

**Wood Trace Municipal
Utility District No. 1, of
Montgomery County, Texas**

**Independent Auditor's Report
and Financial Statements**

August 31, 2022



**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas
August 31, 2022**

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Independent Auditor's Report

Board of Directors
Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas (the District), as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of August 31, 2022, 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 (GAAS). 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 these 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance

and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 schedule, as listed in the table of contents, 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.

Other Information

Management is responsible for the other information included in the basic financial statements. The other information comprises schedules required by the Texas Commission on Environmental Quality as listed in the table of contents. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS, LLP

Houston, Texas
January 11, 2023

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas

Management's Discussion and Analysis

August 31, 2022

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and other information required by the District's state oversight agency, the Texas Commission on Environmental Quality (the Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, sanitary sewer and drainage services. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-wide Financial Statements

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

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

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

**Wood Trace Municipal Utility District No. 1,
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Management's Discussion and Analysis (Continued)
August 31, 2022**

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

Fund Financial Statements

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

Governmental Funds

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

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

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

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data found in the government-wide and fund financial statements.

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas

Management's Discussion and Analysis (Continued)

August 31, 2022

Financial Analysis of the District as a Whole

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

Summary of Net Position

	2022	2021
Current and other assets	\$ 5,988,915	\$ 3,365,831
Capital assets	25,440,861	20,170,841
Total assets	\$ 31,429,776	\$ 23,536,672
Long-term liabilities	\$ 32,963,843	\$ 26,644,517
Other liabilities	1,190,679	487,680
Total liabilities	34,154,522	27,132,197
Net position:		
Net investment in capital assets	(6,201,456)	(5,587,850)
Restricted	914,625	529,020
Unrestricted	2,562,085	1,463,305
Total net position	\$ (2,724,746)	\$ (3,595,525)

The total net position of the District increased by \$870,779, or about 24 percent. The majority of the increase in net position is related to tax revenues intended to pay principal on the District's bonded indebtedness, which is shown as long-term liabilities in the government-wide financial statements. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Changes in Net Position

	2022	2021
Revenues:		
Property taxes	\$ 3,089,387	\$ 2,554,552
Charges for services	1,275,083	866,268
Other revenues	457,757	333,362
Total revenues	4,822,227	3,754,182

**Wood Trace Municipal Utility District No. 1,
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Management's Discussion and Analysis (Continued)
August 31, 2022**

Summary of Changes in Net Position (Continued)

	2022	2021
Expenses:		
Services	\$ 1,836,807	\$ 1,396,777
Depreciation	663,665	551,506
Debt service	1,450,976	1,083,695
Total expenses	3,951,448	3,031,978
Change in net position	870,779	722,204
Net position, beginning of year	(3,595,525)	(4,317,729)
Net position, end of year	\$ (2,724,746)	\$ (3,595,525)

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended August 31, 2022, were \$4,786,309, an increase of \$1,921,284 from the prior year.

The general fund's fund balance increased by \$762,363, primarily due to property tax and service revenues exceeding service operations expenditures, as well as tap connection and inspection fee revenues exceeding related expenditures and receipt of a transfer from the capital projects fund.

The debt service fund's fund balance increased by \$371,827 due to property tax revenues and proceeds received from a current year bond sale exceeding bond principal and interest requirements.

The capital projects fund's fund balance increased by \$787,094 due to net proceeds received from a current year bond sale exceeding capital outlay expenditures, debt issuance costs, repayment to developers for advances and a transfer to the general fund.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to water and sewer service revenues, regional water fee revenues and expenditures, and tap connection and inspection fees revenues and related expenditures being greater than anticipated, as well as capital outlay expenditures being less than anticipated. In addition, debt issuance costs were not budgeted. The fund balance as of August 31, 2022, was expected to be \$2,492,667 and the actual end-of-year fund balance was \$2,784,689.

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas
Management's Discussion and Analysis (Continued)
August 31, 2022**

Capital Assets and Related Debt

Capital Assets

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

Capital Assets (Net of Accumulated Depreciation)

	2022	2021
Land and improvements	\$ 4,481,021	\$ 4,481,021
Construction in progress	1,907,654	10,900
Water facilities	4,402,001	3,961,037
Wastewater facilities	5,760,867	5,144,245
Drainage facilities	7,952,686	6,573,638
Recreational facilities	936,632	-
Total capital assets	\$ 25,440,861	\$ 20,170,841

During the current year, additions to capital assets were as follows:

Construction in progress related to wastewater treatment plant expansion and water supply plant No. 1 hydropneumatic tank No. 2 addition	\$ 1,896,754
Water, sewer and drainage facilities to serve Arbor Trace and Woodtrace, Sections 10, 11, 12, 13, 14 and 15	3,051,002
Decker dam and reservoir, Phase 2, Decker dry detention pond and levee, Decker dam reservoir modifications, Phase 2, and landscape enhancements to serve Woodtrace, Section 7	985,929
Total additions to capital assets	\$ 5,933,685

Debt

The changes in the debt position of the District during the fiscal year ended August 31, 2022, are summarized as follows.

**Wood Trace Municipal Utility District No. 1,
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Management's Discussion and Analysis (Continued)
August 31, 2022**

Long-term debt payable, beginning of year	\$	26,644,517
Increases in long-term debt		10,437,891
Decreases in long-term debt		<u>(4,118,565)</u>
Long-term debt payable, end of year	\$	<u>32,963,843</u>

At August 31, 2022, the District had \$67,740,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District and \$38,850,000 of unlimited tax bonds authorized, but unissued, for recreational facilities.

The District's bonds carry an underlying rating of "Baa3" from Moody's Investors Service, Inc. The Series 2018, Series 2020 and Series 2021 bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Build America Mutual Assurance Company. The Series 2019 bonds carry a "AA" rating from Standard & Poor's and a "A1" rating from Moody's Investors Service, Inc. by virtue of bond insurance issued by Assured Guaranty Municipal Corp.

Developers of the District have constructed facilities on behalf of the District. The District's engineer estimates reimbursable costs for completed projects are \$2,572,838. The District has agreed to reimburse the developers for these construction costs, plus interest, to the extent approved by the Commission from the proceeds of future bond sales. These amounts have been recorded in the financial statements as long-term liabilities.

Other Relevant Factors

Subsequent Event

On October 11, 2022, the District awarded the sale of its Unlimited Tax Bonds, Series 2022, in the amount of \$2,420,000 at a net effective interest rate of approximately 4.671 percent and its Unlimited Tax Park Bonds, Series 2022A, in the amount of \$5,830,000 at a net effective interest rate of approximately 4.654 percent. The bonds, which closed and funded on November 10, 2022, were sold to reimburse the developers for construction projects within the District and operating advances.

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Statement of Net Position and Governmental Funds Balance Sheet
August 31, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 438,897	\$ 27,977	\$ 227	\$ 467,101	\$ -	\$ 467,101
Certificates of deposit	1,475,000	-	-	1,475,000	-	1,475,000
Short-term investments	1,231,912	876,691	1,633,847	3,742,450	-	3,742,450
Receivables:						
Property taxes	3,541	8,386	-	11,927	-	11,927
Service accounts	283,255	-	-	283,255	-	283,255
Accrued interest	9,182	-	-	9,182	-	9,182
Interfund receivable	22,497	-	-	22,497	(22,497)	-
Capital assets (net of accumulated depreciation):						
Land and improvements	-	-	-	-	4,481,021	4,481,021
Construction in progress	-	-	-	-	1,907,654	1,907,654
Infrastructure	-	-	-	-	18,115,554	18,115,554
Recreational facilities	-	-	-	-	936,632	936,632
Total assets	\$ 3,464,284	\$ 913,054	\$ 1,634,074	\$ 6,011,412	\$ 25,418,364	\$ 31,429,776

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Statement of Net Position and Governmental Funds Balance Sheet (Continued)
August 31, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	\$ 206,054	\$ 6,891	\$ 330,481	\$ 543,426	\$ -	\$ 543,426
Retainage payable	-	-	177,253	177,253	-	177,253
Customer deposits	441,950	-	-	441,950	-	441,950
Unearned tap connection fees	28,050	-	-	28,050	-	28,050
Interfund payable	-	22,497	-	22,497	(22,497)	-
Long-term liabilities:						
Due within one year	-	-	-	-	1,510,000	1,510,000
Due after one year	-	-	-	-	31,453,843	31,453,843
Total liabilities	<u>676,054</u>	<u>29,388</u>	<u>507,734</u>	<u>1,213,176</u>	<u>32,941,346</u>	<u>34,154,522</u>
Deferred Inflows of Resources						
Deferred property tax revenues	<u>3,541</u>	<u>8,386</u>	<u>0</u>	<u>11,927</u>	<u>(11,927)</u>	<u>0</u>
Fund Balances/Net Position						
Fund balances:						
Restricted:						
Unlimited tax bonds	-	875,280	-	875,280	(875,280)	-
Water, sewer and drainage	-	-	1,126,340	1,126,340	(1,126,340)	-
Unassigned	<u>2,784,689</u>	<u>-</u>	<u>-</u>	<u>2,784,689</u>	<u>(2,784,689)</u>	<u>-</u>
Total fund balances	<u>2,784,689</u>	<u>875,280</u>	<u>1,126,340</u>	<u>4,786,309</u>	<u>(4,786,309)</u>	<u>0</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,464,284</u>	<u>\$ 913,054</u>	<u>\$ 1,634,074</u>	<u>\$ 6,011,412</u>		
Net position:						
Net investment in capital assets					(6,201,456)	(6,201,456)
Restricted for debt service					883,666	883,666
Restricted for capital projects					30,959	30,959
Unrestricted					<u>2,562,085</u>	<u>2,562,085</u>
Total net position					<u>\$ (2,724,746)</u>	<u>\$ (2,724,746)</u>

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
**Statement of Activities and Governmental Funds Revenues,
Expenditures and Changes in Fund Balances**
Year Ended August 31, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	\$ 917,717	\$ 2,172,869	\$ -	\$ 3,090,586	\$ (1,199)	\$ 3,089,387
Water service	421,930	-	-	421,930	-	421,930
Sewer service	430,233	-	-	430,233	-	430,233
Regional water fee	422,920	-	-	422,920	-	422,920
Penalty and interest	7,221	23,635	-	30,856	-	30,856
Tap connection and inspection fees	366,921	-	-	366,921	-	366,921
Investment income	18,624	13,032	14,889	46,545	-	46,545
Other income	4,701	-	-	4,701	8,734	13,435
Total revenues	2,590,267	2,209,536	14,889	4,814,692	7,535	4,822,227
Expenditures/Expenses						
Service operations:						
Regional water authority fee	448,488	-	-	448,488	-	448,488
Professional fees	120,524	2,600	-	123,124	5,989	129,113
Contracted services	352,160	33,710	-	385,870	291	386,161
Utilities	129,970	-	-	129,970	-	129,970
Repairs and maintenance	414,822	-	-	414,822	86,068	500,890
Other expenditures	86,799	10,481	495	97,775	-	97,775
Tap connections	144,410	-	-	144,410	-	144,410
Capital outlay	109,586	-	6,223,240	6,332,826	(6,332,826)	-
Depreciation	-	-	-	-	663,665	663,665
Debt service:						
Principal retirement	-	1,115,000	-	1,115,000	(1,115,000)	-
Interest and fees	-	845,137	-	845,137	62,732	907,869
Debt issuance costs	101,624	-	441,483	543,107	-	543,107
Total expenditures/expenses	1,908,383	2,006,928	6,665,218	10,580,529	(6,629,081)	3,951,448
Excess (Deficiency) of Revenues Over Expenditures						
	681,884	202,608	(6,650,329)	(5,765,837)	6,636,616	

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
**Statement of Activities and Governmental Funds Revenues,
Expenditures and Changes in Fund Balances (Continued)**
Year Ended August 31, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Other Financing Sources (Uses)						
Interfund transfers in (out)	\$ 71,745	\$ -	\$ (71,745)	\$ -	\$ -	
Repayment of developer advances	-	-	(337,000)	(337,000)	337,000	
General obligation bonds issued	-	169,219	7,930,781	8,100,000	(8,100,000)	
Discount on debt issued	-	-	(84,613)	(84,613)	84,613	
Insurance proceeds	8,734	-	-	8,734	(8,734)	
Total other financing sources	<u>80,479</u>	<u>169,219</u>	<u>7,437,423</u>	<u>7,687,121</u>	<u>(7,687,121)</u>	
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	762,363	371,827	787,094	1,921,284	(1,921,284)	
Change in Net Position					870,779	\$ 870,779
Fund Balances/Net Position						
Beginning of year	<u>2,022,326</u>	<u>503,453</u>	<u>339,246</u>	<u>2,865,025</u>	-	<u>(3,595,525)</u>
End of year	<u>\$ 2,784,689</u>	<u>\$ 875,280</u>	<u>\$ 1,126,340</u>	<u>\$ 4,786,309</u>	<u>\$ 0</u>	<u>\$ (2,724,746)</u>

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas

Notes to Financial Statements

August 31, 2022

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas (the District), was created by House Bill 2322, Chapter 218, Acts of the 72nd Texas Legislature, effective May 29, 1991, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate waterworks, wastewater and drainage facilities and to provide such facilities and services to the customers of the District. Section 8228 of the Texas Special District Local Laws Code authorizes the District, pursuant to the provisions of the Texas Constitution, to develop and finance with property taxes certain road facilities following a successful District election to approve the issuance of road bonds payable from taxes.

The District is governed by a Board of Directors (the Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for which the District is considered to be financially accountable. Accountability is defined as the District's substantive appointment of the voting majority of the component unit's governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

Government-wide and Fund Financial Statements

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, wastewater, drainage and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas

Notes to Financial Statements

August 31, 2022

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, charges for services and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District.

The fund financial statements provide information about the District's governmental funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental funds:

General Fund – The general fund is the primary operating fund of the District which accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, charges for services and interest income.

Debt Service Fund – The debt service fund is used to account for financial resources that are restricted, committed or assigned to expenditures for principal and interest related costs, as well as the financial resources being accumulated for future debt service.

Capital Projects Fund – The capital projects fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

Fund Balances – Governmental Funds

The fund balances for the District's governmental funds can be displayed in up to five components:

Nonspendable – Amounts that are not in a spendable form or are required to be maintained intact.

Restricted – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by issuance of a resolution by the District's Board.

Assigned – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – The residual classification for the general fund and includes all amounts not contained in the other classifications.

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas

Notes to Financial Statements

August 31, 2022

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Intergovernmental revenues are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as liabilities.

Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas

Notes to Financial Statements

August 31, 2022

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

Interfund Transactions

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Pension Costs

The District does not participate in a pension plan and, therefore, has no pension costs.

Use of 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 amounts of assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Investments and Investment Income

Investments in certificates of deposit, mutual funds, U.S. Government and agency securities, and certain pooled funds, which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

Property Taxes

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes, penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas

Notes to Financial Statements

August 31, 2022

district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended August 31, 2022, include collections during the current period or within 60 days of year-end related to the 2021 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended August 31, 2022, the 2021 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of \$5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Water production and distribution facilities	10-45
Wastewater collection and treatment facilities	10-45
Drainage facilities	10-45

Debt Issuance Costs

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and, therefore, are recognized as an expense/expenditure in the period incurred.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on bonds are recognized as a component of long-term liabilities and amortized over the life of the related debt using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas

Notes to Financial Statements

August 31, 2022

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

Net Position/Fund Balances

Fund balances and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

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

The components of unrestricted net position at August 31, 2022, are as follows:

General fund, unrestricted fund balance including deferred taxes	\$ 2,788,230
Operating advances due to developer	<u>(226,145)</u>
Total	<u><u>\$ 2,562,085</u></u>

Reconciliation of Government-wide and Fund Financial Statements

Amounts reported for net position of governmental activities in the statement of net position and fund balances in the governmental funds balance sheet are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	\$ 25,440,861
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	11,927
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	<u>(32,963,843)</u>
Adjustment to fund balances to arrive at net position.	<u><u>\$ (7,511,055)</u></u>

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Notes to Financial Statements
August 31, 2022

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balances in the governmental funds statement of revenues, expenditures and changes in fund balances because:

Change in fund balances.	\$ 1,921,284
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation expense and noncapitalized costs in the current year.	5,576,813
Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	84,613
Governmental funds report proceeds from the sale of bonds because they provide current financial resources to governmental funds. Principal payments on debt are recorded as expenditures. None of these transactions, however have any affect on net position.	(6,985,000)
Governmental funds report developer advances as other financing sources or uses as amounts are received or paid. However, for government-wide financial statements, these amounts are recorded as an increase or decrease in amount due to developer.	337,000
Revenues collected in the current year, which have previously been reported in the statement of activities, are reported as revenues in the governmental funds.	(1,199)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(62,732)
Change in net position of governmental activities.	\$ <u><u>870,779</u></u>

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas

Notes to Financial Statements

August 31, 2022

Note 2: Deposits, Investments and Investment Income

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; or certain collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.

At August 31, 2022, none of the District's bank balances were exposed to custodial credit risk.

Investments

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and 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, obligations of states, agencies and counties and other political subdivisions with an investment rating not less than "A," insured or collateralized certificates of deposit, and certain bankers' acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts and investment pools.

The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas CLASS, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Trustees, elected by the participants, has oversight of Texas CLASS. The District's investments may be redeemed at any time. Texas CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques and limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations.

At August 31, 2022, the District had the following investments and maturities.

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas

Notes to Financial Statements

August 31, 2022

Type	Maturities in Years				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
Texas CLASS	<u>\$ 3,742,450</u>	<u>\$ 3,742,450</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At August 31, 2022, the District's investments in Texas CLASS were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet at August 31, 2022, as follows:

Carrying value:	
Deposits	\$ 1,942,101
Investments	<u>3,742,450</u>
Total	<u><u>\$ 5,684,551</u></u>

Included in the following statement of net position captions:

Cash	\$ 467,101
Certificates of deposit	1,475,000
Short-term investments	<u>3,742,450</u>
Total	<u><u>\$ 5,684,551</u></u>

Investment Income

Investment income of \$46,545 for the year ended August 31, 2022, consisted of interest income.

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas

Notes to Financial Statements

August 31, 2022

Fair Value Measurements

The District has the following recurring fair value measurements as of August 31, 2022:

- Pooled investments of \$3,742,450 are valued at fair value per share of the pool's underlying portfolio.

Note 3: Capital Assets

A summary of changes in capital assets for the year ended August 31, 2022, is presented as follows:

Governmental Activities	Balances, Beginning of Year	Additions	Balances, End of Year
Capital assets, non-depreciable:			
Land and improvements	\$ 4,481,021	\$ -	\$ 4,481,021
Construction in progress	10,900	1,896,754	1,907,654
Total capital assets, non-depreciable	<u>4,491,921</u>	<u>1,896,754</u>	<u>6,388,675</u>
Capital assets, depreciable:			
Water production and distribution facilities	6,618,672	658,602	7,277,274
Wastewater collection and treatment facilities	6,576,541	802,209	7,378,750
Drainage facilities	7,775,442	1,590,191	9,365,633
Recreational facilities	-	985,929	985,929
Total capital assets, depreciable	<u>20,970,655</u>	<u>4,036,931</u>	<u>25,007,586</u>
Less accumulated depreciation:			
Water production and distribution facilities	(2,657,635)	(217,638)	(2,875,273)
Wastewater collection and treatment facilities	(1,432,296)	(185,587)	(1,617,883)
Drainage facilities	(1,201,804)	(211,143)	(1,412,947)
Recreational facilities	-	(49,297)	(49,297)
Total accumulated depreciation	<u>(5,291,735)</u>	<u>(663,665)</u>	<u>(5,955,400)</u>
Total governmental activities, net	<u>\$ 20,170,841</u>	<u>\$ 5,270,020</u>	<u>\$ 25,440,861</u>

Note 4: Long-term Liabilities

Changes in long-term liabilities for the year ended August 31, 2022, were as follows.

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas

Notes to Financial Statements

August 31, 2022

Governmental Activities	Balances, Beginning of Year	Increases	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable:					
General obligation bonds	\$ 23,860,000	\$ 8,100,000	\$ 1,115,000	\$ 30,845,000	\$ 1,510,000
Less discounts on bonds	620,642	84,613	25,115	680,140	-
	23,239,358	8,015,387	1,089,885	30,164,860	1,510,000
Due to developers - construction	2,842,014	2,422,504	2,691,680	2,572,838	-
Due to developers - advances	563,145	-	337,000	226,145	-
Total governmental activities long-term liabilities	<u>\$ 26,644,517</u>	<u>\$ 10,437,891</u>	<u>\$ 4,118,565</u>	<u>\$ 32,963,843</u>	<u>\$ 1,510,000</u>

General Obligation Bonds

	<u>Series 2016</u>	<u>Series 2017</u>
Amounts outstanding, August 31, 2022	\$3,035,000	\$2,940,000
Interest rates	2.00% to 4.00%	2.00% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2023/2040	September 1, 2023/2040
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	September 1, 2022	September 1, 2023
	<u>Series 2017A</u>	<u>Series 2018</u>
Amounts outstanding, August 31, 2022	\$2,700,000	\$3,060,000
Interest rates	2.00% to 4.00%	3.00% to 3.75%
Maturity dates, serially beginning/ending	September 1, 2023/2040	September 1, 2023/2040
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	September 1, 2023	September 1, 2024

*Or any date thereafter, callable at par plus accrued interest to the date of redemption.

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas

Notes to Financial Statements August 31, 2022

	Series 2019	Series 2020
Amounts outstanding, August 31, 2022	\$7,000,000	\$4,010,000
Interest rates	2.00% to 2.75%	1.00% to 2.00%
Maturity dates, serially beginning/ending	September 1, 2023/2043	September 1, 2023/2043
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	September 1, 2024	September 1, 2025
		Series 2021
Amount outstanding, August 31, 2022		\$8,100,000
Interest rates		2.00% to 2.25%
Maturity dates, serially beginning/ending		March 1, 2023/2043
Interest payment dates		March 1/September 1
Callable date*		March 1, 2027

*Or any date thereafter, callable at par plus accrued interest to the date of redemption.

Annual Debt Service Requirements

The District has been paying the amount due September 1 within the fiscal year preceding this due date and the following schedule has been prepared assuming that this practice will be followed in future years. The schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at August 31, 2022.

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas

Notes to Financial Statements

August 31, 2022

Year	Principal	Interest	Total
2023	\$ 1,510,000	\$ 815,412	\$ 2,325,412
2024	1,515,000	781,675	2,296,675
2025	1,520,000	747,375	2,267,375
2026	1,525,000	712,975	2,237,975
2027	1,525,000	675,815	2,200,815
2028-2032	7,735,000	2,794,996	10,529,996
2033-2037	7,930,000	1,736,546	9,666,546
2038-2042	6,680,000	578,495	7,258,495
2043	905,000	17,206	922,206
Total	<u>\$ 30,845,000</u>	<u>\$ 8,860,495</u>	<u>\$ 39,705,495</u>

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount.

Water, sanitary sewer and drainage facilities bonds voted	\$ 102,850,000
Water, sanitary sewer and drainage facilities bonds sold	35,110,000
Recreational facilities bonds voted	38,850,000
Refunding bonds authorization voted	141,700,000

Due to Developers

Developers of the District have constructed facilities on behalf of the District. The District's engineer estimates reimbursable costs for completed projects are \$2,572,838. The District has agreed to reimburse the developers for these construction costs, plus interest, to the extent approved by the Commission from the proceeds of future bond sales. These amounts have been recorded in the financial statements as long-term liabilities.

Since inception, the developers have advanced \$2,072,436 to the District for operations, of which \$1,846,291 has been repaid to the developers. These amounts have been recorded in the financial statements as long-term liabilities.

Note 5: Significant Bond Orders and Commission Requirements

- A. The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended August 31, 2022, the District levied an ad valorem debt service tax at the rate of \$0.9000 per \$100 of

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas

Notes to Financial Statements

August 31, 2022

assessed valuation, which resulted in a tax levy of \$2,172,700 on the taxable valuation of \$241,411,093 for the 2021 tax year. The interest and principal requirements paid from tax revenues and available debt service fund resources were \$1,959,688.

- B. During the current fiscal year, the District transferred \$71,745 from the capital projects fund to the general fund. The transfer was in accordance with the rules of the Commission.

Note 6: Maintenance Taxes

At an election held May 10, 2014, voters authorized a maintenance tax not to exceed \$1.50 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended August 31, 2022, the District levied an ad valorem maintenance tax at the rate of \$0.3800 per \$100 of assessed valuation, which resulted in a tax levy of \$917,362 on the taxable valuation of \$241,411,093 for the 2021 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 7: Regional Water Authority

The District is within the boundaries of the Lone Star Groundwater Conservation District (the Conservation District), which was created by the Texas Legislature. The Conservation District 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 Subsidence District, which regulates groundwater withdrawal.

Note 8: Groundwater Reduction Agreement

The District has entered into a Contract for Groundwater Reduction Planning, Alternative Water Supply and Related Goods and Services (GRP Contract) with the San Jacinto River Authority (the Authority) in order to meet the Conservation District's requirements. As a participant in the Authority's Groundwater Reduction Plan, the District has complied with all current Conservation District requirements for surface water conversion and is obligated to pay to the Authority a groundwater withdrawal fee for all groundwater produced and used by the District and will be required to pay a water purchase fee for any water actually purchased from the Authority in the future. As of August 31, 2022, the Authority was billing the District \$2.88 per 1,000 gallons of water pumped. This amount is subject to future increases.

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas

Notes to Financial Statements

August 31, 2022

Note 9: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District participates, along with other entities, in the Texas Municipal League's Intergovernmental Risk Pool (the Pool). The Pool purchases commercial insurance at group rates for participants in the Pool. The District has no additional risk or responsibility to the Pool, outside of payment of insurance premiums. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three fiscal years.

Note 10: Subsequent Event

On October 11, 2022, the District awarded the sale of its Unlimited Tax Bonds, Series 2022, in the amount of \$2,420,000 at a net effective interest rate of approximately 4.671 percent and its Unlimited Tax Park Bonds, Series 2022A, in the amount of \$5,830,000 at a net effective interest rate of approximately 4.654 percent. The bonds, which closed and funded on November 10, 2022, were sold to reimburse the developers for construction projects within the District and operating advances.

Required Supplementary Information

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Budgetary Comparison Schedule – General Fund
Year Ended August 31, 2022

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 895,000	\$ 917,717	\$ 22,717
Water service	307,900	421,930	114,030
Sewer service	363,800	430,233	66,433
Regional water fee	270,400	422,920	152,520
Penalty and interest	5,000	7,221	2,221
Tap connection and inspection fees	97,981	366,921	268,940
Investment income	10,700	18,624	7,924
Other income	1,000	4,701	3,701
	<u>1,951,781</u>	<u>2,590,267</u>	<u>638,486</u>
Expenditures			
Service operations:			
Purchased services	5,000	-	5,000
Regional water fee	270,400	448,488	(178,088)
Professional fees	172,000	120,524	51,476
Contracted services	313,100	352,160	(39,060)
Utilities	113,000	129,970	(16,970)
Repairs and maintenance	377,432	414,822	(37,390)
Other expenditures	85,400	86,799	(1,399)
Tap connections	39,000	144,410	(105,410)
Capital outlay	175,000	109,586	65,414
Debt service, debt issuance costs	-	101,624	(101,624)
	<u>1,550,332</u>	<u>1,908,383</u>	<u>(358,051)</u>
Excess of Revenues Over Expenditures	<u>401,449</u>	<u>681,884</u>	<u>280,435</u>
Other Financing Sources			
Interfund transfer in	68,892	71,745	2,853
Insurance proceeds	-	8,734	8,734
	<u>68,892</u>	<u>80,479</u>	<u>11,587</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>470,341</u>	<u>762,363</u>	<u>292,022</u>
Fund Balance, Beginning of Year	<u>2,022,326</u>	<u>2,022,326</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,492,667</u>	<u>\$ 2,784,689</u>	<u>\$ 292,022</u>

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Notes to Required Supplementary Information
August 31, 2022

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was not amended during fiscal 2022.

The District prepares its annual operating budget on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedule - General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Other Information

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Other Schedules Included Within This Report
August 31, 2022

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

- [X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 14-28
- [X] Schedule of Services and Rates
- [X] Schedule of General Fund Expenditures
- [X] Schedule of Temporary Investments
- [X] Analysis of Taxes Levied and Receivable
- [X] Schedule of Long-term Debt Service Requirements by Years
- [X] Changes in Long-term Bonded Debt
- [X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund –
Five Years
- [X] Board Members, Key Personnel and Consultants

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas

Schedule of Services and Rates Year Ended August 31, 2022

1. Services provided by the District:

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

2. Retail service providers

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

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1,000 Gallons Over Minimum	Usage Levels
Water:	\$ 13.00	5,000	N	\$ 1.50	5,001 to 10,000
				\$ 2.50	10,001 to 15,000
				\$ 3.25	15,001 to 20,000
				\$ 4.00	20,001 to 30,000
				\$ 4.75	30,001 to No limit
Wastewater:	\$ 41.43	0	Y		
Regional water fee:	\$ 3.02	1	N	\$ 3.02	1 to No limit
Does the District employ winter averaging for wastewater usage?					Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Total charges per 10,000 gallons usage (including fees):				Water \$ 50.70	Wastewater \$ 41.43

b. Water and wastewater retail connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFC*</u>
Unmetered	-	-	x1.0	-
≤ 3/4"	910	910	x1.0	910
1"	79	79	x2.5	198
1 1/2"	-	-	x5.0	-
2"	17	17	x8.0	136
3"	-	-	x15.0	-
4"	-	-	x25.0	-
6"	-	-	x50.0	-
8"	-	-	x80.0	-
10"	-	-	x115.0	-
Total water	1,006	1,006		1,244
Total wastewater	977	977	x1.0	977

3. Total water consumption (in thousands) during the fiscal year:

Gallons pumped into the system:	154,945
Gallons billed to customers:	142,256
Water accountability ratio (gallons billed/gallons pumped):	91.81%

*"ESFC" means equivalent single-family connections

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas
Schedule of General Fund Expenditures
Year Ended August 31, 2022**

Personnel (including benefits)		\$	-
Professional Fees			
Auditing	\$ 17,900		
Legal	77,342		
Engineering	25,282		
Financial advisor	-		
	<u> </u>		120,524
Purchased Services for Resale			
Bulk water and wastewater service purchases			-
Regional Water Fee			448,488
Contracted Services			
Bookkeeping	32,568		
Appraisal district	-		
Tax collector	-		
Security	-		
Other contracted services	109,204		
	<u> </u>		141,772
Utilities			129,970
Repairs and Maintenance			414,822
Administrative Expenditures			
Directors' fees	5,400		
Office supplies	5,537		
Insurance	17,858		
Other administrative expenditures	58,004		
	<u> </u>		86,799
Capital Outlay			
Capitalized assets	23,518		
Expenditures not capitalized	86,068		
	<u> </u>		109,586
Tap Connection Expenditures			144,410
Solid Waste Disposal			210,388
Fire Fighting			-
Parks and Recreation			-
Other Expenditures			<u>101,624</u>
Total expenditures		<u>\$</u>	<u>1,908,383</u>

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Schedule of Temporary Investments
August 31, 2022

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Certificates of deposit				
No. 12297	0.50%	02/10/23	\$ 125,000	\$ 346
No. 440010423	0.10%	03/04/23	150,000	74
No. 4191331	0.25%	10/19/22	150,000	273
No. 36001644	0.25%	10/20/22	200,000	430
No. 2000000182	0.15%	09/07/22	150,000	220
No. 327890	0.13%	10/19/22	200,000	133
No. 6000039310	3.50%	11/26/22	150,000	3,999
No. 6002400306	3.69%	01/13/23	150,000	3,488
No. 6550115957	0.29%	10/18/22	200,000	219
Texas CLASS	2.38%	Demand	<u>1,231,912</u>	<u>-</u>
			<u>2,706,912</u>	<u>9,182</u>
Debt Service Fund				
Texas CLASS	2.38%	Demand	<u>876,691</u>	<u>0</u>
Capital Projects Fund				
Texas CLASS	2.38%	Demand	2,989	-
Texas CLASS	2.38%	Demand	<u>1,630,858</u>	<u>-</u>
			<u>1,633,847</u>	<u>0</u>
Totals			<u>\$ 5,217,450</u>	<u>\$ 9,182</u>

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Analysis of Taxes Levied and Receivable
Year Ended August 31, 2022

	Maintenance Taxes	Debt Service Taxes
	<hr/>	<hr/>
Receivable, Beginning of Year	\$ 4,124	\$ 9,002
Additions and corrections to prior years' taxes	(228)	(447)
	<hr/>	<hr/>
Adjusted receivable, beginning of year	3,896	8,555
	<hr/>	<hr/>
2021 Original Tax Levy	906,843	2,147,787
Additions and corrections	10,519	24,913
	<hr/>	<hr/>
Adjusted tax levy	917,362	2,172,700
	<hr/>	<hr/>
Total to be accounted for	921,258	2,181,255
	<hr/>	<hr/>
Tax collections: Current year	(913,821)	(2,164,314)
Prior years	(3,896)	(8,555)
	<hr/>	<hr/>
Receivable, end of year	<u>\$ 3,541</u>	<u>\$ 8,386</u>
	<hr/>	<hr/>
Receivable, by Years		
2021	<u>\$ 3,541</u>	<u>\$ 8,386</u>

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**

**Analysis of Taxes Levied and Receivable (Continued)
Year Ended August 31, 2022**

	2021	2020	2019	2018
Property Valuations				
Land	\$ 58,998,950	\$ 49,219,330	\$ 44,468,360	\$ 42,710,280
Improvements	187,950,520	146,641,200	121,503,800	95,881,050
Personal property	900,168	1,468,184	1,664,943	1,299,271
Exemptions	<u>(6,438,545)</u>	<u>(5,633,285)</u>	<u>(4,184,248)</u>	<u>(2,456,833)</u>
Total property valuations	<u>\$ 241,411,093</u>	<u>\$ 191,695,429</u>	<u>\$ 163,452,855</u>	<u>\$ 137,433,768</u>
Tax Rates per \$100 Valuation				
Debt service tax rates	\$ 0.9000	\$ 0.9400	\$ 0.8800	\$ 0.7400
Maintenance tax rates*	<u>0.3800</u>	<u>0.3900</u>	<u>0.4700</u>	<u>0.6100</u>
Total tax rates per \$100 valuation	<u>\$ 1.2800</u>	<u>\$ 1.3300</u>	<u>\$ 1.3500</u>	<u>\$ 1.3500</u>
Tax Levy	<u>\$ 3,090,062</u>	<u>\$ 2,549,549</u>	<u>\$ 2,206,614</u>	<u>\$ 1,855,356</u>
Percent of Taxes Collected to Taxes Levied**				
	<u>99%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

*Maximum tax rate approved by voters: \$1.50 on May 10, 2014

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

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Schedule of Long-term Debt Service Requirements by Years
August 31, 2022

Due During Fiscal Years Ending August 31	Series 2016		
	Principal Due September 1	Interest Due March 1, September 1	Total
2023	\$ 105,000	\$ 114,869	\$ 219,869
2024	110,000	111,718	221,718
2025	115,000	108,419	223,419
2026	125,000	104,968	229,968
2027	130,000	100,906	230,906
2028	135,000	96,356	231,356
2029	145,000	91,463	236,463
2030	150,000	86,025	236,025
2031	160,000	80,400	240,400
2032	170,000	74,400	244,400
2033	175,000	67,600	242,600
2034	185,000	60,600	245,600
2035	195,000	53,200	248,200
2036	205,000	45,400	250,400
2037	215,000	37,200	252,200
2038	225,000	28,600	253,600
2039	240,000	19,600	259,600
2040	250,000	10,000	260,000
Totals	<u>\$ 3,035,000</u>	<u>\$ 1,291,724</u>	<u>\$ 4,326,724</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Schedule of Long-term Debt Service Requirements by Years (Continued)
August 31, 2022

Due During Fiscal Years Ending August 31	Series 2017		
	Principal Due September 1	Interest Due March 1, September 1	Total
2023	\$ 165,000	\$ 105,225	\$ 270,225
2024	165,000	100,688	265,688
2025	165,000	95,737	260,737
2026	165,000	90,788	255,788
2027	165,000	85,590	250,590
2028	165,000	80,145	245,145
2029	165,000	74,535	239,535
2030	165,000	68,760	233,760
2031	165,000	62,820	227,820
2032	165,000	56,798	221,798
2033	165,000	50,775	215,775
2034	165,000	44,587	209,587
2035	160,000	38,400	198,400
2036	160,000	32,000	192,000
2037	160,000	25,600	185,600
2038	160,000	19,200	179,200
2039	160,000	12,800	172,800
2040	160,000	6,400	166,400
Totals	<u>\$ 2,940,000</u>	<u>\$ 1,050,848</u>	<u>\$ 3,990,848</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Schedule of Long-term Debt Service Requirements by Years (Continued)
August 31, 2022

Due During Fiscal Years Ending August 31	Series 2017A		Total
	Principal Due September 1	Interest Due March 1, September 1	
2023	\$ 150,000	\$ 93,375	\$ 243,375
2024	150,000	88,875	238,875
2025	150,000	84,375	234,375
2026	150,000	79,875	229,875
2027	150,000	75,375	225,375
2028	150,000	70,875	220,875
2029	150,000	66,188	216,188
2030	150,000	61,312	211,312
2031	150,000	56,250	206,250
2032	150,000	51,000	201,000
2033	150,000	45,750	195,750
2034	150,000	40,313	190,313
2035	150,000	34,875	184,875
2036	150,000	29,250	179,250
2037	150,000	23,625	173,625
2038	150,000	18,000	168,000
2039	150,000	12,000	162,000
2040	150,000	6,000	156,000
Totals	<u>\$ 2,700,000</u>	<u>\$ 937,313</u>	<u>\$ 3,637,313</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Schedule of Long-term Debt Service Requirements by Years (Continued)
August 31, 2022

Due During Fiscal Years Ending August 31	Series 2018		
	Principal Due September 1	Interest Due March 1, September 1	Total
2023	\$ 170,000	\$ 101,575	\$ 271,575
2024	170,000	96,475	266,475
2025	170,000	91,375	261,375
2026	170,000	86,275	256,275
2027	170,000	81,175	251,175
2028	170,000	76,075	246,075
2029	170,000	70,975	240,975
2030	170,000	65,450	235,450
2031	170,000	59,925	229,925
2032	170,000	54,400	224,400
2033	170,000	48,875	218,875
2034	170,000	42,925	212,925
2035	170,000	36,975	206,975
2036	170,000	31,025	201,025
2037	170,000	25,075	195,075
2038	170,000	18,913	188,913
2039	170,000	12,750	182,750
2040	170,000	6,375	176,375
Totals	<u>\$ 3,060,000</u>	<u>\$ 1,006,613</u>	<u>\$ 4,066,613</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Schedule of Long-term Debt Service Requirements by Years (Continued)
August 31, 2022

Due During Fiscal Years Ending August 31	Series 2019		
	Principal Due September 1	Interest Due March 1, September 1	Total
2023	\$ 335,000	\$ 160,700	\$ 495,700
2024	335,000	154,000	489,000
2025	335,000	147,300	482,300
2026	335,000	140,600	475,600
2027	335,000	133,900	468,900
2028	335,000	127,200	462,200
2029	335,000	120,500	455,500
2030	335,000	113,800	448,800
2031	335,000	107,100	442,100
2032	335,000	100,400	435,400
2033	335,000	93,281	428,281
2034	335,000	85,744	420,744
2035	335,000	78,206	413,206
2036	335,000	70,250	405,250
2037	330,000	61,875	391,875
2038	330,000	53,625	383,625
2039	330,000	44,963	374,963
2040	330,000	36,300	366,300
2041	330,000	27,225	357,225
2042	330,000	18,150	348,150
2043	330,000	9,075	339,075
Totals	<u>\$ 7,000,000</u>	<u>\$ 1,884,194</u>	<u>\$ 8,884,194</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Schedule of Long-term Debt Service Requirements by Years (Continued)
August 31, 2022

Due During Fiscal Years Ending August 31	Series 2020		
	Principal Due September 1	Interest Due March 1, September 1	Total
2023	\$ 195,000	\$ 74,350	\$ 269,350
2024	195,000	72,400	267,400
2025	195,000	70,450	265,450
2026	195,000	68,500	263,500
2027	190,000	64,600	254,600
2028	190,000	60,800	250,800
2029	190,000	57,000	247,000
2030	190,000	53,200	243,200
2031	190,000	49,400	239,400
2032	190,000	45,600	235,600
2033	190,000	41,800	231,800
2034	190,000	38,000	228,000
2035	190,000	34,200	224,200
2036	190,000	30,400	220,400
2037	190,000	26,600	216,600
2038	190,000	22,800	212,800
2039	190,000	19,000	209,000
2040	190,000	15,200	205,200
2041	190,000	11,400	201,400
2042	190,000	7,600	197,600
2043	190,000	3,800	193,800
Totals	<u>\$ 4,010,000</u>	<u>\$ 867,100</u>	<u>\$ 4,877,100</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Schedule of Long-term Debt Service Requirements by Years (Continued)
August 31, 2022

Due During Fiscal Years Ending August 31	Series 2021		Total
	Principal Due March 1	Interest Due March 1, September 1	
2023	\$ 390,000	\$ 165,318	\$ 555,318
2024	390,000	157,519	547,519
2025	390,000	149,719	539,719
2026	385,000	141,969	526,969
2027	385,000	134,269	519,269
2028	385,000	126,568	511,568
2029	385,000	118,869	503,869
2030	385,000	111,169	496,169
2031	385,000	103,469	488,469
2032	385,000	95,769	480,769
2033	385,000	88,069	473,069
2034	385,000	80,368	465,368
2035	385,000	72,669	457,669
2036	385,000	64,728	449,728
2037	385,000	56,306	441,306
2038	385,000	47,644	432,644
2039	385,000	38,981	423,981
2040	385,000	30,319	415,319
2041	385,000	21,656	406,656
2042	385,000	12,994	397,994
2043	385,000	4,331	389,331
Totals	<u>\$ 8,100,000</u>	<u>\$ 1,822,703</u>	<u>\$ 9,922,703</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Schedule of Long-term Debt Service Requirements by Years (Continued)
August 31, 2022

All Requirements For All Series			
Due During Fiscal Years Ending August 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2023	\$ 1,510,000	\$ 815,412	\$ 2,325,412
2024	1,515,000	781,675	2,296,675
2025	1,520,000	747,375	2,267,375
2026	1,525,000	712,975	2,237,975
2027	1,525,000	675,815	2,200,815
2028	1,530,000	638,019	2,168,019
2029	1,540,000	599,530	2,139,530
2030	1,545,000	559,716	2,104,716
2031	1,555,000	519,364	2,074,364
2032	1,565,000	478,367	2,043,367
2033	1,570,000	436,150	2,006,150
2034	1,580,000	392,537	1,972,537
2035	1,585,000	348,525	1,933,525
2036	1,595,000	303,053	1,898,053
2037	1,600,000	256,281	1,856,281
2038	1,610,000	208,782	1,818,782
2039	1,625,000	160,094	1,785,094
2040	1,635,000	110,594	1,745,594
2041	905,000	60,281	965,281
2042	905,000	38,744	943,744
2043	905,000	17,206	922,206
Totals	\$ 30,845,000	\$ 8,860,495	\$ 39,705,495

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Changes in Long-term Bonded Debt
Year Ended August 31, 2022

	Bond		
	Series 2016	Series 2017	Series 2017A
Interest rates	2.00% to 4.00%	2.00% to 4.00%	2.00% to 4.00%
Dates interest payable	March 1/ September 1	March 1/ September 1	March 1/ September 1
Maturity dates	September 1, 2023/2040	September 1, 2023/2040	September 1, 2023/2040
Bonds outstanding, beginning of current year	\$ 3,135,000	\$ 3,105,000	\$ 2,850,000
Bonds sold during current year	-	-	-
Retirements, principal	100,000	165,000	150,000
Bonds outstanding, end of current year	\$ 3,035,000	\$ 2,940,000	\$ 2,700,000
Interest paid during current year	\$ 117,869	\$ 109,350	\$ 97,875

Paying agent's name and address:

Series 2016	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2017	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2017A	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2018	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2019	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2020	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2021	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

	Tax Bonds	Recreational Facilities Bonds	Refunding Bonds
Bond authority:			
Amount authorized by voters	\$ 102,850,000	\$ 38,850,000	\$ 141,700,000
Amount of authorization issued	\$ 35,110,000	\$ -	\$ -
Remaining authorization to be issued	\$ 67,740,000	\$ 38,850,000	\$ 141,700,000
Debt service fund cash and temporary investment balances as of August 31, 2022:			\$ 904,668
Average annual debt service payment (principal and interest) for remaining term of all debt:			\$ 1,890,738

Issues

Series 2018	Series 2019	Series 2020	Series 2021	Totals
3.00% to 3.75%	2.00% to 2.75%	1.00% to 2.00%	2.00% to 2.25%	
March 1/ September 1	March 1/ September 1	March 1/ September 1	March 1/ September 1	
September 1, 2023/2040	September 1, 2023/2043	September 1, 2023/2043	March 1, 2023/2043	
\$ 3,230,000	\$ 7,335,000	\$ 4,205,000	\$ -	\$ 23,860,000
-	-	-	8,100,000	8,100,000
<u>170,000</u>	<u>335,000</u>	<u>195,000</u>	<u>-</u>	<u>1,115,000</u>
<u>\$ 3,060,000</u>	<u>\$ 7,000,000</u>	<u>\$ 4,010,000</u>	<u>\$ 8,100,000</u>	<u>\$ 30,845,000</u>
<u>\$ 106,675</u>	<u>\$ 167,400</u>	<u>\$ 76,300</u>	<u>\$ 169,219</u>	<u>\$ 844,688</u>

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended August 31,

	Amounts				
	2022	2021	2020	2019	2018
General Fund					
Revenues					
Property taxes	\$ 917,717	\$ 746,144	\$ 764,630	\$ 838,179	\$ 558,192
Water service	421,930	287,175	230,305	183,093	170,266
Sewer service	430,233	332,167	237,901	189,538	153,215
Regional water fee	422,920	246,926	260,257	211,677	196,173
Penalty and interest	7,221	5,520	4,335	3,155	2,853
Tap connection and inspection fees	366,921	300,645	114,312	96,348	138,967
Investment income	18,624	11,129	28,616	27,553	10,522
Other income	4,701	50	2,710	1,254	179
Total revenues	<u>2,590,267</u>	<u>1,929,756</u>	<u>1,643,066</u>	<u>1,550,797</u>	<u>1,230,367</u>
Expenditures					
Service operations:					
Regional water authority fee	448,488	263,066	269,705	202,617	197,641
Professional fees	120,524	123,525	192,285	177,836	118,573
Contracted services	352,160	271,142	204,600	117,628	94,672
Utilities	129,970	111,138	103,523	105,586	103,263
Repairs and maintenance	414,822	367,746	315,538	249,179	168,790
Other expenditures	86,799	74,146	61,682	56,826	64,481
Tap connections	144,410	113,600	61,570	33,730	44,526
Capital outlay	109,586	311,531	41,909	-	83,541
Debt service, debt issuance costs	101,624	60,845	56,250	-	-
Total expenditures	<u>1,908,383</u>	<u>1,696,739</u>	<u>1,307,062</u>	<u>943,402</u>	<u>875,487</u>
Excess of Revenues Over Expenditures	<u>681,884</u>	<u>233,017</u>	<u>336,004</u>	<u>607,395</u>	<u>354,880</u>
Other Financing Sources					
Interfund transfers in	71,745	52,085	-	-	6,468
Insurance proceeds	8,734	-	-	-	-
Total other financing sources	<u>80,479</u>	<u>52,085</u>	<u>0</u>	<u>0</u>	<u>6,468</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	762,363	285,102	336,004	607,395	361,348
Fund Balance, Beginning of Year	<u>2,022,326</u>	<u>1,737,224</u>	<u>1,401,220</u>	<u>793,825</u>	<u>432,477</u>
Fund Balance, End of Year	<u>\$ 2,784,689</u>	<u>\$ 2,022,326</u>	<u>\$ 1,737,224</u>	<u>\$ 1,401,220</u>	<u>\$ 793,825</u>
Total Active Retail Water Connections	<u>1,006</u>	<u>761</u>	<u>599</u>	<u>479</u>	<u>408</u>
Total Active Retail Wastewater Connections	<u>977</u>	<u>753</u>	<u>572</u>	<u>451</u>	<u>384</u>

Percent of Fund Total Revenues

2022	2021	2020	2019	2018
35.4 %	38.6 %	46.5 %	54.0 %	45.4 %
16.3	14.9	14.0	11.8	13.8
16.6	17.2	14.5	12.2	12.5
16.3	12.8	15.8	13.7	15.9
0.3	0.3	0.3	0.2	0.2
14.2	15.6	7.0	6.2	11.3
0.7	0.6	1.7	1.8	0.9
0.2	0.0	0.2	0.1	0.0
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
17.3	13.6	16.4	13.1	16.1
4.7	6.4	11.7	11.4	9.6
13.6	14.1	12.5	7.6	7.7
5.0	5.7	6.3	6.8	8.4
16.0	19.1	19.2	15.1	13.7
3.4	3.8	3.8	4.6	5.3
5.6	5.9	3.8	2.2	3.6
4.2	16.1	2.5	-	6.8
3.9	3.2	3.4	-	-
<u>73.7</u>	<u>87.9</u>	<u>79.6</u>	<u>60.8</u>	<u>71.2</u>
<u>26.3 %</u>	<u>12.1 %</u>	<u>20.4 %</u>	<u>39.2 %</u>	<u>28.8 %</u>

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Five Years Ended August 31,

	Amounts				
	2022	2021	2020	2019	2018
Debt Service Fund					
Revenues					
Property taxes	\$ 2,172,869	\$ 1,797,907	\$ 1,433,418	\$ 1,016,807	\$ 676,690
Penalty and interest	23,635	11,857	8,817	7,450	3,593
Investment income	13,032	3,798	19,106	18,170	10,961
Other income	-	14	30	12	5
Total revenues	<u>2,209,536</u>	<u>1,813,576</u>	<u>1,461,371</u>	<u>1,042,439</u>	<u>691,249</u>
Expenditures					
Current:					
Professional fees	2,600	376	1,268	141	1,121
Contracted services	33,710	29,253	26,643	24,291	15,143
Other expenditures	10,481	8,576	4,357	4,154	6,711
Debt service:					
Principal retirement	1,115,000	1,115,000	915,000	405,000	395,000
Interest and fees	845,137	701,138	635,700	457,984	339,671
Total expenditures	<u>2,006,928</u>	<u>1,854,343</u>	<u>1,582,968</u>	<u>891,570</u>	<u>757,646</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>202,608</u>	<u>(40,767)</u>	<u>(121,597)</u>	<u>150,869</u>	<u>(66,397)</u>
Other Financing Sources					
Interfund transfers in	-	4,165	-	-	-
General obligation bonds issued	169,219	39,125	180,700	-	111,575
Total other financing sources	<u>169,219</u>	<u>43,290</u>	<u>180,700</u>	<u>0</u>	<u>111,575</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	371,827	2,523	59,103	150,869	45,178
Fund Balance, Beginning of Year	<u>503,453</u>	<u>500,930</u>	<u>441,827</u>	<u>290,958</u>	<u>245,780</u>
Fund Balance, End of Year	<u>\$ 875,280</u>	<u>\$ 503,453</u>	<u>\$ 500,930</u>	<u>\$ 441,827</u>	<u>\$ 290,958</u>

Percent of Fund Total Revenues

2022	2021	2020	2019	2018
98.3 %	99.1 %	98.1 %	97.5 %	97.9 %
1.1	0.7	0.6	0.7	0.5
0.6	0.2	1.3	1.8	1.6
-	0.0	0.0	0.0	0.0
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
0.1	0.0	0.1	0.0	0.2
1.5	1.6	1.8	2.3	2.2
0.5	0.5	0.3	0.4	1.0
50.5	61.5	62.6	38.9	57.1
<u>38.2</u>	<u>38.7</u>	<u>43.5</u>	<u>43.9</u>	<u>49.1</u>
<u>90.8</u>	<u>102.3</u>	<u>108.3</u>	<u>85.5</u>	<u>109.6</u>
<u>9.2 %</u>	<u>(2.3) %</u>	<u>(8.3) %</u>	<u>14.5 %</u>	<u>(9.6) %</u>

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas
Board Members, Key Personnel and Consultants
Year Ended August 31, 2022**

Complete District mailing address:	Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas c/o Schwartz, Page & Harding, L.L.P. 1300 Post Oak Boulevard, Suite 2400 Houston, Texas 77056	
District business telephone number:	713.623.4531	
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):		September 12, 2018
Limit on fees of office that a director may receive during a fiscal year:		\$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-end
Mercedes C. Burns	Elected 05/20- 05/24	\$ 1,350	\$ 0	President
Elias Hinojosa	Elected 05/20- 05/24	450	0	Vice President
James Art Nicholson	Elected 05/22- 05/26	1,350	0	Secretary
David Ambrose	Elected 05/22- 05/26	900	0	Assistant Secretary
Dexter Braband	Elected 05/20- 05/24	1,350	9	Assistant Secretary

*Fees are the amounts actually paid to a director during the District's fiscal year.

**Wood Trace Municipal Utility District No. 1,
of Montgomery County, Texas**
Board Members, Key Personnel and Consultants (Continued)
Year Ended August 31, 2022

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Bob Leared Interests	03/15/01	\$ 20,519	Tax Assessor/ Collector
FORVIS, LLP	11/06/03	40,700	Auditor
LJA Engineering, Inc.	10/23/13	247,542	Engineer
Masterson Advisors LLC	05/08/18	149,741	Financial Advisor
Montgomery Central Appraisal District	Legislative Action	23,698	Appraiser
Municipal Accounts & Consulting, L.P.	03/15/01	38,908	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	04/04/02	2,600	Delinquent Tax Attorney
Schwartz, Page & Harding, L.L.P.	03/15/01	86,629 213,160	General Counsel Bond Counsel
Water District Management Company, Inc.	04/03/09	683,972	Operator

Investment Officers

Mark M. Burton and Ghia Lewis	03/26/03	N/A	Bookkeepers
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