MEMORIAL VILLAGES WATER AUTHORITY

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

APRIL 30, 2024

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Memorial Villages Water Authority
Harris County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of Memorial Villages Water Authority (the "Authority") as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority'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 major fund of the Authority as of April 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, 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 Authority'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 Supervisors
Memorial Villages Water Authority

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 Authority'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 Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Board of Supervisors
Memorial Villages Water Authority

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

September 10, 2024

MEMORIAL VILLAGES WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2024

Management's discussion and analysis of the financial performance of Memorial Villages Water Authority (the "Authority") provides an overview of the Authority's financial activities for the fiscal year ended April 30, 2024. Please read it in conjunction with the Authority's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Fund Balance Sheet and (2) the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. This report also includes required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Authority's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the Authority's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes the Authority's assets, liabilities and, if applicable, deferred inflows and outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. Evaluation of the overall health of the Authority would extend to other non-financial factors.

The Statement of Activities reports how the Authority's assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority has one governmental fund type. The General Fund accounts for resources not accounted for in another fund, maintenance tax revenues, customer service revenues, operating costs and general expenditures.

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the Authority's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the Authority and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") and other supplementary information. A budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the Authority's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities by $48,624,616 as of April 30, 2024. A portion of the Authority's assets reflects its net investment in capital assets (buildings and equipment as well as the water and wastewater facilities, less any debt used to acquire those assets that is still outstanding). The following is a comparative analysis of government-wide changes in net position:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Summary of Changes in the Statement of Net Position

	2024	2023	Change Positive (Negative)
Current and Other Assets	$ 16,153,594	$ 13,687,777	$ 2,465,817
Capital and Right-to-Use Assets (Net of Accumulated Depreciation)	33,344,807	34,310,604	(965,797)
Total Assets	$ 49,498,401	$ 47,998,381	$ 1,500,020
Deferred Outflows of Resources	$ 33,006	$ -0-	$ 33,006
Long-Term Liabilities	$ 107,455	$ 109,761	$ 2,306
Other Liabilities	799,336	705,366	(93,970)
Total Liabilities	$ 906,791	$ 815,127	$ (91,664)
Net Position:			
Net Investment in Capital Assets	$ 33,371,834	$ 34,310,604	$ (938,770)
Unrestricted	15,252,782	12,872,650	2,380,132
Total Net Position	$ 48,624,616	$ 47,183,254	$ 1,441,362

The following table provides a summary of the Authority's operations for the years ended April 30, 2024, and April 30, 2023.

Summary of Changes in the Statement of Activities

	2024	2023	Change Positive (Negative)
Revenues:			
Property Taxes	$ 1,611,580	$ 1,584,773	$ 26,807
Charges for Services	9,351,193	8,396,014	955,179
Other Revenues	321,108	75,215	245,893
Total Revenues	$ 11,283,881	$ 10,056,002	$ 1,227,879
Expenses for Services	9,842,519	8,988,552	(853,967)
Change in Net Position	$ 1,441,362	$ 1,067,450	$ 373,912
Net Position, Beginning of Year	47,183,254	46,115,804	1,067,450
Net Position, End of Year	$ 48,624,616	$ 47,183,254	$ 1,441,362

FINANCIAL ANALYSIS OF THE AUTHORITY'S GOVERNMENTAL FUNDS

The Authority's General Fund fund balance as of April 30, 2024, was $15,263,742, an increase of $2,358,910 from the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Supervisors did not amend the budget during the fiscal year. Actual revenues were $1,357,965 more than budgeted revenues and actual expenditures were $288,160 less than budgeted expenditures which resulted in a positive budget variance of $1,646,125 for the current fiscal year. See the budget to actual comparison for more information.

CAPITAL ASSETS

The Authority's capital assets as of April 30, 2024, total $33,344,807 (net of accumulated depreciation). Capital asset activity during the current fiscal year included the purchase of new vehicles, pumps and motors.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 1,775,942	$ 1,775,942	$
Construction in Progress	173,296	1,570	171,726
Capital Assets, Net of Accumulated Depreciation:			
Buildings	441,160	451,490	(10,330)
Machinery and Equipment	15,900	17,894	(1,994)
Vehicles	177,896	75,404	102,492
Water System	19,186,819	19,869,758	(682,939)
Sanitary Sewer System	11,573,794	12,118,546	(544,752)
Total Net Capital Assets	$ 33,344,807	$ 34,310,604	$ (965,797)

LONG-TERM DEBT ACTIVITY

On August 4, 2022, the Authority entered into a line of credit agreement with Allegiance Bank (the "Line of Credit") to minimize any potential liquidity risks from ongoing construction projects. Per the agreement, the Authority can borrow up to $3,000,000, at the lessor of 3.00% interest per annum or the maximum rate allowed by law, with no closing costs or fees. Interest payments would be made quarterly on the outstanding balance until the maturity date, at which time all outstanding principal and interest would be due and payable. The maturity date would be determined at the time the Authority draws upon the Line of Credit. The Authority has not made any draws upon the Line of Credit and the outstanding liability is $0 as of April 30, 2024.

At April 30, 2024, the Authority had no bonds authorized for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage system within the Authority.

RELEVANT FACTORS AND WATER SUPPLY ISSUES

Property Tax Base

The Authority's tax base increased approximately $516,103,000 for the 2023 tax year (approximately 8%) primarily due to the increase in the average assessed valuations on existing property.

Annexation

The total area within the Authority's jurisdiction is comprised of all land within the City of Hedwig Village, the City of Piney Point Village and the majority of land within the City of Hunter's Creek Village. The Authority is not within the extraterritorial jurisdiction of the City of Houston.

Water Supply Issues

The Harris-Galveston Subsidence District (the "Subsidence District") was created by the Texas Legislature to reduce subsidence by regulating the withdrawal of groundwater within Harris and Galveston Counties. In 1999, the Subsidence District adopted its District Regulatory Plan ("Regulatory Plan") to control groundwater withdrawals. The Regulatory Plan divides the Subsidence District's jurisdiction into regulatory areas. The Authority is within the Subsidence District's Regulatory Area 2. Pursuant to the Regulatory Plan, major water users in Area 2 must reduce groundwater withdrawals to no more than 20% of total annual water usage. Additionally, each such water user, including the Authority, is required to have either a certified Groundwater Reduction Plan ("GRP") on file with the Subsidence District or to be part of a regional GRP; otherwise, the Authority risks being assessed a penalty per 1,000 gallons of water pumped. The Authority has a certified GRP on file with the Subsidence District. The Authority's GRP includes the purchase of surface water from the City of Houston (the "City") pursuant to a contract entered into between the Authority and the City as described in Note 11 of the notes to

RELEVANT FACTORS AND WATER SUPPLY ISSUES (Continued)

Water Supply Issues (Continued)

the financial statements. The Regulatory Plan allows a water user to tender Groundwater Bank Certificates in order to pump groundwater in lieu of purchasing surface water. As described in Note 12 of the notes to the financial statements, on an annual basis, the Authority combines the purchase of surface water and the utilization of Groundwater Bank Certificates to comply with its GRP at optimum cost to the Authority.

CONTACTING THE AUTHORITY'S MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Memorial Villages Water Authority, 8955 Gaylord Dr., Houston, TX 77024.

MEMORIAL VILLAGES WATER AUTHORITY
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
APRIL 30, 2024

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	$ 1,183,675	$	$ 1,183,675
Investments	6,401,553		6,401,553
Receivables:			
Property Taxes	96,495		96,495
Service Accounts	1,123,842		1,123,842
City of Bunker Hill Village	99,217		99,217
Other	8,823		8,823
Prepaid Costs	79,788		79,788
Groundwater Bank Certificates, At Costs	7,160,201		7,160,201
Land		1,775,942	1,775,942
Construction in Progress		173,296	173,296
Capital Assets (Net of Accumulated Depreciation)		31,395,569	31,395,569
TOTAL ASSETS	$ 16,153,594	$ 33,344,807	$ 49,498,401
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows-Pension	$ - 0 -	$ 33,006	$ 33,006
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 16,153,594	$ 33,377,813	$ 49,531,407

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

MEMORIAL VILLAGES WATER AUTHORITY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
APRIL 30, 2024

	General Fund	Adjustments	Statement of Net Position
LIABILITIES			
Accounts Payable	$ 705,733	$	$ 705,733
Security Deposits	65,299		65,299
Unearned Tap Revenues	22,325		22,325
Net Pension Liability		5,979	5,979
Long-term Liabilities:			
Compensated Absences		107,455	107,455
TOTAL LIABILITIES	$ 793,357	$ 113,434	$ 906,791
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenues	$ 96,495	$ (96,495)	$ - 0 -
FUND BALANCE			
Nonspendable:			
Prepaid Costs	$ 79,788	$ (79,788)	$
Assigned:			
Groundwater Bank Certificates	7,160,201	(7,160,201)	
Operating Reserve	500,000	(500,000)	
Unassigned	7,523,753	(7,523,753)	
TOTAL FUND BALANCE	$ 15,263,742	$ (15,263,742)	$ - 0 -
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 16,153,594		
NET POSITION			
Net Investment in Capital Assets		$ 33,371,834	$ 33,371,834
Unrestricted		15,252,782	15,252,782
TOTAL NET POSITION		$ 48,624,616	$ 48,624,616

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

MEMORIAL VILLAGES WATER AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
APRIL 30, 2024

Total Fund Balance - Governmental Fund	$ 15,263,742
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Certain assets are not available in the current period and, therefore, are not reported as assets in the governmental funds. These assets at year-end consist of net pension liability.	(5,979)
Capital assets in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.	33,344,807
Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2023 and prior tax levies became part of recognized revenue in the governmental activities of the Authority.	96,495
Portions of the change in net pension liability/(asset) that are not immediately recognized as pension expense are recorded as deferred outflows and inflows of resources.	33,006
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:	
Compensated Absences	(107,455)
Total Net Position - Governmental Activities	$ 48,624,616

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

MEMORIAL VILLAGES WATER AUTHORITY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED APRIL 30, 2024

REVENUES	General Fund	Adjustments	Statement of Activities
Property Taxes	$ 1,592,664	$ 18,916	$ 1,611,580
Water Service	6,262,776		6,262,776
Wastewater Service	2,307,581		2,307,581
Wastewater Service - City of Bunker Hill Village	702,069		702,069
Penalty and Interest	33,435		33,435
Tap Connection Fees	45,332		45,332
Investment Revenues	303,653		303,653
Investment and Miscellaneous Revenues	17,455		17,455
TOTAL REVENUES	$ 11,264,965	$ 18,916	$ 11,283,881
EXPENDITURES/EXPENSES			
Service Operations:			
Utility Operations:			
Water Production	$ 4,731,637	$ 536,297	$ 5,267,934
Water Distribution Systems	837,669	(59,106)	778,563
Sewer Plant and Common Truckline	1,534,578	461,846	1,996,424
Sewer Collection System	436,193	(21,106)	415,087
Billing and Collection	170,447		170,447
General and Administrative	1,195,531	18,533	1,214,064
TOTAL EXPENDITURES/EXPENSES	$ 8,906,055	$ 936,464	$ 9,842,519
NET CHANGE IN FUND BALANCE	$ 2,358,910	$ (2,358,910)	$
CHANGE IN NET POSITION		1,441,362	1,441,362
FUND BALANCE/NET POSITION - MAY 1, 2023	12,904,832	34,278,422	47,183,254
FUND BALANCE/NET POSITION - APRIL 30, 2024	$ 15,263,742	$ 33,360,874	$ 48,624,616

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

MEMORIAL VILLAGES WATER AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2024

Net Change in Fund Balance - Governmental Fund	$ 2,358,910
Amounts reported for governmental activities in the Statement of Activities are different	
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	18,916
Governmental funds do not account for depreciation. However, depreciation expense of capital assets is recorded in the Statement of Activities.	(1,413,217)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.	447,420
Compensated absences are reported as a liability in the Statement of Net Position. Therefore, an expense is recored in the Statement of Activities. In addition, the changes in deferred outflows and inflows of resources for pensions are recorded as pension expense in the government-wide financial statements.	29,333
Change in Net Position - Governmental Activities	$ 1,441,362

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

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NOTE 1. CREATION OF AUTHORITY

Memorial Villages Water Authority (the "Authority") is a conservation and reclamation district and limited purpose political subdivision of the State of Texas, organized, created, and established by Chapter 20, Acts of the 57th Legislature of the State of Texas, 3rd C.S., 1962, as subsequently amended and codified as Chapter 6912, Special District Local Laws Code, and operates in accordance with Chapter 6912, Special District Local Laws Code and Texas Water Code Chapters 49 and 53. The first bonds were sold on March 14, 1963. The Authority is a political subdivision of the State of Texas, governed by an elected seven member Board of Supervisors. The Authority is subject to the continuing supervision of the Texas Commission on Environmental Quality.

The Authority is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water and the collection, transportation and treatment of wastewater.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). In addition, the accounting records of the Authority are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The Authority is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the Authority 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 Authority's financial statement as component units.

<u>Financial Statement Presentation</u>

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

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

- Restricted Net Position – This component of net position consists of external constraints placed on the use of net position imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

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

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Authority as a whole. The Authority's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The Authority is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated to obtain net total revenues and expenses of the government-wide Statement of Activities.

Fund Financial Statements

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

Governmental Funds

The Authority has one governmental fund and considers them to be major fund.

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

Basis of Accounting

The Authority uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The Authority considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Fund Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

Capital Assets

Capital assets, which include property, plant, equipment, and immovable public domain or "infrastructure" assets are reported in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial individual cost of more than $10,000 (including installation costs, if any, and associated professional fees) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed by the Authority. Donated capital assets are recorded at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset or increase the value of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

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

	Years
Buildings and Improvements	40
Furniture and Fixtures	5
Office Equipment	3-5
Machinery and Vehicles	5-15
Plant and Equipment	10-45
Underground Lines	45

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgeting

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

Pensions

The Authority makes payments into the social security system for the employees. See Note 10 for the Authority's pension plan. The Internal Revenue Service has determined that fees of office received by Supervisors are wages subject to federal income tax withholding for payroll tax purposes only.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Fund balances in governmental funds are classified using the following hierarchy:

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. The Authority does not have any restricted fund balances.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Supervisors. The Board is the highest level of decision-making authority for the Authority. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The Authority 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 Authority has not adopted a formal policy regarding the assignment of fund balances. The Authority has assigned $500,000 as an operating reserve. The Authority has also assigned $7,160,201 in groundwater bank certificates. See Note 12.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3. LONG-TERM DEBT

As of April 30, 2024, the Authority had no authorized but unissued.

On August 4, 2022, the Authority entered into a line of credit agreement with Allegiance Bank (the "Line of Credit") to minimize any potential liquidity risks from ongoing construction projects. Per the agreement, the Authority can borrow up to $3,000,000, at the lessor of 3.00% interest per annum or the maximum rate allowed by law, with no closing costs or fees. Interest payments would be made quarterly on the outstanding balance until the maturity date, at which time all outstanding principal and interest would be due and payable. The maturity date would be determined at the time the Authority draws upon the Line of Credit. The Authority has not made any draws upon the Line of Credit and the outstanding liability is $0 as of April 30, 2024.

NOTE 4. MAINTENANCE TAX

On May 4, 1991, voters authorized a maintenance tax not to exceed $0.05 per $100 valuation on all property within the Authority subject to taxation. During the year ended April 30, 2024, the Authority levied an ad valorem maintenance tax at the rate of $0.024389 per $100 of assessed valuation, which resulted in a tax levy of $1,638,696 on the taxable valuation of $6,719,949,603 for the 2023 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the Authority.

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

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the Authority of securities eligible under the laws of Texas to secure the funds of the Authority, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

At fiscal year end, the carrying amount of the Authority's deposits was $1,183,675 and the bank balance was $1,467,744. The Authority was not exposed to custodial credit risk at year-end.

Investments

Under Texas law, the Authority is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all Authority funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the Authority's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The Authority's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest Authority funds without express written authority from the Board of Supervisors. Texas statutes include specifications for and limitations applicable to the Authority and its authority to purchase investments as defined in the Public Funds Investment Act. The Authority has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The Authority's investment policy may be more restrictive than the Public Funds Investment Act.

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

As of April 30, 2024, the Authority had the following investments and maturities:

Funds and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
TexPool	$ 2,986,979	$ 2,986,979
TexPool Prime	3,414,574	3,414,574
TOTAL INVESTMENTS	$ 6,401,553	$ 6,401,553

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At April 30, 2024, the Authority's investment in TexPool was rated AAAm by Standard and Poor's.

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

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2024 is as follows:

	May 1, 2023	Increases	Decreases	April 30, 2024
Capital Assets Not Being Depreciated				
Land	$ 1,775,942	$	$	$ 1,775,942
Construction in Progress	1,570	448,991	277,265	173,296
Total Capital Assets Not Being Depreciated	$ 1,777,512	$ 448,991	$ 277,265	$ 1,949,238
Capital Assets Subject to Depreciation				
Buildings	$ 1,089,955	$ 19,291	$	$ 1,109,246
Machinery and Equipment	108,249			108,249
Vehicles	348,654	138,035		486,689
Water System	30,946,073	73,918		31,019,991
Sanitary Sewer System	28,990,752	44,450		29,035,202
Total Capital Assets Subject to Depreciation	$ 61,483,683	$ 275,694	$ - 0 -	$ 61,759,377
Less Accumulated Depreciation				
Buildings	$ 638,465	$ 29,621	$	$ 668,086
Machinery and Equipment	90,355	1,994		92,349
Vehicles	273,250	35,543		308,793
Water System	11,076,315	756,857		11,833,172
Sanitary Sewer System	16,872,206	589,202		17,461,408
Total Accumulated Depreciation	$ 28,950,591	$ 1,413,217	$ - 0 -	$ 30,363,808
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 32,533,092	$ (1,137,523)	$ - 0 -	$ 31,395,569
Total Capital Assets, Net of Accumulated Depreciation	$ 34,310,604	$ (688,532)	$ 277,265	$ 33,344,807

NOTE 7. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Authority carries commercial insurance for its fidelity bonds and participates in the Texas Municipal League Intergovernmental Risk Pool (TML) to provide property, general liability, automobile, boiler and machinery, errors and omissions and workers compensation coverage. The Authority, along with other participating entities, contributes annual amounts determined by TML's management. As claims arise they are submitted and paid by TML. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 8. CONTRACT WITH CITY OF BUNKER HILL VILLAGE

In July, 1985, the Authority and the City of Bunker Hill Village ("Bunker Hill") entered into a thirty-year Waste Disposal Agreement. Pursuant to the terms of this agreement, the Authority agreed to construct and operate a new wastewater treatment plant to treat and dispose of at least 3.052 mgd of effluent and to reserve 18.2% of the capacity of said plant for wastewater flowing through Bunker Hill's sewage collection system into the Authority's main sewer trunk line.

Operating and overhead costs of the sewer trunk line and sewage treatment plant are shared based upon the volume of sewage flows. Bunker Hill's share of these costs was $702,069 for the fiscal year ended April 30, 2024. At that date, the Authority was due $99,217 from Bunker Hill under the terms of the contract.

The Authority increased the sewage treatment rate to be paid by Bunker Hill to $6.72 per 1,000 gallons effective April 1, 2024

NOTE 9. COMPENSATED ABSENCES

Effective May 1, 1990, the Authority allows employees to accumulate unused sick leave to a maximum of 90 days. Earned vacation time is generally required to be used within the year between anniversary dates of employment with the Authority. Upon termination, two-thirds of accumulated sick leave and the unused earned vacation days for the current year will be paid to the employee. As of April 30, 2024, the liability for accrued vacation time is not significant and has not been recorded. The liability for accrued sick leave to be paid from current resources is not significant. The accumulated liability of accrued sick leave at April 30, 2024, was $107,455, which has been recorded as a long-term liability of the Authority.

NOTE 10. PENSION PLAN

Plan Description

The Authority provides retirement, disability, and death benefits for all its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District

NOTE 10. PENSION PLANS (Continued)

Plan Description (Continued)

Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of over 850 non-traditional defined benefit pension plans. TCDRS issues a publicly available comprehensive annual financial report (CAFR) which includes financial statements, notes and required supplementary information which can be obtained at TCDRS, Finance Division, Barton Oaks Plaza IV Suite 500, 901 S. MoPac Expressway, Austin, Texas 78746 or at www.TCDRS.org.

Benefits Provided

Benefit provisions are adopted by the Authority, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after 10 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit

Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the Authority. Benefit amounts are determined by the sum of the employee's deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the Authority within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled but not yet receiving benefits	1
Active employees	17

Contributions

The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 9.31% for the months of the 2023 accounting year. The deposit

NOTE 10. PENSION PLANS (Continued)

Contributions (Continued)

rate payable by the employee members for calendar year 2023 is 7% as adopted by the governing body of the Authority. The employee deposit rate and the employer contribution rate may be changed by the governing body of the Authority within the options available in the TCDRS Act.

For the Authority's accounting year ended April 30, 2024, the annual pension cost for the TCDRS plan for its employees was $130,721; the actual contributions were $130,721. The employees contributed $94,417 to the plan for the 2024 fiscal year.

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumption:

Actuarial valuation date	12/31/23
Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining Amortization period	19.9 years
Asset Valuation Method	5-year smoothed market
Actuarial Assumptions:	
Investment return [1]	7.50%
Projected salary increases [1]	4.70%
Inflation	2.50%
Cost-of-living adjustments	0.00%

1 Includes inflation at the stated rate

The demographic assumptions were developed from an actuarial experience investigation of TCDRS over the years 2017-2020. They were recommended by Milliman and adopted by the TCDRS Board of Trustees in December of 2021. All economic assumptions were recommended by Milliman and adopted by the TCDRS Board of Trustees in March of 2021. These assumptions, except where required to be different by GASB 68, are used to determine the total pension liability as of December 31, 2023. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

NOTE 10. PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

Mortality rates were based on the following:

Depositing members – 135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Service retirees, beneficiaries and non-depositing members – 135% of Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Disabled retirees – 160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Discount Rate

The discount rate used to measure the total pension liability was 7.6%. The discount rate did not change from the previous year.

In order to determine the discount rate to be used, the actuary used an alternative method to determine the sufficiency of the fiduciary net position in all future years. This alternative method reflects the funding requirements under the funding policy and the legal requirements under the TCDRS Act:

1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.

2) Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.

3) The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.

4) Any increased cost due to the adoption of a cost-of-living adjustment is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

NOTE 10. PENSION PLANS (Continued)

Discount Rate (Continued)

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses. Therefore, the actuary has used a discount rate of 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2024 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	11.50%	4.75%
Global Equities	2.50%	4.75%
International Equities-Development	5.00%	4.75%
International Equities-Emerging	6.00%	4.75%
Investment-Grade Bonds	3.00%	2.35%
Strategic Credit	9.00%	3.65%
Direct Lending	16.00%	7.25%
Distressed Debt	4.00%	6.90%
REIT Equities	2.00%	4.10%
Master Limited Partnerships (MLPs)	2.00%	5.20%
Private Real Estate Partnerships	6.00%	5.70%
Private Equity	25.00%	7.75%
Hedge Funds	6.00%	3.25%
Cash Equivalents	2.00%	0.60%

NOTE 10. PENSION PLANS (Continued)

Changes in Net Pension Liability/(Asset)

Changes in Net Pension Liability/(Asset) for the measurement year ended December 31, 2023 are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances of December 31, 2022	$ -0-	$ -0-	$ -0-
Changes for the year:			
Service Cost	146,245		146,245
Interest on the Total Pension Liability	11,115		11,115
Effect of Economic/Demographic gains or losses	98		98
Administrative Expenses		(79)	79
Member Contributions		61,333	(61,333)
Net Investment Income		1,415	(1,415)
Employer Contributions		81,652	(81,652)
Other		7,158	(7,158)
Balances of December 31, 2023	$ 157,458	$ 151,479	$ 5,979

Sensitivity Analysis

The following presents the net pension liability/(asset) of the Authority, calculated using the discount rate of 7.60%, as well as what the Authority net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total Pension Liability	$ 180,366	$ 157,458	$ 138,279
Fiduciary Net Position	151,479	151,479	151,479
Net Pension Liability/(Asset)	$ 28,887	$ 5,979	$ (13,200)

NOTE 10. PENSION PLANS (Continued)

Deferred Inflows/Outflows of Resources

As of December 31, 2023, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ -0-	$ 86
Net difference between projected and actual earnings		3,346
Contributions paid to TCDRS subsequent to the measurement date		29,574
Total	$ -0-	$ 33,006

$29,574 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2024 (i.e. recognized in the Authority's financial statements for the year ending April 30, 2024). Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2024	$ 849
2025	849
2026	849
2027	847
2028	12
Thereafter	26

NOTE 11. SURFACE WATER SUPPLY CONTRACT

Effective September 3, 1998, the Authority and the City of Houston (the "City") entered into a 40 year Water Supply Contract. Under the terms of this contract the City is to supply surface water to the Authority at the rate established by the City's ordinance. The Authority has committed to buy a minimum amount of gallons of water per month. Purchases under this contract began in August of 1998. The Authority recorded a total of $3,256,281 for water purchases under this contract during the year ended April 30, 2024.

NOTE 12. GROUNDWATER BANK CERTIFICATES

Since 1994 the Authority has purchased Groundwater Bank certificates directly from the issuer, the Harris- Galveston Subsidence District (the "District"), and from other parties in the limited secondary market. These certificates expire in 40 years (certificates issued after August 1, 2001 expire in 20 years) and allow the bearer to pump the quantity of water specified on the certificate from wells instead of using surface water as mandated by the District. Certificates can also be used in lieu of a disincentive fee assessed by the District for ground water pumpage in excess of the Authority's permit as amended. At April 30, 2024, the Authority had in its possession certificates totaling 17,176,750 thousand gallons of water (1,299,888 40-year certificates and 15,876,862 20-year certificates). The Authority believes that it will use these certificates in the future to forego purchases of surface water from the City of Houston. The Authority values the certificates at cost which resulted in a total cost basis for the certificates on hand of $7,160,201 at April 30, 2024. The average cost of the certificates at April 30, 2024, was approximately $0.417 per 1,000 gallons of water. The Authority increased certificates by 109,099 remainder certificates. The Authority used certificates with a specific identification cost basis of $87,362 during the fiscal year ended April 30, 2024 in lieu of paying the disincentive fee. As described in Note 11, the Authority has contracted with the City of Houston to purchase surface water at the rate established by the City of Houston's ordinance. In accordance with this ordinance, as of April 30, 2024, the City of Houston had established a water rate of $4.40 per 1,000 gallons of water.

The Authority includes the purchases of certificates in its budget as a current period expenditure. The budgeted amount was $230,000 for the fiscal year ended April 30, 2024, and the expenditures under generally accepted accounting principles were $87,362 for permits as described in the preceding paragraph.

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MEMORIAL VILLAGES WATER AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

APRIL 30, 2024

MEMORIAL VILLAGES WATER AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 1,550,000	$ 1,592,664	$ 42,664
Water Service	5,200,000	6,262,776	1,062,776
Wastewater Service	2,400,000	2,307,581	(92,419)
Wastewater Service - City of Bunker Hill Village	470,000	702,069	232,069
Penalty and Interest	20,000	33,435	13,435
Tap Connection and Inspection Fees	39,000	45,332	6,332
Investment Revenues	210,000	303,653	93,653
Investment and Miscellaneous Revenues	18,000	17,455	(545)
TOTAL REVENUES	$ 9,907,000	$ 11,264,965	$ 1,357,965
EXPENDITURES			
Utility Operations:			
Water Production	$ 4,162,020	$ 4,731,637	$ (569,617)
Water Distribution Systems	493,963	837,669	(343,706)
Sewer Plant and Common Truckline	2,724,080	1,534,578	1,189,502
Sewer Collection System	520,040	436,193	83,847
Billing and Collection	64,000	170,447	(106,447)
General and Administrative	1,230,112	1,195,531	34,581
TOTAL EXPENDITURES	$ 9,194,215	$ 8,906,055	$ 288,160
NET CHANGE IN FUND BALANCE	$ 712,785	$ 2,358,910	$ 1,646,125
FUND BALANCE - MAY 1, 2023	12,904,832	12,904,832	
FUND BALANCE - APRIL 30, 2024	$ 13,617,617	$ 15,263,742	$ 1,646,125

See accompanying independent auditor’s report.

MEMORIAL VILLAGES WATER AUTHORITY
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
WATER PRODUCTION			
Salaries and Wages	$ 347,000	$ 373,364	$ (26,364)
Vacations, Holidays and Sick Pay	41,500	41,155	345
Payroll Taxes	29,720	32,440	(2,720)
Outside Labor	2,000		2,000
Engineering Expenses	25,000	116,196	(91,196)
Maintenance and Repairs	180,000	261,106	(81,106)
Chemicals	100,000	115,813	(15,813)
Uniforms	6,300	12,361	(6,061)
Power and Fuels	250,000	292,407	(42,407)
Rental of Equipment	2,000		2,000
Insurance	11,000	10,488	512
Water Analysis Fee	6,000	9,878	(3,878)
Truck Expense	7,000	19,984	(12,984)
Tools	800	316	484
Telephone	35,000	34,708	292
Equipment Expense	5,000		5,000
Purchase of Surface Water Certificates	230,000	87,362	142,638
Less Certificates Added to Inventory		(109,099)	109,099
TCEQ Inspection Fees	12,000	9,976	2,024
Surface Water Purchases	2,800,000	3,256,281	(456,281)
Landscaping	2,000		2,000
Office Furniture/Furnishings	500		500
Vehicle Expenses	4,500	4,200	300
Permits	17,000	12,524	4,476
Freight	500		500
Medical Expenses	200		200
Water Plant Improvements		89,174	(89,174)
Purchase of Equipment	26,000	49,505	(23,505)
Repairs to Buildings	5,000		5,000
Software and Data	15,000	10,408	4,592
Miscellaneous	1,000	1,090	(90)
TOTAL WATER PRODUCTION	$ 4,162,020	$ 4,731,637	$ (569,617)

See accompanying independent auditor's report.

MEMORIAL VILLAGES WATER AUTHORITY
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
WATER DISTRIBUTION SYSTEM			
Salaries and Wages	$ 199,000	$ 187,686	$ 11,314
Vacations, Holidays and Sick Pay		19,189	(19,189)
Payroll Taxes	16,200	15,868	332
Outside Labor	16,463	18,768	(2,305)
Engineering Expenses	10,000	2,908	7,092
Maintenance and Repairs	100,000	476,007	(376,007)
Chemicals	500		500
Power and Fuels		1,605	(1,605)
Rental of Equipment	800		800
Insurance	11,000	10,488	512
Truck Expense	4,000	5,238	(1,238)
Tools	1,000	1,469	(469)
Telephone	3,000	1,514	1,486
Equipment Expense	4,000		4,000
Vehicle Expense	2,000	1,800	200
TCEQ Regulatory Assessment	21,000	31,913	(10,913)
Freight	500		500
Purchase of Equipment	100,000	59,106	40,894
Tap Costs	1,000		1,000
Software and Data	500		500
Miscellaneous	3,000	4,110	(1,110)
TOTAL WATER DISTRIBUTION SYSTEM	$ 493,963	$ 837,669	$ (343,706)

See accompanying independent auditor’s report.

MEMORIAL VILLAGES WATER AUTHORITY
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
SEWER PLANT AND COMMON TRUNKLINE			
Salaries and Wages	$ 198,732	$ 334,336	$ (135,604)
Vacations, Holidays and Sick Pay	38,500	44,876	(6,376)
Payroll Taxes	18,148	28,658	(10,510)
Security System	4,000	2,100	1,900
Outside Labor	2,000		2,000
Engineering Expenses	200,000	158,223	41,777
Maintenance and Repairs	145,000	139,643	5,357
Chemicals	110,000	115,487	(5,487)
Uniforms	4,500	9,430	(4,930)
Power and Fuels	145,000	192,598	(47,598)
Rental of Equipment	3,000		3,000
Insurance	11,000	10,488	512
Sewer Analysis Fee	35,000	30,553	4,447
Truck Expense	4,000	9,795	(5,795)
Tools	2,000	2,219	(219)
Telephone	12,600	11,743	857
Equipment Expense	2,000	3,000	(1,000)
TCEQ Inspection Fees	22,000	251	21,749
Landscaping	600		600
Office Furniture and Furnishings	500	28	472
Sludge Disposal/Processing	230,000	203,903	26,097
Sewer Plant Office Supplies	3,500	3,723	(223)
Freight	500	36	464
Medical Expenses	500		500
Sewer Plant Improvements	1,300,000	185,720	1,114,280
Purchase of Equipment	215,000	46,325	168,675
Repairs to Buildings	5,000		5,000
Software and Data	10,000	1,443	8,557
Miscellaneous	1,000		1,000
TOTAL SEWER PLANT AND COMMON TRUNKLINE	$ 2,724,080	$ 1,534,578	$ 1,189,502

See accompanying independent auditor’s report.

MEMORIAL VILLAGES WATER AUTHORITY
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
SEWER COLLECTION SYSTEM			
Outside Labor	$ 2,000	$	$ 2,000
Engineering Expenses	60,000	14,812	45,188
Maintenance and Repairs	20,000	27,324	(7,324)
Chemicals	3,000		3,000
Power and Fuels	8,000	7,492	508
Rental of Equipment	3,000		3,000
Insurance	13,000	13,110	(110)
Truck Expense	7,000		7,000
Tools	500		500
Telephone	4,900	4,449	451
Equipment Expense	5,000		5,000
Landscaping	200		200
TCEQ Regulatory Assessment	21,000	31,913	(10,913)
Freight	240		240
Sewer Collection Improvements	320,000	333,293	(13,293)
Purchse of Equipment	50,000		50,000
Repair to Buildings	600		600
Software and Data	1,000	3,800	(2,800)
Miscellaneous	600		600
TOTAL SEWER COLLECTION SYSTEM	$ 520,040	$ 436,193	$ 83,847

	Original and Final Budget	Actual	Variance Positive (Negative)
BILLING AND COLLECTION			
Computer Billing	$ 60,000	$ 127,547	$ (67,547)
Purchase of Equipment	4,000	42,900	(38,900)
TOTAL BILLING AND COLLECTION	$ 64,000	$ 170,447	$ (106,447)

See accompanying independent auditor's report.

MEMORIAL VILLAGES WATER AUTHORITY
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
GENERAL AND ADMINISTRATIVE			
Salaries and Wages	$ 341,874	$ 353,317	$ (11,443)
Vacations, Holidays and Sick Pay	31,421	34,108	(2,687)
Payroll Taxes	28,557	35,086	(6,529)
Security System	7,000	6,794	206
Outside Labor	2,000		2,000
Engineering Fees	10,000	16,337	(6,337)
Power and Fuels	4,000	10,333	(6,333)
Insurance	7,800	7,866	(66)
Telephone	16,000	14,074	1,926
Office Equipment Repairs and Maintenance	1,500	1,279	221
Office Furniture/Furnishings	1,500	2,612	(1,112)
Vehicle Expense	14,000	11,750	2,250
Office Supplies	8,000	10,207	(2,207)
Freight	300		300
Medical Expenses	60		60
Postage	3,000	4,316	(1,316)
Public Notice Expenses	1,000	846	154
Purchase of Equipment	500	108	392
Harris County Appraisal District	12,000	9,705	2,295
Tax Collection	24,000	22,745	1,255
Accounting and Auditing	11,000	30,220	(19,220)
Legal and Contingencies	75,000	112,035	(37,035)
Employee Related Expense	5,000	6,309	(1,309)
Group Insurance Premium	350,000	259,795	90,205
Retirement Fund Contribution, Net of Forfeiture	110,000	130,721	(20,721)
Banking Fees	6,000	835	5,165
Dues, Subscriptions, Schools	4,500	8,503	(4,003)
Supervisors’ Fees	30,000	27,150	2,850
Supervisors’ Expenses	3,500	2,736	764
Repairs and Maintenance - 435 Piney Point	50,000	21,372	28,628
Repairs and Maintenance - Office Bldg.	20,000	6,397	13,603
Software and Data	50,000	45,686	4,314
Miscellaneous	600	2,289	(1,689)
TOTAL GENERAL AND ADMINISTRATIVE	$ 1,230,112	$ 1,195,531	$ 34,581

See accompanying independent auditor’s report.

MEMORIAL VILLAGES WATER AUTHORITY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED APRIL 30, 2024

	Year Ended December 31, 2023
Total Pension Liability	
Service cost	$ 146,245
Interest on total pension liability	11,115
Effect of economic/demographic (gains) or losses	98
Effect of assumptions changes or inputs	
Benefit payments/refunds of contributions	
Net change in total pension liability	$ 157,458
Total pension liability, beginning	
Total pension liability, ending (a)	$ 157,458
Fiduciary Net Position	
Employer contributions	$ 81,652
Member contributions	61,333
Investment income net of investment expenses	1,415
Benefit payments/refunds of contributions	
Administrative expenses	(79)
Other	7,158
Net change in plan fiduciary net position	$ 151,479
Fiduciary net position, beginning	
Fiduciary net position, ending (b)	$ 151,479
Net Pension Liability/(Asset), Ending = (a) - (b)	$ 5,979
Fiduciary net position as a percentage of the total pension liability	96.20%
Pensionable covered payroll	$ 876,188
Net pension liability as a percentage of covered employee payroll	0.68%

A full 10-year schedule will be displayed as it becomes available.

See accompanying independent auditor's report.

MEMORIAL VILLAGES WATER AUTHORITY
SCHEDULE OF AUTHORITY CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
APRIL 30, 2024

Fiscal Year Ending April 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a Percentage of Covered Payroll
2023	$ 81,573	$ 81,652	$ (79)	$ 876,188	9.3%
2024	$ 125,653	$ 125,653	$ -0-	$ 1,348,814	9.3%

(1) Payroll is calculated based on contributions as reported by TCDRS
A Full 10-year schedule will be displayed as it becomes available.

See accompanying independent auditor's report.

MEMORIAL VILLAGES WATER AUTHORITY
NOTES TO SCHEDULE OF AUTHORITY CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED APRIL 30, 2024

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation Date	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19.9 years (based on contribution rate calculated in 12/31/23 valuation)
Asset Valuation Method	5-year, smoothed market
Inflation	2.50%
Salary Increases	4.7%, average over career including inflation, varies by age and service
Investment Rate of Return	7.50%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Change in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New Inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New Inflation, mortality and other assumptions were reflected 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015-2022: Not applicable, prior to TCDRS participation. 2023: No changes in plan provisions were reflected in the Schedule

- Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to the Schedule

See accompanying independent auditor's report.

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MEMORIAL VILLAGES WATER AUTHORITY

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

APRIL 30, 2024

MEMORIAL VILLAGES WATER AUTHORITY
SERVICES AND RATES
FOR THE YEAR ENDED APRIL 30, 2024

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

X	Retail Water		Wholesale Water		Drainage
X	Retail Wastewater		Wholesale Wastewater		Irrigation
	Parks/Recreation		Fire Protection		Security
	Solid Waste/Garbage		Flood Control		Roads
	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
	Other (specify): ______				

2. RETAIL SERVICE PROVIDERS

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

Based on the rate order effective September 12, 2023.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$ 17.50	2,000	N	$ 2.10	2,001 to 5,000
				2.40	5,001 to 10,000
				2.80	11,001 to 15,000
				3.90	15,001 to 20,000
				4.35	20,001 to 25,000
				4.65	25,001 to 30,000
				5.25	30,001 to 35,000
				5.35	35,001 to 40,000
				5.65	40,001 to 50,000
				6.00	50,001 to 60,000
				6.65	60,001 and up
WASTEWATER:	$ 17.50	2,000	N	$ 2.00	2,001 to 5,000
				2.10	5,001 to 10,000
				2.40	11,001 to 15,000
				2.70	15,001 to 20,000
				3.30	20,001 to 25,000
				4.00	25,001 to 30,000
				-0-	30,001 and up
SURCHARGE:					

	Yes	No
Authority employs winter averaging for wastewater usage?		X

Total monthly charges per 10,000 gallons usage: Water: $35.80 Wastewater: $34.00 Surcharge $-0-

See accompanying independent auditor's report.

MEMORIAL VILLAGES WATER AUTHORITY
SERVICES AND RATES
FOR THE YEAR ENDED APRIL 30, 2024

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered	712	712	x 1.0	712
≤¾"	1,554	1,554	x 1.0	1,554
1"	2,657	2,657	x 2.5	6,643
1½"	527	527	x 5.0	2,635
2"	166	166	x 8.0	1,328
3"	3	3	x 15.0	45
4"	9	9	x 25.0	225
6"	1	1	x 50.0	50
8"			x 80.0	
10"			x 115.0	
Total Water Connections	5,629	5,629		13,192
Total Wastewater Connections	3,177	3,177	x 1.0	3,177

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

Gallons pumped into system: 1,562,000

Water Accountability Ratio: 83.9%
(Gallons billed and sold/Gallons pumped)

Gallons billed to customers: 1,312,000

See accompanying independent auditor's report.

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

Does the Authority have Debt Service standby fees? Yes ___ No _X_

Does the Authority have Operation and Maintenance standby fees? Yes ___ No _X_

5. LOCATION OF AUTHORITY:

Is the Authority located entirely within one county?

Yes _X_ No ___

Counties in which Authority is located:

Harris County, Texas

Is the Authority located within a city?

Entirely ___ Partly _X_ Not at all ___

Cities in which Authority is located:

City of Houston, Texas, City of Bunker Hill Village, Texas, and City of Spring Valley, Texas

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

Entirely ___ Partly _X_ Not at all ___

ETJ's in which Authority is located:

City of Hedwig, Texas, City of Hunter Creek, Texas, and City of Piney Point, Texas

Are Board Members appointed by an office outside the Authority?

Yes ___ No _X_

MEMORIAL VILLAGES WATER AUTHORITY
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED APRIL 30, 2024

UTILITY OPERATIONS		
Water Production	$	4,731,637
Water Distribution Systems		837,669
Sewer Plant and Common Truckline		1,534,578
Sewer Collection System		436,193
Billing and Collection		170,447
TOTAL UTILITY OPERATIONS	$	7,710,524
GENERAL AND ADMINISTRATIVE		
Personnel Expenditures (Including Benefites)	$	813,027
Professional Fees		
Accounting and Auditing	$	30,220
Engineering		16,337
Legal		112,035
Total Professional Fees	$	158,592
Contracted Services		
Appraisal District	$	9,705
Tax Collector		22,745
Total Contracted Services	$	32,450
Repairs and Maintenance	$	29,048
Administrative Expenditures		
Supervisor Fees	$	27,150
Supervisor Expenses		2,736
Other		132,528
Total Administrative Expenditures	$	162,414
TOTAL GENERAL AND ADMINISTRATIVE	$	1,195,531
TOTAL EXPENDITURES	$	8,906,055

Number of persons employed by Authority 17 Full-Time -0- Part-Time

See accompanying independent auditor's report.

MEMORIAL VILLAGES WATER AUTHORITY
INVESTMENTS
APRIL 30, 2024

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
TexPool	XXXX0001	Varies	Daily	$ 2,986,979	$
TexPool Prime	XXXX0001	Varies	Daily	3,414,574	
TOTAL GENERAL FUND				$ 6,401,553	$ - 0 -

See accompanying independent auditor's report.

MEMORIAL VILLAGES WATER AUTHORITY
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED APRIL 30, 2024

	Maintenance Taxes	
TAXES RECEIVABLE -		
MAY 1, 2023	$ 77,579	
Adjustments to Beginning Balance	(27,116)	$ 50,463
Original 2023 Tax Levy	$ 1,638,696	
Adjustment to 2023 Tax Levy		1,638,696
TOTAL TO BE ACCOUNTED FOR		$ 1,689,159
TAX COLLECTIONS:		
Prior Years	$ 14,201	
Current Year	1,578,463	1,592,664
TAXES RECEIVABLE - APRIL 30, 2024		$ 96,495
TAXES RECEIVABLE BY YEAR:		
2023		$ 60,233
2022		6,556
2021		5,040
2020		4,215
2019		3,784
2018		3,037
2017		2,172
2016		2,048
2015		2,089
2014		2,802
2013		2,302
2012 and Prior		2,217
TOTAL		$ 96,495

See accompanying independent auditor’s report.

MEMORIAL VILLAGES WATER AUTHORITY
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED APRIL 30, 2024

	2023	2022	2021	2020
TOTAL PROPERTY VALUATIONS	$ 6,719,949,603	$ 6,203,846,895	$ 5,829,519,201	$ 5,826,484,110
TAX RATES PER $100 VALUATION:				
Maintenance	$ 0.024389	$ 0.025468	$ 0.026369	$ 0.026899
ADJUSTED TAX LEVY*	$ 1,638,696	$ 1,578,898	$ 1,537,186	$ 1,567,266
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	96.32 %	99.58 %	99.67 %	99.73 %

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

Maintenance Tax – Maximum Tax Rate of $0.05 per $100 of assessed valuation approved by voters on May 4, 1991.

See accompanying independent auditor's report.

MEMORIAL VILLAGES WATER AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	$ 1,592,664	$ 1,566,961	$ 1,537,904
Water Service	6,262,776	5,545,858	4,372,620
Wastewater Service	2,307,581	2,324,049	2,193,856
Wastewater Service to City of Bunker Hill Village	702,069	480,669	436,852
Penalty and Interest	33,435	39,798	30,577
Tap Connection and Inspection Fees	45,332	16,150	81,900
Investment Revenues	303,653	75,215	8,619
Miscellaneous Revenues	17,455	3,970	8,184
TOTAL REVENUES	$ 11,264,965	$ 10,052,670	$ 8,670,512
EXPENDITURES			
Utility Operations	$ 7,710,524	$ 6,865,101	$ 9,943,081
General and Administrative	1,195,531	1,243,759	1,163,213
TOTAL EXPENDITURES	$ 8,906,055	$ 8,108,860	$ 11,106,294
NET CHANGE IN FUND BALANCE	$ 2,358,910	$ 1,943,810	$ (2,435,782)
BEGINNING FUND BALANCE	12,904,832	10,961,022	13,396,804
ENDING FUND BALANCE	$ 15,263,742	$ 12,904,832	$ 10,961,022
TOTAL ACTIVE RETAIL WATER CONNECTIONS	5,629	3,357	3,328
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	3,177	3,162	3,219

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
$ 1,557,988	$ 1,545,168	14.1 %	15.6 %	17.7 %	18.0 %	19.1 %
4,414,033	4,192,079	55.7	55.2	50.5	51.0	51.9
2,166,227	1,994,652	20.5	23.1	25.3	25.0	24.7
411,996	187,383	6.2	4.8	5.0	4.8	2.3
26,929	26,718	0.3	0.4	0.4	0.3	0.3
56,000	82,575	0.4	0.2	0.9	0.6	1.0
10,358	34,244	2.7	0.7	0.1	0.1	0.4
18,333	24,835	0.2		0.1	0.2	0.3
$ 8,661,864	$ 8,087,654	100.1 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 8,042,450	$ 7,933,381	68.4 %	68.3 %	114.7 %	92.8 %	98.1 %
1,309,070	1,118,534	10.6	12.4	13.4	15.1	13.8
$ 9,351,520	$ 9,051,915	79.0 %	80.7 %	128.1 %	107.9 %	111.9 %
$ (689,656)	$ (964,261)	21.1 %	19.3 %	(28.1) %	(7.9) %	(11.9) %
14,086,460	15,050,721					
$ 13,396,804	$ 14,086,460					
3,344	3,339					
3,165	3,162					

See accompanying independent auditor’s report.

MEMORIAL VILLAGES WATER AUTHORITY
SUPERVISORS, KEY PERSONNEL AND CONSULTANTS
APRIL 30, 2024

Authority Mailing Address	-	Memorial Villages Water Authority 8955 Gaylord Houston, TX 77024
Authority Telephone Number	-	(713) 465-8318

Supervisors	Term of Office (Elected or Appointed)	Fees of Office for the year ended April 30, 2024	Expense Reimbursements for the year ended April 30, 2024	Title
Gary Schenk	11/2022 11/2026 (Elected)	$ 6,000	$ -0-	President/ Assistant Treasurer
Will Wilson	11/2020 11/2024 (Elected)	$ 5,400	$ -0-	Vice President/ Assistant Treasurer
Cathy Stubbs	12/2020 11/2024 (Appointed)	$ 4,500	$ -0-	Treasurer
Veronica Roa	11/2022 11/2026 (Elected)	$ 1,200	$ -0-	Assistant Treasurer
Randolph Ewing	11/2022 11/2026 (Elected)	$ 4,500	$ -0-	Secretary/ Assistant Treasurer
Unal Baysal	02/2021 11/2024 (Appointed)	$ 1,200	$ -0-	Assistant Treasurer
Locke Braly	11/2022 11/2026 (Elected)	$ 4,200	$ -0-	Assistant Treasurer

Note: No Supervisor has any business or family relationships (as defined by the Texas Water Code) with major landowners in the Authority, with the Authority's developers or with any of the Authority's consultants. Limit on Fees of Office that a Supervisor may receive during a fiscal year is the maximum allowed by law. Fees of Office are the amounts actually paid to a Supervisor during the Authority's current fiscal year.

Submission date of most recent Registration Form: June 23, 2023

See accompanying independent auditor's report.

MEMORIAL VILLAGES WATER AUTHORITY
SUPERVISORS, KEY PERSONNEL AND CONSULTANTS
APRIL 30, 2024

Key Administrative Personnel:	Date Hired	Fees/ Compensation for the fiscal year ending April 30, 2024	Title
Trey Cantu	2020	Salaried	General Manager/ Investment Officer
Consultants:			
Norton Rose Fulbright US LLP	1962	$ 112,035	General Counsel
McCall Gibson Swedlund Barfoot PLLC	2024	$ -0-	Auditor
Mark C. Eyring CPA, PLLC	02/04/92	$ 10,775	Former Auditor
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/07/00	$ 1,420	Delinquent Tax Attorney
Langford Engineering, Inc.	1972	$ 283,476	Engineer

See accompanying independent auditor's report.