
DEPOSITS AND TEMPORARY INVESTMENTS BALANCES, END OF YEAR	<u>\$ 1,130,587</u>	<u>\$ 64,109</u>	<u>\$ 348,826</u>	<u>\$ 5,151,208</u>	<u>\$ 6,694,730</u>

See accompanying independent auditor's report.

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT

SCHEDULE OF TEMPORARY INVESTMENTS

SEPTEMBER 30, 2023

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Year End Balance</u>	<u>Accrued Interest Receivable</u>
GENERAL FUND				
Texas CLASS				
No. TX-01-0752-0001	Market	On demand	\$ 999,812	\$ 0
DEBT SERVICE FUND				
Texas CLASS				
No. TX-01-0752-0003	Market	On demand	775	0
No. TX-01-0752-0005	Market	On demand	<u>348,051</u>	<u>0</u>
			<u>\$ 348,826</u>	<u>\$ 0</u>
CAPITAL PROJECTS FUND				
Texas CLASS				
No. TX-01-0752-0002	Market	On demand	20,606	0
No. TX-01-0752-0004	Market	On demand	<u>5,130,242</u>	<u>0</u>
			<u>\$ 5,150,848</u>	<u>\$ 0</u>
Total – All Funds			<u>\$ 6,499,486</u>	<u>\$ 0</u>

See accompanying independent auditor's report.

RIVER PLANTATION MUNICIPAL UTILITY DISTRICTTAXES LEVIED AND RECEIVABLEFOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Maintenance Taxes</u>	<u>Debt Service Taxes</u>
RECEIVABLE, BEGINNING OF YEAR	\$ 35,600	\$ 85
Additions and corrections to prior year taxes	<u>(623)</u>	<u>0</u>
Adjusted receivable, beginning of year	34,977	85
2022 ADJUSTED TAX ROLL	<u>550,299</u>	<u>509,536</u>
Total to be accounted for	585,276	509,621
Tax collections: Current tax year	(530,730)	(491,417)
Prior tax years	<u>(14,511)</u>	<u>(67)</u>
RECEIVABLE, END OF YEAR	<u>\$ 40,035</u>	<u>\$ 18,137</u>
RECEIVABLE, BY TAX YEAR		
2012 and prior	\$ 179	\$ 18
2013	283	
2014	304	
2015	663	
2016	1,137	
2017	1,557	
2018	2,212	
2019	2,559	
2020	4,312	
2021	7,260	
2022	<u>19,569</u>	<u>18,119</u>
RECEIVABLE, END OF YEAR	<u>\$ 40,035</u>	<u>\$ 18,137</u>

See accompanying independent auditor's report.

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT

TAXES LEVIED AND RECEIVABLE (Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2023

ADJUSTED PROPERTY VALUATIONS
AS OF JANUARY 1 OF TAX YEAR

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Land	\$ 42,453,953	\$ 24,233,854	\$ 24,276,884	\$ 22,052,884
Improvements	205,637,135	163,177,670	153,775,974	150,205,061
Personal property	4,873,281	4,182,021	4,021,620	4,559,231
Less exemptions	<u>(49,195,752)</u>	<u>(22,852,543)</u>	<u>(22,591,942)</u>	<u>(23,719,516)</u>
 TOTAL PROPERTY VALUATIONS	 <u>\$ 203,768,617</u>	 <u>\$ 168,741,002</u>	 <u>\$ 159,482,536</u>	 <u>\$ 153,097,660</u>

TAX RATES PER \$100 VALUATION

Debt service tax rates	\$ 0.25000	\$ 0.00000	\$ 0.00000	\$ 0.00000
Maintenance tax rates*	<u>0.27000</u>	<u>0.31602</u>	<u>0.32000</u>	<u>0.32000</u>

TOTAL TAX RATES PER
\$100 VALUATION

	<u>\$ 0.52000</u>	<u>\$ 0.31602</u>	<u>\$ 0.32000</u>	<u>\$ 0.32000</u>
--	-------------------	-------------------	-------------------	-------------------

TAX ROLLS

	<u>\$ 1,059,835</u>	<u>\$ 533,697</u>	<u>\$ 515,900</u>	<u>\$ 489,397</u>
--	---------------------	-------------------	-------------------	-------------------

PERCENT OF TAXES COLLECTED
TO TAXES LEVIED

	<u>96.4 %</u>	<u>98.6 %</u>	<u>99.2 %</u>	<u>99.5 %</u>
--	---------------	---------------	---------------	---------------

*Maximum tax rate approved by voters on November 6, 2007: Unlimited

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS
SEPTEMBER 30, 2023

<u>Due During Fiscal Years Ending September 30</u>	<u>Series 2022</u>		
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	<u>Total</u>
2024	\$ 115,000	\$ 300,412	\$ 415,412
2025	125,000	292,075	417,075
2026	130,000	283,012	413,012
2027	140,000	273,588	413,588
2028	140,000	263,438	403,438
2029	150,000	253,288	403,288
2030	160,000	242,412	402,412
2031	165,000	236,012	401,012
2032	170,000	229,412	399,412
2033	175,000	223,888	398,888
2034	185,000	218,200	403,200
2035	190,000	210,800	400,800
2036	205,000	203,200	408,200
2037	210,000	195,000	405,000
2038	220,000	186,600	406,600
2039	230,000	177,800	407,800
2040	240,000	168,600	408,600
2041	250,000	159,000	409,000
2042	265,000	149,000	414,000
2043	275,000	138,400	413,400
2044	285,000	127,400	412,400
2045	295,000	116,000	411,000
2046	315,000	104,200	419,200
2047	325,000	91,600	416,600
2048	340,000	78,600	418,600
2049	355,000	65,000	420,000
2050	370,000	50,800	420,800
2051	385,000	36,000	421,000
2052	515,000	20,600	535,600
TOTALS	<u>\$ 6,925,000</u>	<u>\$ 5,094,337</u>	<u>\$ 12,019,337</u>

See accompanying independent auditor's report.

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)
SEPTEMBER 30, 2023

<u>Due During Fiscal Years Ending September 30</u>	<u>Series 2022 Park</u>		
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	<u>Total</u>
2024	\$ 30,000	\$ 47,981	\$ 77,981
2025	30,000	46,781	76,781
2026	30,000	45,581	75,581
2027	30,000	44,381	74,381
2028	35,000	43,181	78,181
2029	35,000	41,782	76,782
2030	35,000	40,732	75,732
2031	40,000	39,682	79,682
2032	40,000	38,482	78,482
2033	45,000	37,282	82,282
2034	45,000	35,932	80,932
2035	50,000	34,694	84,694
2036	50,000	33,318	83,318
2037	55,000	31,944	86,944
2038	55,000	30,432	85,432
2039	60,000	28,918	88,918
2040	60,000	27,268	87,268
2041	65,000	25,618	90,618
2042	65,000	23,832	88,832
2043	70,000	22,044	92,044
2044	75,000	20,118	95,118
2045	80,000	18,056	98,056
2046	80,000	15,856	95,856
2047	85,000	13,656	98,656
2048	90,000	11,212	101,212
2049	95,000	8,626	103,626
2050	100,000	5,894	105,894
2051	105,000	3,018	108,018
	<u>\$ 1,635,000</u>	<u>\$ 816,301</u>	<u>\$ 2,451,301</u>
TOTALS	<u>\$ 1,635,000</u>	<u>\$ 816,301</u>	<u>\$ 2,451,301</u>

See accompanying independent auditor's report.

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)
SEPTEMBER 30, 2023

Annual Requirements for All Series			
<u>Due During Fiscal Years Ending September 30</u>	<u>Total Principal Due</u>	<u>Total Interest Due</u>	<u>Total</u>
2024	\$ 145,000	\$ 348,393	\$ 493,393
2025	155,000	338,856	493,856
2026	160,000	328,593	488,593
2027	170,000	317,969	487,969
2028	175,000	306,619	481,619
2029	185,000	295,070	480,070
2030	195,000	283,144	478,144
2031	205,000	275,694	480,694
2032	210,000	267,894	477,894
2033	220,000	261,170	481,170
2034	230,000	254,132	484,132
2035	240,000	245,494	485,494
2036	255,000	236,518	491,518
2037	265,000	226,944	491,944
2038	275,000	217,032	492,032
2039	290,000	206,718	496,718
2040	300,000	195,868	495,868
2041	315,000	184,618	499,618
2042	330,000	172,832	502,832
2043	345,000	160,444	505,444
2044	360,000	147,518	507,518
2045	375,000	134,056	509,056
2046	395,000	120,056	515,056
2047	410,000	105,256	515,256
2048	430,000	89,812	519,812
2049	450,000	73,626	523,626
2050	470,000	56,694	526,694
2051	490,000	39,018	529,018
2052	515,000	20,600	535,600
	<u>\$ 8,560,000</u>	<u>\$ 5,910,638</u>	<u>\$ 14,470,638</u>
TOTALS			

See accompanying independent auditor's report.

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT
ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>(1)</u>	<u>(2)</u>	<u>Totals</u>
Bond Series:	2022	2022 Park	
Interest Rate:	3.25% to 7.25%	2.75% to 4.00%	
Dates Interest Payable:	March1/ September 1	March1/ September 1	
Maturity Dates:	September 1, 2024/2052	September 1, 2024/2051	
Bonds Outstanding at Beginning of Current Year	\$ 6,950,000	\$ 1,660,000	\$ 8,610,000
Less Retirements:	<u>(25,000)</u>	<u>(25,000)</u>	<u>(50,000)</u>
Bonds Outstanding at End of Current Year	<u>\$ 6,925,000</u>	<u>\$ 1,635,000</u>	<u>\$ 8,560,000</u>
Current Year Interest Paid:	<u>\$ 381,979</u>	<u>\$ 49,231</u>	<u>\$ 431,210</u>

Bond Descriptions and Original Amount of Issue

- (1) River Plantation Municipal Utility District Unlimited Tax Bonds, Series 2022 (\$6,950,000)
(2) River Plantation Municipal Utility District Unlimited Tax Park Bonds, Series 2022 (\$1,675,000)

Paying Agent/Registrar

- (1) (2) The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

<u>Bond Authority</u>	<u>Tax Bonds</u>	<u>Other Bonds</u>	<u>Refunding Bonds</u>
Amount Authorized by Voters:	\$ 21,470,000	\$ 2,000,943	\$ 0
Amount Issued:	13,420,000	1,675,000	
Remaining to be Issued:	8,050,000	325,943	

Net Debt Service Fund deposits and investments balances as of September 30, 2023: \$347,905
Average annual debt service payment for remaining term of all debt: 498,988

See accompanying independent auditor's report.

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT
COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES,
GENERAL FUND
FOR YEARS ENDED SEPTEMBER 30

	AMOUNT					PERCENT OF TOTAL REVENUES				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
REVENUES										
Property taxes	\$ 545,241	\$ 529,376	\$ 518,885	\$ 484,125	\$ 424,495	34.9 %	34.7 %	40.3 %	39.2 %	35.9 %
Water and sewer service	891,797	809,606	610,506	570,137	556,154	57.0	52.9	47.5	46.3	47.0
Service to East Plantation Utility District	0	85,413	95,559	88,458	95,113	0.0	5.6	7.4	7.2	8.0
Surface water fees	10,097	14,096	15,026	16,468	12,656	0.6	0.9	1.2	1.3	1.1
Penalty and interest	26,839	22,746	25,642	22,020	21,132	1.7	1.5	2.0	1.8	1.8
Interest on deposits	49,266	8,774	501	33,970	57,802	3.1	0.6	0.0	2.8	4.9
Other revenues	<u>42,482</u>	<u>58,601</u>	<u>20,228</u>	<u>17,607</u>	<u>15,381</u>	<u>2.7</u>	<u>3.8</u>	<u>1.6</u>	<u>1.4</u>	<u>1.3</u>
TOTAL REVENUES	<u>1,565,722</u>	<u>1,528,612</u>	<u>1,286,347</u>	<u>1,232,785</u>	<u>1,182,733</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
EXPENDITURES										
Current:										
Personnel salaries and benefits	0	202,424	298,775	306,981	298,265	0.0	13.2	23.2	24.9	25.1
Purchased services	235,930	0	0	0	0	15.1	0.0	0.0	0.0	0.0
Professional fees	349,956	277,416	332,041	269,325	96,488	22.4	18.1	25.8	21.8	8.2
Contracted services	219,448	90,208	26,047	25,556	24,670	14.0	5.9	2.0	2.1	2.1
Utilities	73,751	122,861	112,588	89,056	80,446	4.7	8.0	8.8	7.2	6.8
Surface water fees	19,199	18,341	19,199	19,199	13,764	1.2	1.2	1.5	1.6	1.2
Repairs, maintenance and other operating expenditures	649,090	489,064	219,107	341,677	260,551	41.4	32.0	17.0	27.8	22.0
Administrative expenditures	102,698	85,417	71,974	58,068	45,702	6.6	5.6	5.6	4.7	3.9
Capital outlay	<u>0</u>	<u>0</u>	<u>535,085</u>	<u>1,822,897</u>	<u>220,658</u>	<u>0.0</u>	<u>0.0</u>	<u>41.6</u>	<u>147.8</u>	<u>18.7</u>
TOTAL EXPENDITURES	<u>1,650,072</u>	<u>1,285,731</u>	<u>1,614,816</u>	<u>2,932,759</u>	<u>1,040,544</u>	<u>105.4</u>	<u>84.0</u>	<u>125.5</u>	<u>237.9</u>	<u>88.0</u>
EXCESS REVENUES (EXPENDITURES)	<u>\$ (84,350)</u>	<u>\$ 242,881</u>	<u>\$ (328,469)</u>	<u>\$ (1,699,974)</u>	<u>\$ 142,189</u>	<u>(5.4) %</u>	<u>16.0 %</u>	<u>(25.5) %</u>	<u>(137.9) %</u>	<u>12.0 %</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>955</u>	<u>952</u>	<u>933</u>	<u>934</u>	<u>935</u>					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>935</u>	<u>952</u>	<u>924</u>	<u>915</u>	<u>917</u>					

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT
COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES,
DEBT SERVICE FUND
FOR YEARS ENDED SEPTEMBER 30

	<u>AMOUNT</u>					<u>PERCENT OF TOTAL REVENUES</u>				
	<u>2023*</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
REVENUES										
Property taxes	\$ 491,485	\$ 0				95.0 %	0.0 %	%	%	%
Penalty and interest	3,136	2,310				0.6	100.0			
Interest on deposits and investments	<u>22,800</u>	<u>0</u>				<u>4.4</u>	<u>0.0</u>			
TOTAL REVENUES	<u>517,421</u>	<u>2,310</u>				<u>100.0</u>	<u>100.0</u>			
EXPENDITURES										
Current:										
Professional fees	0	0				0.0	0.0			
Contracted services	0	0				0.0	0.0			
Other expenditures	0	0				0.0	0.0			
Debt service:										
Principal retirement	50,000	15,000				9.7	649.4			
Interest and fees	<u>432,710</u>	<u>25,962</u>				<u>83.6</u>	<u>1123.9</u>			
TOTAL EXPENDITURES	<u>482,710</u>	<u>40,962</u>				<u>93.3</u>	<u>1773.3</u>			
EXCESS REVENUES (EXPENDITURES)	<u>\$ 34,711</u>	<u>\$ (38,652)</u>				<u>6.7 %</u>	<u>(1,673.3 %)</u>	%	%	%

*First year of financial activity.

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS

SEPTEMBER 30, 2023

Complete District Mailing Address: River Plantation Municipal Utility District
P.O. Box 747
Conroe, Texas 77305

District Business Telephone No.: 936-273-4641

Submission date of the most recent District Registration Form: November 13, 2023

Limit on Fees of Office that a Director may receive during a fiscal year: \$7,200

BOARD MEMBERS

<u>Name and Address</u>	<u>Term of Office (Elected/ Appointed)</u>	<u>Fees of Office Paid</u>	<u>Expense Reimb.</u>	<u>Title at Year End</u>
Julie Gilmer P.O. Box 747 Conroe, Texas 77305	Elected 5/07/22- 5/02/26	\$ 2,400	\$ 582	President
Timothy Goodman P.O. Box 747 Conroe, Texas 77305	Elected 5/07/22- 5/02/26	2,350	1,417	Vice President
Betty Brown P.O. Box 747 Conroe, Texas 77305	Appointed 5/26/22- 5/04/24	1,750	0	Secretary
Thomas Vandever P.O. Box 747 Conroe, Texas 77305	Elected 5/02/20- 5/04/24	1,450	0	Treasurer/ Investment Officer
Karl Sakocius P.O. Box 747 Conroe, Texas 77305	Elected 5/07/22- 5/02/26	1,500	0	Director

See accompanying independent auditor's report.

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (Continued)

SEPTEMBER 30, 2023

CONSULTANTS

<u>Name and Address</u>	<u>Date Hired</u>	<u>Fees and Expense Reimbursements</u>	<u>Title at Year End</u>
Smith, Murdaugh, Little & Bonham, L.L.P. 2727 Allen Parkway, Suite 1100 Houston, Texas 77019	2008	\$ 177,941	Attorney
Perdue, Brandon, Fielder, Collins & Mott, L.L.P. 1235 N. Loop West, Suite 600 Houston, Texas 77008	Prior to 2012	3,544	Delinquent Tax Attorney
Municipal Accounts & Consulting, L.P. 611 Longmire Road, Suite 1 Conroe, Texas 77304	10/01/13	97,312	Bookkeeper
Municipal Operations & Consulting, Inc. 27316 Spectrum Way Oak Ridge, Texas 77385	4/28/22	367,517	Operator
Vogler & Spencer Engineering, Inc. 777 North Eldridge Parkway, Suite 500 Houston, Texas 77079	1/11/21	425,676	Engineer
Tammy J. McRae Montgomery County TAC 400 N. San Jacinto Conroe, Texas 77301	2/01/96	444	Tax Assessor- Collector
Montgomery Central Appraisal District P.O. Box 2233 Conroe, Texas 77305	Legislative Action	7,003	Central Appraisal District
RBC Capital Markets, LLC 609 Main Street, Suite 3600 Houston, Texas 77002	2/25/21	0	Financial Advisor
Mark C. Eyring, CPA, PLLC 12702 Century Drive, Suite C2 Stafford, Texas 77477	9/27/12	9,300	Independent Auditor

See accompanying independent auditor's report.