

**CIMARRON MUNICIPAL  
UTILITY DISTRICT**

**HARRIS AND FORT BEND COUNTIES, TEXAS**

**FINANCIAL REPORT**

**February 28, 2023**



## Table of Contents

|   | <u>Schedule</u> | <u>Page</u> |
|---|-----------------|-------------|
| Independent Auditor's Report  |                 | 1           |
| Management's Discussion and Analysis  |                 | 7           |
| <b>BASIC FINANCIAL STATEMENTS</b>   |                 |             |
| Statement of Net Position and Governmental Funds Balance Sheet  |                 | 16          |
| Statement of Activities and Governmental Funds Revenues, Expenditures<br>and Changes in Fund Balances |                 | 18          |
| Notes to Financial Statements   |                 | 21          |
| <b>REQUIRED SUPPLEMENTARY INFORMATION</b>   |                 |             |
| Budgetary Comparison Schedule – General Fund  |                 | 38          |
| Budgetary Comparison Schedule – General Fund  |                 | 39          |
| Notes to Required Supplementary Information   |                 | 40          |
| <b>TEXAS SUPPLEMENTARY INFORMATION</b>  |                 |             |
| Services and Rates  | TSI-1           | 42          |
| General Fund Expenditures   | TSI-2           | 44          |
| Investments   | TSI-3           | 45          |
| Taxes Levied and Receivable   | TSI-4           | 46          |
| Long-Term Debt Service Requirements by Years  | TSI-5           | 47          |
| Change in Long-Term Bonded Debt   | TSI-6           | 54          |
| Comparative Schedule of Revenues and Expenditures – General Fund                                      | TSI-7a          | 56          |
| Comparative Schedule of Revenues and Expenditures – Debt Service Fund                                 | TSI-7b          | 58          |
| Board Members, Key Personnel and Consultants  | TSI-8           | 60          |



# **McGRATH & CO., PLLC**

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Houston, Texas 77092

## **Independent Auditor's Report**

Board of Directors  
Cimarron Municipal Utility District  
Harris and Fort Bend Counties, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Cimarron Municipal Utility District (the "District"), as of and for the year ended February 28, 2023, 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 Cimarron Municipal Utility District, as of February 28, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

***Board of Directors  
Cimarron Municipal Utility District  
Harris and Fort Bend Counties, Texas***

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

**Required Supplementary Information**

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

***Board of Directors  
Cimarron Municipal Utility District  
Harris and Fort Bend Counties, Texas***

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Supplementary Information schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas Supplementary Information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

*McGuire & Co, P.C.*

Houston, Texas  
June 21, 2023

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## **Management's Discussion and Analysis**

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***Cimarron Municipal Utility District  
Management's Discussion and Analysis  
February 28, 2023***

## **Using this Annual Report**

Within this section of the financial report of Cimarron Municipal Utility District (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended February 28, 2023. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

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

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

## **Overview of the Financial Statements**

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

## **Government-Wide Financial Statements**

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

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

***Cimarron Municipal Utility District  
Management's Discussion and Analysis  
February 28, 2023***

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

**Fund Financial Statements**

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

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

**Financial Analysis of the District as a Whole**

The District's net position at February 28, 2023, was \$10,787,730. A comparative summary of the District's overall financial position, as of February 28, 2023 and 2022, is as follows:

|  | 2023                 | 2022                |
|--|----------------------|---------------------|
| Current and other assets                 | \$ 15,269,170        | \$ 12,833,770       |
| Capital assets                           | 19,296,068           | 19,302,120          |
| Total assets                             | <u>34,565,238</u>    | <u>32,135,890</u>   |
| <br>Total deferred outflows of resources | <br><u>341,206</u>   | <br><u>389,178</u>  |
| <br>Current liabilities                  | <br>2,266,840        | <br>2,164,036       |
| Long-term liabilities                    | <u>21,851,874</u>    | <u>23,259,276</u>   |
| Total liabilities                        | <u>24,118,714</u>    | <u>25,423,312</u>   |
| <br>Net Position                         |                      |                     |
| Net investment in capital assets         | (2,362,711)          | (3,572,087)         |
| Restricted                               | 2,234,983            | 2,268,575           |
| Unrestricted                             | <u>10,915,458</u>    | <u>8,405,268</u>    |
| Total Net Position                       | <u>\$ 10,787,730</u> | <u>\$ 7,101,756</u> |

***Cimarron Municipal Utility District  
Management's Discussion and Analysis  
February 28, 2023***

The total net position of the District increased during the current fiscal year by \$3,685,974. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

|  | <u>2023</u>          | <u>2022</u>         |
|--|----------------------|---------------------|
| Revenues                               |                      |                     |
| Water and sewer service                | \$ 2,010,728         | \$ 1,852,005        |
| Property taxes, penalties and interest | 4,457,170            | 4,022,688           |
| City of Houston sales tax rebates      | 1,162,921            | 1,119,254           |
| Regional water authority fees          | 1,822,669            | 1,459,290           |
| Other                                  | 2,620,490            | 1,596,136           |
| Total revenues                         | <u>12,073,978</u>    | <u>10,049,373</u>   |
| Expenses                               |                      |                     |
| Current service operations             | 7,129,672            | 5,834,300           |
| Debt interest and fees                 | 825,792              | 866,411             |
| Depreciation                           | 432,540              | 421,397             |
| Total expenses                         | <u>8,388,004</u>     | <u>7,122,108</u>    |
| Change in net position                 | 3,685,974            | 2,927,265           |
| Net position, beginning of year        | <u>7,101,756</u>     | <u>4,174,491</u>    |
| Net position, end of year              | <u>\$ 10,787,730</u> | <u>\$ 7,101,756</u> |

**Financial Analysis of the District's Funds**

The District's combined fund balances, as of February 28, 2023, were \$14,084,134, which consists of \$11,983,519 in the General Fund and \$2,100,615 in the Debt Service Fund.

*General Fund*

A comparative summary of the General Fund's financial position as of February 28, 2023 and 2022 is as follows:

|  | <u>2023</u>          | <u>2022</u>          |
|--|----------------------|----------------------|
| Total assets   | <u>\$ 12,522,259</u> | <u>\$ 10,243,789</u> |
| Total liabilities                                    | \$ 374,912           | \$ 517,630           |
| Total deferred inflows                               | 163,828              | 143,411              |
| Total fund balance                                   | <u>11,983,519</u>    | <u>9,582,748</u>     |
| Total liabilities, deferred inflows and fund balance | <u>\$ 12,522,259</u> | <u>\$ 10,243,789</u> |

***Cimarron Municipal Utility District  
Management’s Discussion and Analysis  
February 28, 2023***

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

|                               | <u>2023</u>         | <u>2022</u>         |
|-------------------------------|---------------------|---------------------|
| Total revenues                | \$ 7,752,633        | \$ 6,869,791        |
| Total expenditures            | <u>(5,351,862)</u>  | <u>(4,971,313)</u>  |
| Revenues over expenditures    | 2,400,771           | 1,898,478           |
| Other changes in fund balance |                     | 120,595             |
| Net change in fund balance    | <u>\$ 2,400,771</u> | <u>\$ 2,019,073</u> |

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

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. Property tax revenues increased from prior year because the District increased the maintenance and operations component of the levy and because assessed values increased from prior year.
- Water, sewer and regional water authority fee revenues are dependent upon customer usage, which fluctuates from year to year as a result of factors beyond the District’s control.
- Tap connection fees fluctuate with homebuilding activity within the District.
- Sales tax rebates received from the City of Houston under a Strategic Partnership Agreement are dependent on consumer spending at retail stores located within the District’s boundaries and will fluctuate from year to year.

*Debt Service Fund*

A comparative summary of the Debt Service Fund’s financial position as of February 28, 2023 and 2022 is as follows:

|  | <u>2023</u>         | <u>2022</u>         |
|--|---------------------|---------------------|
| Total assets   | <u>\$ 2,265,586</u> | <u>\$ 2,306,792</u> |
| Total liabilities                                    | \$ 30,603           | \$ 38,217           |
| Total deferred inflows                               | 134,368             | 123,970             |
| Total fund balance                                   | <u>2,100,615</u>    | <u>2,144,605</u>    |
| Total liabilities, deferred inflows and fund balance | <u>\$ 2,265,586</u> | <u>\$ 2,306,792</u> |

***Cimarron Municipal Utility District  
Management’s Discussion and Analysis  
February 28, 2023***

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

|                                    | <u>2023</u>        | <u>2022</u>        |
|------------------------------------|--------------------|--------------------|
| Total revenues                     | \$ 2,159,074       | \$ 2,298,845       |
| Total expenditures                 | <u>(2,203,064)</u> | <u>(2,210,132)</u> |
| Revenues over/(under) expenditures | <u>\$ (43,990)</u> | <u>\$ 88,713</u>   |

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

*Joint Water Plant Fund*

The District uses a special revenue fund to account for costs associates with the operation and maintenance of water plant no. 3 jointly owned by the District and Harris – Fort Bend Counties Municipal Utility District No. 3 (the “Joint Water Plant”). A comparative summary of the Joint Water Plant Fund’s financial position as of February 28, 2023 and 2022 is as follows:

|                   | <u>2023</u>       | <u>2022</u>       |
|-------------------|-------------------|-------------------|
| Total assets      | <u>\$ 481,325</u> | <u>\$ 283,189</u> |
| Total liabilities | <u>\$ 481,325</u> | <u>\$ 283,189</u> |

A comparative summary of activities for the Joint Water Plant Fund’s current and prior fiscal year is as follows:

|                                    | <u>2023</u>        | <u>2022</u>      |
|------------------------------------|--------------------|------------------|
| Total revenues                     | \$ 2,131,456       | \$ 931,587       |
| Total expenditures                 | <u>(2,131,456)</u> | <u>(931,587)</u> |
| Revenues over/(under) expenditures | <u>\$ -</u>        | <u>\$ -</u>      |

Revenues in the Joint Water Plant Fund primarily consist of charges to participants. The amount the District charges is based upon the actual cost of providing services. Consequently, revenues will equal expenditures each year.

**General Fund Budgetary Highlights**

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board did not amend the budget during the fiscal year.

***Cimarron Municipal Utility District  
Management’s Discussion and Analysis  
February 28, 2023***

Since the District’s budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was \$1,859,713 greater than budgeted. The *Budgetary Comparison Schedule* on page 38 of this report provides variance information per financial statement line item.

**Capital Assets**

Capital assets held by the District at February 28, 2023 and 2022 are summarized as follows:

|                                      | <u>2023</u>          | <u>2022</u>          |
|--------------------------------------|----------------------|----------------------|
| Capital assets not being depreciated |                      |                      |
| Land and improvements                | \$ 8,124,046         | \$ 8,124,046         |
| Construction in progress             | 409,090              | 261,188              |
|                                      | <u>8,533,136</u>     | <u>8,385,234</u>     |
| Capital assets being depreciated     |                      |                      |
| Infrastructure                       | 17,236,026           | 16,957,440           |
| Investment in regional facilities    | 2,580,111            | 2,580,111            |
|                                      | <u>19,816,137</u>    | <u>19,537,551</u>    |
| Less accumulated depreciation        |                      |                      |
| Infrastructure                       | (8,341,316)          | (7,966,547)          |
| Investment in regional facilities    | (711,889)            | (654,118)            |
|                                      | <u>(9,053,205)</u>   | <u>(8,620,665)</u>   |
| Depreciable capital assets, net      | <u>10,762,932</u>    | <u>10,916,886</u>    |
| Capital assets, net                  | <u>\$ 19,296,068</u> | <u>\$ 19,302,120</u> |

The District’s construction in progress is for the construction of capital improvements to regional facilities shared with West Memorial Municipal Utility District and for improvements to serve water plants no. 1 and 3.

**Long-Term Debt**

At February 28, 2023 and 2022, the District had total bonded debt outstanding as shown below:

| <u>Series</u>  | <u>2023</u>          | <u>2022</u>          |
|----------------|----------------------|----------------------|
| 2014 Refunding | \$ 2,815,000         | \$ 3,385,000         |
| 2015           | 4,180,000            | 4,410,000            |
| 2017 Refunding | 4,010,000            | 4,030,000            |
| 2017           | 900,000              | 955,000              |
| 2019 Refunding | 9,060,000            | 9,260,000            |
| 2021 Refunding | 1,905,000            | 2,155,000            |
|                | <u>\$ 22,870,000</u> | <u>\$ 24,195,000</u> |



***Cimarron Municipal Utility District  
Management’s Discussion and Analysis  
February 28, 2023***

At February 28, 2023, the District had authorized, but unissued unlimited tax and revenue bonds in the amount of \$1,325,000; authorized, but unissued unlimited tax and refunding bonds in the amount of \$365,000 and authorized, but unissued unlimited tax refunding bonds in the amount of \$16,571.

**Next Year’s Budget**

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

|                            | <u>2023 Actual</u>          | <u>2024 Budget</u>          |
|----------------------------|-----------------------------|-----------------------------|
| Total revenues             | \$ 7,752,633                | \$ 8,099,137                |
| Total expenditures         | <u>(5,351,862)</u>          | <u>(5,941,535)</u>          |
| Revenues over expenditures | 2,400,771                   | 2,157,602                   |
| Beginning fund balance     | <u>9,582,748</u>            | <u>11,983,519</u>           |
| Ending fund balance        | <u><u>\$ 11,983,519</u></u> | <u><u>\$ 14,141,121</u></u> |

**Property Taxes**

The District’s property tax base increased approximately \$218,598,000 for the 2023 tax year from \$1,406,672,765 to \$1,625,270,448. This increase was primarily due to increased property values.

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## **Basic Financial Statements**

**Cimarron Municipal Utility District**  
**Statement of Net Position and Governmental Funds Balance Sheet**  
**February 28, 2023**

|   | General<br>Fund      | Debt<br>Service<br>Fund | Joint<br>Water Plant<br>Fund | Total                |
|---|----------------------|-------------------------|------------------------------|----------------------|
| <b>Assets</b>   |                      |                         |                              |                      |
| Cash and cash equivalents   | \$ 447,170           | \$ 628,123              | \$ 136,496                   | \$ 1,211,789         |
| Investments   | 11,288,838           | 1,465,569               |                              | 12,754,407           |
| Taxes receivable, net   | 77,984               | 134,368                 |                              | 212,352              |
| Customer service receivables  | 286,420              |                         |                              | 286,420              |
| Due from City of Houston  | 373,344              |                         |                              | 373,344              |
| Internal balances   | (328,231)            | 37,404                  | 290,827                      |                      |
| Other receivables   | 10,540               | 122                     |                              | 10,662               |
| Due from other districts  |                      |                         | 53,859                       | 53,859               |
| Prepaid items   | 19,400               |                         | 143                          | 19,543               |
| Operating Reserve - West Memorial<br>Treatment Plant                          | 74,754               |                         |                              | 74,754               |
| Operating Reserve - Water Plant   | 272,040              |                         |                              | 272,040              |
| Capital assets not being depreciated  |                      |                         |                              |                      |
| Capital assets, net   |                      |                         |                              |                      |
| <b>Total Assets</b>   | <b>\$ 12,522,259</b> | <b>\$ 2,265,586</b>     | <b>\$ 481,325</b>            | <b>\$ 15,269,170</b> |
| <b>Deferred Outflows of Resources</b>   |                      |                         |                              |                      |
| Deferred difference on refunding  |                      |                         |                              |                      |
| <b>Liabilities</b>  |                      |                         |                              |                      |
| Accounts payable  | \$ 351,787           | \$ -                    | \$ 169,712                   | \$ 521,499           |
| Retainage payable   | 6,253                |                         | 2,431                        | 8,684                |
| Other payables  | 1,772                | 30,603                  |                              | 32,375               |
| Operating reserve   |                      |                         | 309,182                      | 309,182              |
| Customer deposits   | 15,100               |                         |                              | 15,100               |
| Long-term debt  |                      |                         |                              |                      |
| Due within one year   |                      |                         |                              |                      |
| Due after one year  |                      |                         |                              |                      |
| <b>Total Liabilities</b>  | <b>374,912</b>       | <b>30,603</b>           | <b>481,325</b>               | <b>886,840</b>       |
| <b>Deferred Inflows of Resources</b>  |                      |                         |                              |                      |
| Deferred property taxes   | 77,984               | 134,368                 |                              | 212,352              |
| Deferred City of Houston sales tax  | 85,844               |                         |                              | 85,844               |
|   | <b>163,828</b>       | <b>134,368</b>          |                              | <b>298,196</b>       |
| <b>Fund Balances/Net Position</b>   |                      |                         |                              |                      |
| <b>Fund Balances</b>  |                      |                         |                              |                      |
| Nonspendable  | 366,194              |                         |                              | 366,194              |
| Restricted  |                      | 2,100,615               |                              | 2,100,615            |
| Unassigned  | 11,617,325           |                         |                              | 11,617,325           |
| <b>Total Fund Balances</b>  | <b>11,983,519</b>    | <b>2,100,615</b>        |                              | <b>14,084,134</b>    |
| <b>Total Liabilities, Deferred Inflows<br/>of Resources and Fund Balances</b> | <b>\$ 12,522,259</b> | <b>\$ 2,265,586</b>     | <b>\$ 481,325</b>            | <b>\$ 15,269,170</b> |

**Net Position**

Net investment in capital assets  
Restricted for debt service  
Unrestricted  
Total Net Position

See notes to basic financial statements.

| <u>Adjustments</u>   | <u>Statement of<br/>Net Position</u> |
|----------------------|--------------------------------------|
| \$ -                 | \$ 1,211,789                         |
|                      | 12,754,407                           |
|                      | 212,352                              |
|                      | 286,420                              |
|                      | 373,344                              |
|                      | 10,662                               |
|                      | 53,859                               |
|                      | 19,543                               |
|                      | 74,754                               |
|                      | 272,040                              |
| 8,533,136            | 8,533,136                            |
| 10,762,932           | 10,762,932                           |
| <u>19,296,068</u>    | <u>34,565,238</u>                    |
| <br>                 |                                      |
| <u>341,206</u>       | <u>341,206</u>                       |
|                      | 521,499                              |
|                      | 8,684                                |
|                      | 32,375                               |
|                      | 309,182                              |
|                      | 15,100                               |
| 1,380,000            | 1,380,000                            |
| <u>21,851,874</u>    | <u>21,851,874</u>                    |
| <u>23,231,874</u>    | <u>24,118,714</u>                    |
| <br>                 |                                      |
| (212,352)            |                                      |
| <u>(85,844)</u>      |                                      |
| <u>(298,196)</u>     |                                      |
| <br>                 |                                      |
| (366,194)            |                                      |
| (2,100,615)          |                                      |
| <u>(11,617,325)</u>  |                                      |
| <u>(14,084,134)</u>  |                                      |
| <br>                 |                                      |
| (2,362,711)          | (2,362,711)                          |
| 2,234,983            | 2,234,983                            |
| 10,915,458           | 10,915,458                           |
| <u>\$ 10,787,730</u> | <u>\$ 10,787,730</u>                 |

***Cimarron Municipal Utility District***  
***Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances***  
***For the Year Ended February 28, 2023***

|   | General<br>Fund      | Debt<br>Service<br>Fund | Joint<br>Water Plant<br>Fund | Total                |
|---|----------------------|-------------------------|------------------------------|----------------------|
| <b>Revenues</b>                           |                      |                         |                              |                      |
| Water service                             | \$ 838,392           | \$ -                    | \$ -                         | \$ 838,392           |
| Sewer service                             | 1,172,336            |                         |                              | 1,172,336            |
| Property taxes                            | 2,225,554            | 2,081,508               |                              | 4,307,062            |
| Penalties and interest                    | 96,926               | 23,343                  |                              | 120,269              |
| Water supply                              |                      |                         | 2,130,837                    | 2,130,837            |
| Tap connection and inspection             | 206,748              |                         |                              | 206,748              |
| City of Houston sales tax rebate          | 1,161,945            |                         |                              | 1,161,945            |
| Regional water authority fees             | 1,822,669            |                         |                              | 1,822,669            |
| Miscellaneous                             | 12,518               | 9,766                   |                              | 22,284               |
| Investment earnings                       | 215,545              | 44,457                  | 619                          | 260,621              |
| <b>Total Revenues</b>                     | <b>7,752,633</b>     | <b>2,159,074</b>        | <b>2,131,456</b>             | <b>12,043,163</b>    |
| <b>Expenditures/Expenses</b>              |                      |                         |                              |                      |
| Current service operations                |                      |                         |                              |                      |
| Purchased services                        | 3,025,227            |                         |                              | 3,025,227            |
| Professional fees                         | 180,602              |                         | 13,722                       | 194,324              |
| Contracted services                       | 789,972              | 66,395                  | 10,842                       | 867,209              |
| Repairs and maintenance                   | 666,756              |                         | 157,648                      | 824,404              |
| Utilities                                 | 22,112               |                         | 125,799                      | 147,911              |
| Regional water authority fees             |                      |                         | 1,809,310                    | 1,809,310            |
| Administrative                            | 111,592              | 6,447                   | 13,450                       | 131,489              |
| Other                                     | 29,113               |                         | 685                          | 29,798               |
| Economic development grant                | 100,000              |                         |                              | 100,000              |
| Capital outlay                            | 426,488              |                         |                              | 426,488              |
| Debt service                              |                      |                         |                              |                      |
| Principal                                 |                      | 1,325,000               |                              | 1,325,000            |
| Interest and fees                         |                      | 805,222                 |                              | 805,222              |
| Depreciation                              |                      |                         |                              |                      |
| <b>Total Expenditures/Expenses</b>        | <b>5,351,862</b>     | <b>2,203,064</b>        | <b>2,131,456</b>             | <b>9,686,382</b>     |
| <b>Revenues Over/(Under) Expenditures</b> | <b>2,400,771</b>     | <b>(43,990)</b>         |                              | <b>2,356,781</b>     |
| <b>Change in Net Position</b>             |                      |                         |                              |                      |
| Fund Balances/Net Position                |                      |                         |                              |                      |
| Beginning of the period                   | 9,582,748            | 2,144,605               |                              | 11,727,353           |
| <b>End of the period</b>                  | <b>\$ 11,983,519</b> | <b>\$ 2,100,615</b>     | <b>\$ -</b>                  | <b>\$ 14,084,134</b> |

See notes to basic financial statements.

| <u>Adjustments</u>    | <u>Statement of<br/>Activities</u> |
|-----------------------|------------------------------------|
| \$ -                  | \$ 838,392                         |
|                       | 1,172,336                          |
| 24,160                | 4,331,222                          |
| 5,679                 | 125,948                            |
|                       | 2,130,837                          |
|                       | 206,748                            |
| 976                   | 1,162,921                          |
|                       | 1,822,669                          |
|                       | 22,284                             |
|                       | <u>260,621</u>                     |
| <u>30,815</u>         | <u>12,073,978</u>                  |
|                       | 3,025,227                          |
|                       | 194,324                            |
|                       | 867,209                            |
|                       | 824,404                            |
|                       | 147,911                            |
|                       | 1,809,310                          |
|                       | 131,489                            |
|                       | 29,798                             |
|                       | 100,000                            |
| (426,488)             |                                    |
| (1,325,000)           |                                    |
| 20,570                | 825,792                            |
| 432,540               | 432,540                            |
| <u>(1,298,378)</u>    | <u>8,388,004</u>                   |
| (2,356,781)           |                                    |
| 3,685,974             | 3,685,974                          |
| (4,625,597)           | 7,101,756                          |
| <u>\$ (3,296,404)</u> | <u>\$ 10,787,730</u>               |

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## **Note 1 – Summary of Significant Accounting Policies**

The accounting policies of Cimarron Municipal Utility District (the “District”) conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). The following is a summary of the most significant policies:

### **Creation**

The District was organized, created and established pursuant to an order of the Texas Water Rights Commission, statutory predecessor to the Texas Commission on Environmental Quality, dated February 9, 1976, and operates in accordance with the Texas Water Code, Chapters 49 and 54. The Board of Directors held its first meeting on December 7, 1976 and the first bonds were issued on December 1, 1977.

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

### **Reporting Entity**

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statements as component units.

### **Government-Wide and Fund Financial Statements**

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

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Government-Wide and Fund Financial Statements (continued)**

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

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

- The General Fund is used to account for the operations of the District’s water and sewer system and all other financial transactions not reported in other funds. The principal sources of revenue are property taxes, City of Houston sales tax rebates and water and sewer service fees. Expenditures include costs associated with the daily operations of the District.
- The Debt Service Fund is used to account for the payment of interest and principal on the District’s general long-term debt. The primary source of revenue for debt service is property taxes. Expenditures include costs incurred in assessing and collecting these taxes.
- The Joint Water Plant Fund is used to account for the operation and maintenance of water plant no. 3, which is jointly owned by the District and Harris-Fort Bend Counties Municipal Utility District No. 3. See Note 10 for more information.

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

**Measurement Focus and Basis of Accounting**

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

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

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Measurement Focus and Basis of Accounting (continued)**

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

**Use of Restricted Resources**

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

**Prepaid Items**

Certain payments made by the District reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**Receivables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At February 28, 2023, an allowance of \$26,767 was provided for possible uncollectible property taxes. An allowance for uncollectible water/sewer accounts was not considered necessary.

**Unbilled Service Revenues**

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

**Interfund Activity**

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

**Capital Assets**

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

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Capital Assets (continued)**

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

| Assets                            | Useful Life |
|-----------------------------------|-------------|
| Infrastructure                    | 20-45 years |
| Investment in regional facilities | 45 years    |

The District’s detention facilities are considered improvements to land and are non-depreciable.

**Deferred Inflows and Outflows of Financial Resources**

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

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

Deferred outflows of financial resources at the government-wide level are from a refunding bond transaction in which the amount required to repay the old debt exceeded the net carrying amount of the old debt. This amount is being amortized to interest expense.

**Net Position – Governmental Activities**

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

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

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

Unrestricted – resources not included in the other components.

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Fund Balances – Governmental Funds**

Governmental accounting standards establish the following fund balance classifications:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District's nonspendable fund balance consists of prepaid items and operating reserves paid to West Memorial Utility District and to the Joint Water Plant Fund for the joint water plant.

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

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

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

Unassigned - all other spendable amounts in the General Fund.

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

**Use of Estimates**

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

*Cimarron Municipal Utility District*  
*Notes to Financial Statements*  
*February 28, 2023*

**Note 2 – Adjustment from Governmental to Government-wide Basis**

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

|  |  |               |
|--|--|---------------|
| Total fund balance, governmental funds |  | \$ 14,084,134 |
|--|--|---------------|

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

|                               |                    |            |
|-------------------------------|--------------------|------------|
| Historical cost               | \$ 28,349,273      |            |
| Less accumulated depreciation | <u>(9,053,205)</u> |            |
| Change due to capital assets  |                    | 19,296,068 |

The difference between the face amount of bonds refunded and the amount paid to the escrow agent is recorded as a deferred difference on refunding in the *Statement of Net Position* and amortized to interest expense. It is not recorded in the fund statements because it is not a financial resource.

341,206

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

(23,231,874)

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

|                                    |               |         |
|------------------------------------|---------------|---------|
| Property taxes                     | 212,352       |         |
| City of Houston sales tax receipts | <u>85,844</u> |         |
|                                    |               | 298,196 |

|  |  |                             |
|--|--|-----------------------------|
| Total net position - governmental activities |  | <u><u>\$ 10,787,730</u></u> |
|--|--|-----------------------------|

*Cimarron Municipal Utility District*  
*Notes to Financial Statements*  
*February 28, 2023*

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

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

Net change in fund balances - total governmental funds \$ 2,356,781

Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for:

|   |           |        |
|---|-----------|--------|
| Property taxes and related penalties and interest | \$ 29,839 |        |
| City of Houston sales tax rebates                 | 976       |        |
|   |           | 30,815 |

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

|                      |           |         |
|----------------------|-----------|---------|
| Capital outlays      | 426,488   |         |
| Depreciation expense | (432,540) |         |
|                      |           | (6,052) |

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

|                          |           |           |
|--------------------------|-----------|-----------|
| Principal payments       | 1,325,000 |           |
| Interest expense accrual | (20,570)  |           |
|                          |           | 1,304,430 |

Change in net position of governmental activities \$ 3,685,974

**Note 3 – Deposits and Investments**

**Deposit Custodial Credit Risk**

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

**Cimarron Municipal Utility District**  
**Notes to Financial Statements**  
**February 28, 2023**

**Note 3 – Deposits and Investments (continued)**

**Investments**

The District is authorized by the *Public Funds Investment Act* (Chapter 2256, Texas Government Code) to invest in the following: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including Federal Home Loan Banks, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies or instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (5) certain A rated or higher obligations of states and political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) certain insured or collateralized certificates of deposit and share certificates, (8) certain fully collateralized repurchase agreements, (9) bankers’ acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds, with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

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

As of February 28, 2023, the District’s investments consist of the following:

| Type                    | Fund         | Carrying Value       | Percentage of Total | Rating | Weighted Average Maturity |
|-------------------------|--------------|----------------------|---------------------|--------|---------------------------|
| Certificates of deposit | General      | \$ 720,000           | 6%                  | N/A    | N/A                       |
| Texas CLASS             | General      | 10,568,838           |                     |        |                           |
|                         | Debt Service | 1,465,569            |                     |        |                           |
|                         |              | <u>12,034,407</u>    | <u>94%</u>          | AAAm   | 38 days                   |
| Total                   |              | <u>\$ 12,754,407</u> | <u>100%</u>         |        |                           |

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

**Texas CLASS**

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



*Cimarron Municipal Utility District*  
*Notes to Financial Statements*  
*February 28, 2023*

**Note 3 – Deposits and Investments (continued)**

**Texas CLASS (continued)**

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

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

**Investment Credit and Interest Rate Risk**

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

**Note 4 – Interfund Balances and Transactions**

Amounts due to/from other funds at February 28, 2023, consist of the following:

| Receivable Fund        | Payable Fund | Amounts   | Purpose  |
|------------------------|--------------|-----------|--|
| Debt Service Fund      | General Fund | \$ 37,404 | Tax transfers in excess of maintenance and operation tax collections |
| Joint Water Plant Fund | General Fund | 290,827   | Participant billings not remitted as of year end                     |

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

***Cimarron Municipal Utility District***  
***Notes to Financial Statements***  
***February 28, 2023***

**Note 5 – Capital Assets**

A summary of changes in capital assets, for the year ended February 28, 2023, is as follows:

|  | Beginning<br>Balances | Additions/<br>Adjustments | Ending<br>Balances   |
|--|-----------------------|---------------------------|----------------------|
| Capital assets not being depreciated     |                       |                           |                      |
| Land and improvements                    | \$ 8,124,046          | \$ -                      | \$ 8,124,046         |
| Construction in progress                 | 261,188               | 147,902                   | 409,090              |
|  | <u>8,385,234</u>      | <u>147,902</u>            | <u>8,533,136</u>     |
| Capital assets being depreciated         |                       |                           |                      |
| Infrastructure                           | 16,957,440            | 278,586                   | 17,236,026           |
| Investment in regional facilities        | 2,580,111             |                           | 2,580,111            |
|  | <u>19,537,551</u>     | <u>278,586</u>            | <u>19,816,137</u>    |
| Less accumulated depreciation            |                       |                           |                      |
| Infrastructure                           | (7,966,547)           | (374,769)                 | (8,341,316)          |
| Investment in regional facilities        | (654,118)             | (57,771)                  | (711,889)            |
|  | <u>(8,620,665)</u>    | <u>(432,540)</u>          | <u>(9,053,205)</u>   |
| Subtotal depreciable capital assets, net | <u>10,916,886</u>     | <u>(153,954)</u>          | <u>10,762,932</u>    |
| Capital assets, net                      | <u>\$ 19,302,120</u>  | <u>\$ (6,052)</u>         | <u>\$ 19,296,068</u> |

Depreciation expense for the current year was \$432,540.

**Note 6 – Long-Term Debt**

Long-term debt is comprised of the following:

|                       |                      |
|-----------------------|----------------------|
| Bonds payable         | \$ 22,870,000        |
| Unamortized discounts | (88,049)             |
| Unamortized premiums  | 449,923              |
|                       | <u>\$ 23,231,874</u> |
| Due within one year   | <u>\$ 1,380,000</u>  |

*Cimarron Municipal Utility District*  
*Notes to Financial Statements*  
*February 28, 2023*

**Note 6 – Long-Term Debt (continued)**

The District’s bonds payable at February 28, 2023, consists of unlimited tax bonds as follows:

| Series            | Amounts<br>Outstanding | Original<br>Issue | Interest<br>Rates | Maturity Date,<br>Serially,<br>Beginning/<br>Ending | Interest<br>Payment<br>Dates | Call<br>Dates    |
|-------------------|------------------------|-------------------|-------------------|---|------------------------------|------------------|
| 2014<br>Refunding | \$ 2,815,000           | \$ 6,585,000      | 2.00% - 3.125%    | March 1,<br>2015/2031                               | September 1,<br>March 1      | March 1,<br>2023 |
| 2015              | 4,180,000              | 5,790,000         | 2.00% - 3.250%    | March 1,<br>2016/2036                               | September 1,<br>March 1      | March 1,<br>2024 |
| 2017<br>Refunding | 4,010,000              | 4,155,000         | 2.76%             | March 1,<br>2018/2031                               | September 1,<br>March 1      | March 1,<br>2025 |
| 2017              | 900,000                | 1,215,000         | 2.00% - 4.50%     | March 1,<br>2018/2036                               | September 1,<br>March 1      | March 1,<br>2025 |
| 2019<br>Refunding | 9,060,000              | 9,655,000         | 4.00%             | March 1,<br>2020/2036                               | September 1,<br>March 1      | March 1,<br>2029 |
| 2021<br>Refunding | 1,905,000              | 2,400,000         | 2.00% - 3.00%     | March 1,<br>2022/2036                               | September 1,<br>March 1      | March 1,<br>2028 |
|                   | <u>\$ 22,870,000</u>   |                   |                   |   |                              |                  |

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

At February 28, 2023, the District had authorized but unissued unlimited tax and revenue bonds in the amount of \$1,325,000; authorized but unissued unlimited tax and refunding bonds in the amount of \$365,000; and authorized but unissued unlimited tax refunding bonds in the amount of \$16,571.

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

|                                    |                      |
|------------------------------------|----------------------|
| Bonds payable, beginning of period | \$ 24,195,000        |
| Bonds retired                      | (1,325,000)          |
| Bonds payable, end of period       | <u>\$ 22,870,000</u> |

*Cimarron Municipal Utility District*  
*Notes to Financial Statements*  
*February 28, 2023*

**Note 6 – Long-Term Debt (continued)**

The debt service payment due March 1 was made during the current fiscal year. The following schedule was prepared presuming this practice will continue. As of February 28, 2023, annual debt service requirements on bonds outstanding are as follows:

| Year | Principal     | Interest     | Totals        |
|------|---------------|--------------|---------------|
| 2024 | \$ 1,380,000  | \$ 760,037   | \$ 2,140,037  |
| 2025 | 1,440,000     | 717,088      | 2,157,088     |
| 2026 | 1,485,000     | 672,545      | 2,157,545     |
| 2027 | 1,530,000     | 627,514      | 2,157,514     |
| 2028 | 1,590,000     | 581,014      | 2,171,014     |
| 2029 | 1,655,000     | 532,717      | 2,187,717     |
| 2030 | 1,720,000     | 483,888      | 2,203,888     |
| 2031 | 1,770,000     | 432,733      | 2,202,733     |
| 2032 | 1,885,000     | 379,705      | 2,264,705     |
| 2033 | 1,970,000     | 310,544      | 2,280,544     |
| 2034 | 2,060,000     | 238,037      | 2,298,037     |
| 2035 | 2,145,000     | 162,087      | 2,307,087     |
| 2036 | 2,240,000     | 82,850       | 2,322,850     |
|      | \$ 22,870,000 | \$ 5,980,759 | \$ 28,850,759 |

**Note 7 – Property Taxes**

On January 25, 1977, the voters of the District authorized the District’s Board of Directors to levy taxes annually for use in financing general operations limited to \$0.25 per \$100 of assessed value. The District’s bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

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

Property taxes are collected based on rates adopted in the year of the levy. The District’s 2023 fiscal year was financed through the 2022 tax levy, pursuant to which the District levied property taxes of \$0.320 per \$100 of assessed value, of which \$0.165 was allocated to maintenance and operations and \$0.155 was allocated to debt service. The resulting tax levy was \$4,501,353 on the adjusted taxable value of \$1,406,672,765.

***Cimarron Municipal Utility District***  
***Notes to Financial Statements***  
***February 28, 2023***

**Note 7 – Property Taxes (continued)**

Net property taxes receivable, at February 28, 2023, consisted of the following:

|   |                          |
|---|--------------------------|
| Current year taxes receivable             | \$ 119,293               |
| Prior years taxes receivable              | 78,440                   |
| Less allowance for uncollectible accounts | <u>(26,767)</u>          |
|   | 170,966                  |
| Penalty and interest receivable           | <u>41,386</u>            |
| Net property taxes receivable             | <u><u>\$ 212,352</u></u> |

**Note 8 – Strategic Partnership Agreement**

Effective April 10, 2003, as subsequently amended, the District and the City of Houston (the “City”) entered into a Strategic Partnership Agreement (the “Agreement”) under which the City annexed certain commercial areas of the District for the limited purposes of applying the City’s planning, zoning, health and safety ordinances within the District. The District continues to exercise all powers and functions of a municipal utility district. As consideration for the District providing services described in the Agreement, the City agreed to remit one half of all retail sales taxes collected from retailers in the area annexed. The City agrees that it will not annex all or part of the District during the term of this agreement which is thirty years. During the current year, the District recognized \$1,162,921 in City of Houston sales tax revenues.

**Note 9 – Financing and Operation of Regional Facilities**

On August 30, 1983, as subsequently amended, the District entered into a forty-five year agreement with West Memorial Municipal Utility District (“West Memorial”), Interstate Municipal Utility District, Mason Creek Utility District and Harris County Municipal Utility District No. 81, whereby West Memorial agreed to provide the regional wastewater treatment and disposal facilities necessary to serve the participants. West Memorial has oversight responsibilities and holds title to the facilities for the benefit of the participating Districts.

The following represents each participant’s capacity and percentage of ownership:

| Participant                                     | Million Gallons<br>Capacity | Percent of<br>Ownership |
|---|-----------------------------|-------------------------|
| Cimarron Municipal Utility District             | 2,471,000                   | 38.16%                  |
| Interstate Municipal Utility District           | 1,350,000                   | 20.85%                  |
| Harris County Municipal Utility District No. 81 | 1,255,000                   | 19.38%                  |
| Mason Creek Utility District                    | 800,000                     | 12.36%                  |
| West Memorial Municipal Utility District        | <u>599,000</u>              | <u>9.25%</u>            |
| Totals  | <u><u>6,475,000</u></u>     | <u><u>100.00%</u></u>   |

*Cimarron Municipal Utility District*  
*Notes to Financial Statements*  
*February 28, 2023*

**Note 9 – Financing and Operation of Regional Facilities (continued)**

West Memorial operates the regional facilities. Participants are billed monthly based on a contractual formula. During the current year, the District recorded expenditures in the amount of \$838,474 for its share of operating costs. In addition, the District is responsible for its pro rata share of an operating and maintenance reserve, which is equivalent to three months of average budgeted operating and maintenance expenditures. As of February 28, 2023, the District’s share of the operating reserve is \$74,754.

Audited financial statements for the wastewater treatment plant are prepared annually and can be obtained from West Memorial’s attorney. Condensed financial information, as of and for the year ended June 30, 2022, is shown below:

|   |                    |
|---|--------------------|
| Total Assets  | <u>\$ 656,221</u>  |
| Total Liabilities                                       | \$ 180,983         |
| Total Fund Balance - Restricted                         | <u>475,238</u>     |
| Total Liabilities and Fund Balance                      | <u>\$ 656,221</u>  |
| <br>  |                    |
| Total Revenues  | \$ 2,289,727       |
| Total Expenditures                                      | <u>(2,289,727)</u> |
| Revenues Over Expenditures                              |                    |
| Other Financing Sources - Increase in Operating Reserve | <u>54,818</u>      |
| Net Change in Fund Balance                              | 54,818             |
| Fund Balance, Beginning of Year                         | <u>420,420</u>     |
| Fund Balance, End of Year                               | <u>\$ 475,238</u>  |

**Note 10 – Joint Water Supply Agreement**

On November 17, 2010, the District entered into a Joint Water Plant Operating Agreement, (“the “Agreement”) with Harris-Fort Bend Counties Municipal District No. 3 (“HFB MUD 3”) for allocation of costs associated with the operation and maintenance of a joint water plant. The District shall hold legal title for the water plant for the benefit of both districts. Each district shall have an undivided equitable interest in the water plant based on the district’s proportionate share of equivalent single family connections. The District has a 65.04% interest in the water plant and HFB MUD 3 has a 34.96% interest in the water plant.

Pursuant to the Agreement, the District has established the Joint Water Plant Fund, a special revenue fund, to account for activities related to the operation and maintenance of the joint water plant. Each district is billed monthly for its proportionate share of maintenance and operating expenditures. For the year ended February 28, 2023, the District’s share of the water service billings were \$1,970,351 and HFB MUD 3’s share of the water service billings were \$160,486. As of February 28, 2023, the District’s and HFB MUD 3’s operating reserves are \$272,040 and \$37,142, respectively.

**Note 11 – West Harris County Regional Water Authority**

The District is within the boundaries of the West Harris County Regional Water Authority (the “Authority”), which was created by the Texas Legislature. The Authority is a political subdivision of the State of Texas, governed by an elected nine-member Board of Directors. The Authority was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Harris-Galveston Coastal Subsidence District, which regulates groundwater withdrawal. As of February 28, 2023, the Authority’s rates are \$3.95 per 1,000 gallons of water pumped from the District’s wells and \$4.35 for surface water supplied to the District. These rates are subject to future increases. The District passes these costs on to its customers.

**Note 12 – Economic Development Agreement**

On July 17, 2013, the District entered into an Economic Development Agreement with Costco Wholesale Corporation in order to provide a performance-based economic development grant to the developer to defray a portion of the costs incurred by the developer by building a wholesale merchandise facility in the District. Costco will be paid from revenues received from the Strategic Partnership Agreement (“SPA”) between the District and the City of Houston (“the City”). The amount of the Economic Development Grant for a given year shall be equal to fifty percent of the revenue received by the District from the City pursuant to the SPA from Costco, but not to exceed \$100,000. The initial Economic Development Grant payment shall be made within thirty days of the annual anniversary date of the initial sales tax collection by the City from Costco and ends after ten years. During the current fiscal year, the District recognized \$100,000 in payment to Costco.

**Note 13 – Risk Management**

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

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## **Required Supplementary Information**

*Cimarron Municipal Utility District*  
*Required Supplementary Information - Budgetary Comparison Schedule - General Fund*  
*For the Year Ended February 28, 2023*

|                                   | Original and<br>Final Budget | Actual               | Variance<br>Positive<br>(Negative) |
|-----------------------------------|------------------------------|----------------------|------------------------------------|
| <b>Revenues</b>                   |                              |                      |                                    |
| Water service                     | \$ 722,600                   | \$ 838,392           | \$ 115,792                         |
| Sewer service                     | 1,172,100                    | 1,172,336            | 236                                |
| Property taxes                    | 1,698,771                    | 2,225,554            | 526,783                            |
| Penalties and interest            | 120,200                      | 96,926               | (23,274)                           |
| Tap connection and inspection     | 157,600                      | 206,748              | 49,148                             |
| City of Houston sales tax rebate  | 1,104,300                    | 1,161,945            | 57,645                             |
| Regional water authority fees     | 1,466,900                    | 1,822,669            | 355,769                            |
| Miscellaneous                     | 12,900                       | 12,518               | (382)                              |
| Investment earnings               | 15,730                       | 215,545              | 199,815                            |
| Total Revenues                    | <u>6,471,101</u>             | <u>7,752,633</u>     | <u>1,281,532</u>                   |
| <b>Expenditures</b>               |                              |                      |                                    |
| Current service operations        |                              |                      |                                    |
| Purchased services                | 2,819,322                    | 3,025,227            | (205,905)                          |
| Professional fees                 | 174,000                      | 180,602              | (6,602)                            |
| Contracted services               | 854,900                      | 789,972              | 64,928                             |
| Repairs and maintenance           | 1,130,811                    | 666,756              | 464,055                            |
| Utilities                         | 114,000                      | 22,112               | 91,888                             |
| Administrative                    | 114,474                      | 111,592              | 2,882                              |
| Other                             | 49,000                       | 29,113               | 19,887                             |
| Economic development grant        | 100,000                      | 100,000              |                                    |
| Capital outlay                    | 573,536                      | 426,488              | 147,048                            |
| Total Expenditures                | <u>5,930,043</u>             | <u>5,351,862</u>     | <u>578,181</u>                     |
| <b>Revenues Over Expenditures</b> | 541,058                      | 2,400,771            | 1,859,713                          |
| <b>Fund Balance</b>               |                              |                      |                                    |
| Beginning of the period           | 9,582,748                    | 9,582,748            |                                    |
| <b>End of the period</b>          | <u>\$ 10,123,806</u>         | <u>\$ 11,983,519</u> | <u>\$ 1,859,713</u>                |

***Cimarron Municipal Utility District  
Required Supplementary Information - Budgetary Comparison Schedule -  
Joint Water Plant Fund  
For the Year Ended February 28, 2023***

|   | Original and<br>Final Budget | Actual           | Variance<br>Positive<br>(Negative) |
|---|------------------------------|------------------|------------------------------------|
| <b>Revenues</b>                           |                              |                  |                                    |
| Water supply                              | \$ 1,236,726                 | \$ 2,130,837     | \$ 894,111                         |
| Investment earnings                       | 30                           | 619              | 589                                |
| Total Revenues                            | <u>1,236,756</u>             | <u>2,131,456</u> | <u>894,700</u>                     |
| <b>Expenditures</b>                       |                              |                  |                                    |
| Current service operations                |                              |                  |                                    |
| Professional fees                         | 15,000                       | 13,722           | 1,278                              |
| Contracted services                       | 7,000                        | 10,842           | (3,842)                            |
| Repairs and maintenance                   | 315,000                      | 157,648          | 157,352                            |
| Utilities                                 | 46,200                       | 125,799          | (79,599)                           |
| Regional Water Authority fees             | 840,400                      | 1,809,310        | (968,910)                          |
| Administrative                            | 12,356                       | 13,450           | (1,094)                            |
| Other                                     | 800                          | 685              | 115                                |
| Total Expenditures                        | <u>1,236,756</u>             | <u>2,131,456</u> | <u>(894,700)</u>                   |
| <b>Revenues Over (Under) Expenditures</b> |                              |                  |                                    |
| <b>Fund Balance:</b>                      |                              |                  |                                    |
| Beginning of the period                   | -                            | -                | -                                  |
| End of the period                         | <u>\$ -</u>                  | <u>\$ -</u>      | <u>\$ -</u>                        |

*Cimarron Municipal Utility District*  
*Notes to Required Supplementary Information*  
*February 28, 2023*

**Budgets and Budgetary Accounting**

An annual unappropriated budget is adopted for the General Fund and the Joint Water Plant Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. There were no amendments to the budget during the year.

## **Texas Supplementary Information**

**Cimarron Municipal Utility District**

**TSI-1. Services and Rates**

**February 28, 2023**

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

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

2. Retail Service Providers

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

|                | Minimum Charge | Minimum Usage | Flat Rate (Y / N) | Rate per 1,000 Gallons Over Minimum Usage | Usage Levels |             |
|----------------|----------------|---------------|-------------------|---|--------------|-------------|
| Water:         | \$ 9.00        | 6,000         | N                 | \$ 1.25                                   | 6,001        | to 10,000   |
|                |                |               |                   | \$ 1.50                                   | 10,001       | to 15,000   |
|                |                |               |                   | \$ 1.75                                   | 15,001       | to 20,000   |
|                |                |               |                   | \$ 2.00                                   | 20,001       | to No limit |
| Wastewater:    | \$ 26.22       | - 0 -         | Y                 | N/A                                       | - 0 -        | to No limit |
| Surface water: | \$             | - 0 -         | N                 | \$ 4.35                                   | - 0 -        | to No limit |

District employs winter averaging for wastewater usage?  Yes  No

Total charges per 10,000 gallons usage: Water \$ 57.50 Wastewater \$ 26.22

b. Water and Wastewater Retail Connections:

| Meter Size       | Total Connections | Active Connections | ESFC Factor | Active ESFC'S |
|------------------|-------------------|--------------------|-------------|---------------|
| Unmetered        |                   |                    | x 1.0       |               |
| less than 3/4"   | 1,502             | 1,487              | x 1.0       | 1,487         |
| 1"               | 31                | 30                 | x 2.5       | 75            |
| 1.5"             | 39                | 39                 | x 5.0       | 195           |
| 2"               | 114               | 114                | x 8.0       | 912           |
| 3"               | 2                 | 2                  | x 15.0      | 30            |
| 4"               | 2                 | 2                  | x 25.0      | 50            |
| 6"               | 4                 | 4                  | x 50.0      | 200           |
| 8"               | 14                | 14                 | x 80.0      | 1,120         |
| 10"              |                   |                    | x 115.0     |               |
| 12"              | 1                 | 1                  | x 155.0     | 155           |
| Total Water      | 1,709             | 1,693              |             | 4,224         |
| Total Wastewater | 1,603             | 1,588              | x 1.0       | 1,588         |

See accompanying auditor's report.

***Cimarron Municipal Utility District***  
***TSI-1. Services and Rates***  
***February 28, 2023***

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

|                              |                    |  |
|------------------------------|--------------------|--|
| Gallons pumped into system:  | <u>538,951,000</u> | Water Accountability Ratio:                                |
| Gallons billed to customers: | <u>474,966,000</u> | (Gallons billed and sold/<br>gallons pumped and purchased) |
| *Gallons sold:               | <u>25,805,000</u>  | <u>92.92%</u>  |

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

Does the District have Debt Service standby fees? Yes  No

If yes, Date of the most recent commission Order: \_\_\_\_\_

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

If yes, Date of the most recent commission Order: \_\_\_\_\_

5. Location of District

Is the District located entirely within one county? Yes  No

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

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

City(ies) in which the District is located: \_\_\_\_\_

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

Entirely  Partly  Not at all

ETJs in which the District is located: City of Houston

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

If Yes, by whom? \_\_\_\_\_

\* Gallons sold to Harris-Fort Bend County MUD 3

See accompanying auditor's report.

*Cimarron Municipal Utility District  
 TSI-2. General Fund Expenditures  
 For the Year Ended February 28, 2023*

|                               |                            |
|-------------------------------|----------------------------|
| Purchased services            | <u>\$ 3,025,227</u>        |
| Professional fees             |                            |
| Legal                         | 64,121                     |
| Engineering                   | 102,481                    |
| Audit                         | 14,000                     |
|                               | <u>180,602</u>             |
| Contracted services           |                            |
| Bookkeeping                   | 52,790                     |
| Operator                      | 149,373                    |
| Garbage collection            | 275,110                    |
| Tap connection and inspection | 81,377                     |
| Tax assessor collector        | 4,179                      |
| Security                      | 227,143                    |
|                               | <u>789,972</u>             |
| Repairs and maintenance       | <u>666,756</u>             |
| Utilities                     | <u>22,112</u>              |
| Administrative                |                            |
| Directors fees                | 16,650                     |
| Printing and office supplies  | 16,657                     |
| Insurance                     | 40,172                     |
| Other                         | 38,113                     |
|                               | <u>111,592</u>             |
| Other                         | <u>29,113</u>              |
| Economic development grant    | <u>100,000</u>             |
| Capital outlay                | <u>426,488</u>             |
| Total expenditures            | <u><u>\$ 5,351,862</u></u> |

See accompanying auditor's report.



*Cimarron Municipal Utility District*  
*TSI-3. Investments*  
*February 28, 2023*

| Fund                   | Interest<br>Rate | Maturity<br>Date | Balance at End<br>of Year | Interest<br>Receivable |
|------------------------|------------------|------------------|---------------------------|------------------------|
| General                |                  |                  |                           |                        |
| Texas CLASS            | Variable         | N/A              | \$ 10,568,838             | \$ -                   |
| Certificate of deposit | 3.50%            | 10/04/23         | 240,000                   | 3,383                  |
| Certificate of deposit | 3.50%            | 09/26/23         | 240,000                   | 3,567                  |
| Certificate of deposit | 3.50%            | 09/26/23         | 240,000                   | 3,590                  |
|                        |                  |                  | <u>11,288,838</u>         | <u>10,540</u>          |
| Debt Service           |                  |                  |                           |                        |
| Texas CLASS            | Variable         | N/A              | <u>1,465,569</u>          |                        |
| Total - All Funds      |                  |                  | <u>\$ 12,754,407</u>      | <u>\$ 10,540</u>       |

See accompanying auditor's report.

***Cimarron Municipal Utility District***  
***TSI-4. Taxes Levied and Receivable***  
***February 28, 2023***

|   | Maintenance<br>Taxes | Debt Service<br>Taxes | Totals           |                |
|---|----------------------|-----------------------|------------------|----------------|
| Taxes Receivable, Beginning of Year                 | \$ 58,543            | \$ 88,262             | \$ 146,805       |                |
| Adjustments to Prior Year Tax Levy                  | (76,015)             | (94,116)              | (170,131)        |                |
| Adjusted Receivable                                 | (17,472)             | (5,854)               | (23,326)         |                |
| 2022 Original Tax Levy                              | 2,099,953            | 1,972,683             | 4,072,636        |                |
| Adjustments   | 221,057              | 207,660               | 428,717          |                |
| Adjusted Tax Levy                                   | 2,321,010            | 2,180,343             | 4,501,353        |                |
| Total to be accounted for                           | 2,303,538            | 2,174,489             | 4,478,027        |                |
| Tax collections:                                    |                      |                       |                  |                |
| Current year  | 2,259,500            | 2,122,560             | 4,382,060        |                |
| Prior years   | (33,946)             | (41,053)              | (74,999)         |                |
| Total Collections                                   | 2,225,554            | 2,081,507             | 4,307,061        |                |
| Taxes Receivable, End of Year                       | \$ 77,984            | \$ 92,982             | \$ 170,966       |                |
| Taxes Receivable, By Years                          |                      |                       |                  |                |
| 2022  | \$ 61,510            | \$ 57,783             | \$ 119,293       |                |
| 2021  | 7,554                | 9,501                 | 17,055           |                |
| 2020  | 3,333                | 4,041                 | 7,374            |                |
| 2019 and prior                                      | 5,587                | 21,657                | 27,244           |                |
| Taxes Receivable, End of Year                       | \$ 77,984            | \$ 92,982             | \$ 170,966       |                |
|   | 2022                 | 2021                  | 2020             | 2019           |
| Property Valuations:                                |                      |                       |                  |                |
| Land  | \$ 397,139,481       | \$ 317,719,883        | \$ 315,004,238   | \$ 302,947,106 |
| Improvements  | 1,087,610,388        | 856,289,197           | 773,144,088      | 655,532,929    |
| Personal Property                                   | 62,060,909           | 56,092,043            | 55,656,856       | 52,473,976     |
| Exemptions  | (140,138,013)        | (87,074,574)          | (81,171,170)     | (82,093,255)   |
| Total Property Valuations                           | \$ 1,406,672,765     | \$ 1,143,026,549      | \$ 1,062,634,012 | \$ 928,860,756 |
| Tax Rates per \$100 Valuation:                      |                      |                       |                  |                |
| Maintenance tax rates*                              | \$ 0.165             | \$ 0.155              | \$ 0.165         | \$ 0.140       |
| Debt service tax rates                              | 0.155                | 0.195                 | 0.200            | 0.225          |
| Total Tax Rates per \$100 Valuation                 | \$ 0.320             | \$ 0.350              | \$ 0.365         | \$ 0.365       |
| Adjusted Tax Levy:                                  | \$ 4,501,353         | \$ 4,000,593          | \$ 3,878,614     | \$ 3,390,342   |
| Percentage of Taxes Collected<br>to Taxes Levied ** | 97.35%               | 99.57%                | 99.81%           | 99.90%         |

\* Maximum Maintenance Tax Rate Approved by Voters: \$0.25 on January 25, 1977

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

See accompanying auditor's report.

*Cimarron Municipal Utility District*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2014 Refunding--by Years*  
*February 28, 2023*

| Due During Fiscal<br>Years Ending | Principal Due<br>March 1 | Interest Due<br>September 1,<br>March 1 | Total               |
|-----------------------------------|--------------------------|---|---------------------|
| 2024                              | \$ 595,000               | \$ 85,169                               | \$ 680,169          |
| 2025                              | 620,000                  | 67,319                                  | 687,319             |
| 2026                              | 240,000                  | 48,719                                  | 288,719             |
| 2027                              | 250,000                  | 41,519                                  | 291,519             |
| 2028                              | 260,000                  | 34,018                                  | 294,018             |
| 2029                              | 275,000                  | 26,218                                  | 301,218             |
| 2030                              | 280,000                  | 17,968                                  | 297,968             |
| 2031                              | 295,000                  | 9,218                                   | 304,218             |
|                                   | <u>\$ 2,815,000</u>      | <u>\$ 330,148</u>                       | <u>\$ 3,145,148</u> |

See accompanying auditor's report.

*Cimarron Municipal Utility District*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2015--by Years*  
*February 28, 2023*

| <u>Due During Fiscal<br/>Years Ending</u> | <u>Principal Due<br/>March 1</u> | <u>Interest Due<br/>September 1,<br/>March 1</u> | <u>Total</u>        |
|---|----------------------------------|--|---------------------|
| 2024                                      | \$ 240,000                       | \$ 130,562                                       | \$ 370,562          |
| 2025                                      | 255,000                          | 123,363  | 378,363             |
| 2026                                      | 265,000                          | 115,712  | 380,712             |
| 2027                                      | 275,000                          | 107,763  | 382,763             |
| 2028                                      | 290,000                          | 99,512   | 389,512             |
| 2029                                      | 305,000                          | 90,813   | 395,813             |
| 2030                                      | 320,000                          | 81,662   | 401,662             |
| 2031                                      | 330,000                          | 72,063   | 402,063             |
| 2032                                      | 345,000                          | 61,749   | 406,749             |
| 2033                                      | 365,000                          | 50,538   | 415,538             |
| 2034                                      | 380,000                          | 38,675   | 418,675             |
| 2035                                      | 395,000                          | 26,325   | 421,325             |
| 2036                                      | 415,000                          | 13,488   | 428,488             |
|   | <u>\$ 4,180,000</u>              | <u>\$ 1,012,225</u>                              | <u>\$ 5,192,225</u> |

See accompanying auditor's report.

*Cimarron Municipal Utility District*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2017 Refunding--by Years*  
*February 28, 2023*

| <u>Due During Fiscal<br/>Years Ending</u> | <u>Principal Due<br/>March 1</u> | <u>Interest Due<br/>September 1,<br/>March 1</u> | <u>Total</u>        |
|---|----------------------------------|--|---------------------|
| 2024                                      | \$ 20,000                        | \$ 110,676                                       | \$ 130,676          |
| 2025                                      | 160,000                          | 110,124  | 270,124             |
| 2026                                      | 570,000                          | 105,708  | 675,708             |
| 2027                                      | 595,000                          | 89,976   | 684,976             |
| 2028                                      | 620,000                          | 73,554   | 693,554             |
| 2029                                      | 650,000                          | 56,442   | 706,442             |
| 2030                                      | 685,000                          | 38,502   | 723,502             |
| 2031                                      | 710,000                          | 19,596   | 729,596             |
|   | <u>\$ 4,010,000</u>              | <u>\$ 604,578</u>                                | <u>\$ 4,614,578</u> |

See accompanying auditor's report.

*Cimarron Municipal Utility District*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2017--by Years*  
*February 28, 2023*

| <u>Due During Fiscal<br/>Years Ending</u> | <u>Principal Due<br/>March 1</u> | <u>Interest Due<br/>September 1,<br/>March 1</u> | <u>Total</u>        |
|---|----------------------------------|--|---------------------|
| 2024                                      | \$ 55,000                        | \$ 25,630  | \$ 80,630           |
| 2025                                      | 60,000                           | 24,532   | 84,532              |
| 2026                                      | 60,000                           | 23,256   | 83,256              |
| 2027                                      | 60,000                           | 21,906   | 81,906              |
| 2028                                      | 65,000                           | 20,330   | 85,330              |
| 2029                                      | 65,000                           | 18,544   | 83,544              |
| 2030                                      | 70,000                           | 16,756   | 86,756              |
| 2031                                      | 70,000                           | 14,656   | 84,656              |
| 2032                                      | 75,000                           | 12,556   | 87,556              |
| 2033                                      | 75,000                           | 10,306   | 85,306              |
| 2034                                      | 80,000                           | 7,962  | 87,962              |
| 2035                                      | 80,000                           | 5,362  | 85,362              |
| 2036                                      | 85,000                           | 2,762  | 87,762              |
|   | <u>\$ 900,000</u>                | <u>\$ 204,558</u>                                | <u>\$ 1,104,558</u> |

See accompanying auditor's report.

*Cimarron Municipal Utility District*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2019 Refunding--by Years*  
*February 28, 2023*

| <u>Due During Fiscal<br/>Years Ending</u> | <u>Principal Due<br/>March 1</u> | <u>Interest Due<br/>September 1,<br/>March 1</u> | <u>Total</u>         |
|---|----------------------------------|--|----------------------|
| 2024                                      | \$ 215,000                       | \$ 362,400                                       | \$ 577,400           |
| 2025                                      | 225,000                          | 353,800  | 578,800              |
| 2026                                      | 230,000                          | 344,800  | 574,800              |
| 2027                                      | 225,000                          | 335,600  | 560,600              |
| 2028                                      | 225,000                          | 326,600  | 551,600              |
| 2029                                      | 225,000                          | 317,600  | 542,600              |
| 2030                                      | 225,000                          | 308,600  | 533,600              |
| 2031                                      | 225,000                          | 299,600  | 524,600              |
| 2032                                      | 1,320,000                        | 290,600  | 1,610,600            |
| 2033                                      | 1,385,000                        | 237,800  | 1,622,800            |
| 2034                                      | 1,450,000                        | 182,400  | 1,632,400            |
| 2035                                      | 1,520,000                        | 124,400  | 1,644,400            |
| 2036                                      | 1,590,000                        | 63,600   | 1,653,600            |
|   | <u>\$ 9,060,000</u>              | <u>\$ 3,547,800</u>                              | <u>\$ 12,607,800</u> |

See accompanying auditor's report.

*Cimarron Municipal Utility District*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2021 Refunding--by Years*  
*February 28, 2023*

| <u>Due During Fiscal<br/>Years Ending</u> | <u>Principal Due<br/>March 1</u> | <u>Interest Due<br/>September 1,<br/>March 1</u> | <u>Total</u>        |
|---|----------------------------------|--|---------------------|
| 2024                                      | \$ 255,000                       | \$ 45,600  | \$ 300,600          |
| 2025                                      | 120,000                          | 37,950   | 157,950             |
| 2026                                      | 120,000                          | 34,350   | 154,350             |
| 2027                                      | 125,000                          | 30,750   | 155,750             |
| 2028                                      | 130,000                          | 27,000   | 157,000             |
| 2029                                      | 135,000                          | 23,100   | 158,100             |
| 2030                                      | 140,000                          | 20,400   | 160,400             |
| 2031                                      | 140,000                          | 17,600   | 157,600             |
| 2032                                      | 145,000                          | 14,800   | 159,800             |
| 2033                                      | 145,000                          | 11,900   | 156,900             |
| 2034                                      | 150,000                          | 9,000  | 159,000             |
| 2035                                      | 150,000                          | 6,000  | 156,000             |
| 2036                                      | 150,000                          | 3,000  | 153,000             |
|   | <u>\$ 1,905,000</u>              | <u>\$ 281,450</u>                                | <u>\$ 2,186,450</u> |

See accompanying auditor's report.



*Cimarron Municipal Utility District*  
*TSI-5. Long-Term Debt Service Requirements*  
*All Bonded Debt Series--by Years*  
*February 28, 2023*

| <u>Due During Fiscal<br/>Years Ending</u> | <u>Principal Due<br/>March 1</u> | <u>Interest Due<br/>September 1,<br/>March 1</u> | <u>Total</u>         |
|---|----------------------------------|--|----------------------|
| 2024                                      | \$ 1,380,000                     | \$ 760,037                                       | \$ 2,140,037         |
| 2025                                      | 1,440,000                        | 717,088  | 2,157,088            |
| 2026                                      | 1,485,000                        | 672,545  | 2,157,545            |
| 2027                                      | 1,530,000                        | 627,514  | 2,157,514            |
| 2028                                      | 1,590,000                        | 581,014  | 2,171,014            |
| 2029                                      | 1,655,000                        | 532,717  | 2,187,717            |
| 2030                                      | 1,720,000                        | 483,888  | 2,203,888            |
| 2031                                      | 1,770,000                        | 432,733  | 2,202,733            |
| 2032                                      | 1,885,000                        | 379,705  | 2,264,705            |
| 2033                                      | 1,970,000                        | 310,544  | 2,280,544            |
| 2034                                      | 2,060,000                        | 238,037  | 2,298,037            |
| 2035                                      | 2,145,000                        | 162,087  | 2,307,087            |
| 2036                                      | 2,240,000                        | 82,850   | 2,322,850            |
|   | <u>\$ 22,870,000</u>             | <u>\$ 5,980,759</u>                              | <u>\$ 28,850,759</u> |

See accompanying auditor's report.

*Cimarron Municipal Utility District*  
*TSI-6. Change in Long-Term Bonded Debt*  
*February 28, 2023*

|                                  | Bond Issue                            |   |                          |                    |
|----------------------------------|---------------------------------------|---|--------------------------|--------------------|
|                                  | Series 2014<br>Refunding              | Series 2015                             | Series 2017<br>Refunding | Series 2017        |
| Interest rate                    | 2.00% - 3.125%                        | 2.00% - 3.25%                           | 2.76%                    | 2.00% - 4.50%      |
| Dates interest payable           | 9/1; 3/1                              | 9/1; 3/1                                | 9/1; 3/1                 | 9/1; 3/1           |
| Maturity dates                   | 3/1/15 -<br>3/1/31                    | 3/1/16 -<br>3/1/36                      | 3/1/18 -<br>3/1/31       | 3/1/18 -<br>3/1/36 |
| Beginning bonds outstanding      | \$ 3,385,000                          | \$ 4,410,000                            | \$ 4,030,000             | \$ 955,000         |
| Bonds retired                    | (570,000)                             | (230,000)                               | (20,000)                 | (55,000)           |
| Ending bonds outstanding         | <u>\$ 2,815,000</u>                   | <u>\$ 4,180,000</u>                     | <u>\$ 4,010,000</u>      | <u>\$ 900,000</u>  |
| Interest paid during fiscal year | <u>\$ 102,269</u>                     | <u>\$ 137,463</u>                       | <u>\$ 111,228</u>        | <u>\$ 26,732</u>   |
| Paying agent's name and city     | Regions Bank, Houston, Texas          |   |                          |                    |
| All Series                       | Regions Bank, Houston, Texas          |   |                          |                    |
|                                  | Unlimited Tax<br>and Revenue<br>Bonds | Unlimited Tax<br>and Refunding<br>Bonds | Refunding<br>Bonds       |                    |
| Bond Authority:                  |                                       |   |                          |                    |
| Amount Authorized by Voters      | \$ 40,670,000                         | \$ 10,000,000                           | \$ 6,000,000             |                    |
| Amount Issued                    | (39,345,000)                          | (9,635,000)                             | (5,983,429)              |                    |
| Remaining To Be Issued           | <u>\$ 1,325,000</u>                   | <u>\$ 365,000</u>                       | <u>\$ 16,571</u>         |                    |

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

Debt Service Fund cash and temporary investment balances as of February 28, 2022: \$ 2,093,692

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 2,219,289

See accompanying auditor's report.

| Bond Issue               |                          |                      |
|--------------------------|--------------------------|----------------------|
| Series 2019<br>Refunding | Series 2021<br>Refunding | Totals               |
| 4.00%                    | 2.00% - 3.00%            |                      |
| 9/1; 3/1                 | 9/1; 3/1                 |                      |
| 3/1/20 -<br>3/1/36       | 3/1/22 -<br>3/1/36       |                      |
| \$ 9,260,000             | \$ 2,155,000             | \$ 24,195,000        |
| <u>(200,000)</u>         | <u>(250,000)</u>         | <u>(1,325,000)</u>   |
| <u>\$ 9,060,000</u>      | <u>\$ 1,905,000</u>      | <u>\$ 22,870,000</u> |
| <u>\$ 370,400</u>        | <u>\$ 53,100</u>         | <u>\$ 801,192</u>    |

***Cimarron Municipal Utility District***

***TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund***

***For the Last Five Fiscal Periods***

|                                  | Amounts             |                     |                     |                   |                   |
|----------------------------------|---------------------|---------------------|---------------------|-------------------|-------------------|
|                                  | 2023                | 2022                | 2021                | 2020              | 2019              |
| Revenues                         |                     |                     |                     |                   |                   |
| Water service                    | \$ 838,392          | \$ 719,243          | \$ 791,059          | \$ 626,240        | \$ 584,069        |
| Sewer service                    | 1,172,336           | 1,132,762           | 1,077,891           | 967,426           | 941,124           |
| Property taxes                   | 2,225,554           | 1,724,055           | 1,784,601           | 1,294,132         | 978,763           |
| Penalties and interest           | 96,926              | 113,900             | 52,628              | 59,374            | 46,559            |
| Water supply                     |                     | 192,000             |                     |                   |                   |
| Tap connection and inspection    | 206,748             | 326,609             | 440,123             | 507,134           | 377,337           |
| City of Houston sales tax rebate | 1,161,945           | 1,101,759           | 846,723             | 853,205           | 880,830           |
| Regional water authority fees    | 1,822,669           | 1,459,290           | 1,362,287           | 1,240,787         | 943,948           |
| Miscellaneous                    | 12,518              | 83,402              | 89,994              | 68,177            | 22,562            |
| Investment earnings              | 215,545             | 16,771              | 51,192              | 106,170           | 79,661            |
| Total Revenues                   | <u>7,752,633</u>    | <u>6,869,791</u>    | <u>6,496,498</u>    | <u>5,722,645</u>  | <u>4,854,853</u>  |
| Expenditures                     |                     |                     |                     |                   |                   |
| Current service operations       |                     |                     |                     |                   |                   |
| Purchased services               | 3,025,227           | 1,647,345           | 1,414,595           | 1,016,237         | 1,062,583         |
| Professional fees                | 180,602             | 145,435             | 144,256             | 139,983           | 179,487           |
| Contracted services              | 789,972             | 820,993             | 835,138             | 781,713           | 631,204           |
| Repairs and maintenance          | 666,756             | 921,975             | 770,325             | 672,276           | 650,759           |
| Utilities                        | 22,112              | 109,691             | 101,494             | 116,483           | 115,709           |
| Regional water authority fees    |                     | 930,387             | 786,510             | 978,193           | 602,504           |
| Administrative                   | 111,592             | 110,063             | 110,599             | 113,431           | 121,090           |
| Other                            | 29,113              | 34,981              | 32,983              | 39,590            | 28,437            |
| Economic development grant       | 100,000             | 100,000             | 100,000             | 100,000           | 100,000           |
| Capital outlay                   | 426,488             | 150,443             | 625,837             | 805,571           | 558,613           |
| Debt service                     |                     |                     |                     |                   |                   |
| Debt issuance costs              |                     |                     | 88,261              |                   |                   |
| Intergovernmental                |                     |                     |                     |                   | 350,000           |
| Total Expenditures               | <u>5,351,862</u>    | <u>4,971,313</u>    | <u>5,009,998</u>    | <u>4,763,477</u>  | <u>4,400,386</u>  |
| Revenues Over Expenditures       | <u>\$ 2,400,771</u> | <u>\$ 1,898,478</u> | <u>\$ 1,486,500</u> | <u>\$ 959,168</u> | <u>\$ 454,467</u> |

\*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues

| 2023 | 2022 | 2021 | 2020 | 2019 |
|------|------|------|------|------|
| 11%  | 10%  | 12%  | 11%  | 12%  |
| 15%  | 16%  | 17%  | 17%  | 19%  |
| 29%  | 25%  | 27%  | 23%  | 21%  |
| 1%   | 2%   | 1%   | 1%   | 1%   |
|      | 3%   |      |      |      |
| 2%   | 5%   | 7%   | 9%   | 8%   |
| 15%  | 16%  | 13%  | 15%  | 18%  |
| 24%  | 22%  | 21%  | 22%  | 19%  |
| *    | 1%   | 1%   | 1%   | *    |
| 3%   | *    | 1%   | 1%   | 2%   |
| 100% | 100% | 100% | 100% | 100% |

|     |     |     |     |     |
|-----|-----|-----|-----|-----|
| 39% | 24% | 22% | 18% | 22% |
| 2%  | 2%  | 2%  | 2%  | 4%  |
| 10% | 12% | 13% | 14% | 13% |
| 9%  | 13% | 12% | 12% | 13% |
| *   | 2%  | 2%  | 2%  | 2%  |
|     | 14% | 12% | 17% | 12% |
| 1%  | 2%  | 2%  | 2%  | 2%  |
| *   | 1%  | 1%  | 1%  | 1%  |
| 1%  | 1%  | 2%  | 2%  | 2%  |
| 6%  | 2%  | 10% | 14% | 12% |
|     |     | 1%  |     |     |
|     |     |     |     | 7%  |
| 68% | 73% | 79% | 84% | 90% |
| 32% | 27% | 21% | 16% | 10% |

***Cimarron Municipal Utility District***

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

***For the Last Five Fiscal Periods***

|  | Amounts            |                  |                    |                    |                     |
|--|--------------------|------------------|--------------------|--------------------|---------------------|
|  | 2023               | 2022             | 2021               | 2020               | 2019                |
| Revenues                                   |                    |                  |                    |                    |                     |
| Property taxes                             | \$ 2,081,508       | \$ 2,222,217     | \$ 2,158,477       | \$ 2,077,006       | \$ 2,262,219        |
| Penalties and interest                     | 23,343             | 30,869           | 24,433             | 31,162             | 19,648              |
| Miscellaneous                              | 9,766              | 41,507           | 209                | 4,871              | 7,527               |
| Investment earnings                        | 44,457             | 4,252            | 11,720             | 40,361             | 35,148              |
| Total Revenues                             | <u>2,159,074</u>   | <u>2,298,845</u> | <u>2,194,839</u>   | <u>2,153,400</u>   | <u>2,324,542</u>    |
| Expenditures                               |                    |                  |                    |                    |                     |
| Tax collection services                    | 72,842             | 81,843           | 68,661             | 72,923             | 60,263              |
| Other                                      |                    |                  |                    |                    | 4,612               |
| Debt service                               |                    |                  |                    |                    |                     |
| Principal                                  | 1,325,000          | 1,285,000        | 1,230,000          | 1,200,000          | 1,150,000           |
| Interest and fees                          | 805,222            | 843,289          | 912,959            | 957,943            | 1,053,961           |
| Debt issuance costs                        |                    |                  | 35,934             |                    | 342,219             |
| Total Expenditures                         | <u>2,203,064</u>   | <u>2,210,132</u> | <u>2,247,554</u>   | <u>2,230,866</u>   | <u>2,611,055</u>    |
| Revenues Over/(Under) Expenditures         | <u>\$ (43,990)</u> | <u>\$ 88,713</u> | <u>\$ (52,715)</u> | <u>\$ (77,466)</u> | <u>\$ (286,513)</u> |
| Total Active Retail Water Connections      | <u>1,693</u>       | <u>1,688</u>     | <u>1,681</u>       | <u>1,667</u>       | <u>1,652</u>        |
| Total Active Retail Wastewater Connections | <u>1,588</u>       | <u>1,587</u>     | <u>1,585</u>       | <u>1,577</u>       | <u>1,565</u>        |

\*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues

| 2023 | 2022 | 2021 | 2020 | 2019  |
|------|------|------|------|-------|
| 97%  | 97%  | 98%  | 97%  | 97%   |
| 1%   | 1%   | 1%   | 1%   | 1%    |
| *    | 2%   | *    | *    | *     |
| 2%   | *    | 1%   | 2%   | 2%    |
| 100% | 100% | 100% | 100% | 100%  |
| 3%   | 4%   | 3%   | 3%   | 3%    |
|      |      |      |      | *     |
| 61%  | 56%  | 56%  | 56%  | 49%   |
| 37%  | 37%  | 42%  | 44%  | 45%   |
|      |      | 2%   |      | 15%   |
| 101% | 97%  | 103% | 103% | 112%  |
| (1%) | 3%   | (3%) | (3%) | (12%) |

***Cimarron Municipal Utility District***  
***TSI-8. Board Members, Key Personnel and Consultants***  
***February 28, 2023***

Complete District Mailing Address: 3200 Southwest Freeway, Suite 2600, Houston, TX 77027  
 District Business Telephone Number: (713) 860-6400  
 Submission Date of the most recent District Registration Form  
 (TWC Sections 36.054 and 49.054): April 14, 2023  
 Limit on Fees of Office that a Director may receive during a fiscal year: \$ 7,200  
 (Set by Board Resolution -- TWC Section 49.0600)

| Names:  | Term of Office<br>(Elected or<br>Appointed) or<br>Date Hired | Fees of<br>Office<br>Paid * | Expense<br>Reimburse-<br>ments | Title at Year End           |
|---|--|-----------------------------|--------------------------------|-----------------------------|
| <b>Board Members</b>  |  |                             |                                |                             |
| David F. Jones  | 5/22 to 5/26   | \$ 1,500                    | \$ 267                         | President                   |
| Gary Russell  | 5/22 to 5/26   | 3,000                       | 225                            | Vice President              |
| John Linn   | 5/20 to 5/24   | 4,950                       | 1,194                          | Secretary                   |
| David Aitken  | 5/20 to 5/24   | 1,500                       | 758                            | Assistant Secretary         |
| Mia Hull  | 12/21 to 5/24  | 5,700                       | 2,011                          | Assistant Vice<br>President |
| <b>Consultants</b>  |  |                             |                                |                             |
|   |  | Amounts<br>Paid             |                                |                             |
| Allen Boone Humphries Robinson LLP<br><i>General legal fees</i> | 2003   | \$ 71,305                   |                                | Attorney                    |
| Si Environmental, LLC   | 2012   | 733,251                     |                                | Operator                    |
| Municipal Accounts & Consulting, LP                             | 2017   | 62,529                      |                                | Bookkeeper                  |
| Bob Leared Interests  | 1977   | 33,061                      |                                | Tax Collector               |
| Harris County Appraisal District                                | Legislature  | 29,412                      |                                | Property Valuation          |
| Fort Bend Central Appraisal District                            | Legislature  | 1,225                       |                                | Property Valuation          |
| Perdue, Brandon, Fielder, Collins,<br>& Mott, LLP               | 1996   | 6,227                       |                                | Delinquent Tax<br>Attorney  |
| Vogler & Spencer Engineering, Inc.                              | 1997   | 137,262                     |                                | Engineer                    |
| McGrath & Co., PLLC   | Annual   | 17,000                      |                                | Auditor                     |

\* *Fees of Office* are the amounts actually paid to a director during the District's fiscal year.  
 See accompanying auditor's report.