

**CIMARRON MUNICIPAL  
UTILITY DISTRICT**

**HARRIS AND FORT BEND COUNTIES, TEXAS**

**FINANCIAL REPORT**

**February 29, 2024**



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*Certified Public Accountants*

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Houston, Texas 77092

## Independent Auditor's Report

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

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Cimarron Municipal Utility District (the "District"), as of and for the year ended February 29, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Cimarron Municipal Utility District, as of February 29, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

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

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

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

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

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

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

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

**Required Supplementary Information**

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

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

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

**Supplementary Information**

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



Houston, Texas  
June 19, 2024

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

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***Cimarron Municipal Utility District  
Management's Discussion and Analysis  
February 29, 2024***

## **Using this Annual Report**

Within this section of the financial report of Cimarron Municipal Utility District (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended February 29, 2024. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

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

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

## **Overview of the Financial Statements**

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

## **Government-Wide Financial Statements**

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

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

***Cimarron Municipal Utility District  
Management’s Discussion and Analysis  
February 29, 2024***

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

**Fund Financial Statements**

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

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

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

The District’s net position at February 29, 2024, was \$14,808,499. A comparative summary of the District’s overall financial position, as of February 29, 2024 and February 28, 2023, is as follows:

	2024	2023
Current and other assets	\$ 17,543,102	\$ 15,269,170
Capital assets	19,478,342	19,296,068
Total assets	37,021,444	34,565,238
 Total deferred outflows of resources	 293,234	 341,206
 Current liabilities	 2,121,707	 2,266,840
Long-term liabilities	20,384,472	21,851,874
Total liabilities	22,506,179	24,118,714
 Net Position		
Net investment in capital assets	(917,716)	(2,362,711)
Restricted	2,257,105	2,234,983
Unrestricted	13,469,110	10,915,458
Total Net Position	\$ 14,808,499	\$ 10,787,730

***Cimarron Municipal Utility District  
Management’s Discussion and Analysis  
February 29, 2024***

The total net position of the District increased during the current fiscal year by \$4,020,769. A comparative summary of the District’s *Statement of Activities* for the past two years is as follows:

	<u>2024</u>	<u>2023</u>
Revenues		
Water and sewer service	\$ 2,147,498	\$ 2,010,728
Property taxes, penalties and interest	4,741,760	4,457,170
City of Houston sales tax rebates	1,183,546	1,162,921
Regional water authority fees	2,064,627	1,822,669
Other	3,609,392	2,620,490
Total revenues	<u>13,746,823</u>	<u>12,073,978</u>
Expenses		
Current service operations	8,502,132	7,129,672
Debt interest and fees	784,640	825,792
Depreciation	439,282	432,540
Total expenses	<u>9,726,054</u>	<u>8,388,004</u>
Change in net position	4,020,769	3,685,974
Net position, beginning of year	10,787,730	7,101,756
Net position, end of year	<u>\$ 14,808,499</u>	<u>\$ 10,787,730</u>

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

The District’s combined fund balances, as of February 29, 2024, were \$16,487,973, which consists of \$14,402,808 in the General Fund and \$2,085,165 in the Debt Service Fund.

*General Fund*

A comparative summary of the General Fund’s financial position as of February 29, 2024 and February 28, 2023, is as follows:

	<u>2024</u>	<u>2023</u>
Total assets	<u>\$ 15,029,386</u>	<u>\$ 12,522,259</u>
Total liabilities	\$ 425,096	\$ 374,912
Total deferred inflows	201,482	163,828
Total fund balance	<u>14,402,808</u>	<u>11,983,519</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 15,029,386</u>	<u>\$ 12,522,259</u>

***Cimarron Municipal Utility District  
Management’s Discussion and Analysis  
February 29, 2024***

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

	2024	2023
Total revenues	\$ 8,665,089	\$ 7,752,633
Total expenditures	(6,245,800)	(5,351,862)
Revenues over expenditures	<u>\$ 2,419,289</u>	<u>\$ 2,400,771</u>

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

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

*Debt Service Fund*

A comparative summary of the Debt Service Fund’s financial position as of February 29, 2024 and February 28, 2023, is as follows:

	2024	2023
Total assets	<u>\$ 2,286,092</u>	<u>\$ 2,265,586</u>
Total liabilities	\$ 28,987	\$ 30,603
Total deferred inflows	171,940	134,368
Total fund balance	<u>2,085,165</u>	<u>2,100,615</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 2,286,092</u>	<u>\$ 2,265,586</u>

***Cimarron Municipal Utility District  
Management’s Discussion and Analysis  
February 29, 2024***

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

	<u>2024</u>	<u>2023</u>
Total revenues	\$ 2,213,261	\$ 2,159,074
Total expenditures	<u>(2,228,711)</u>	<u>(2,203,064)</u>
Revenues under expenditures	<u>\$ (15,450)</u>	<u>\$ (43,990)</u>

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

*Joint Water Plant Fund*

The District uses a special revenue fund to account for costs associates with the operation and maintenance of water plant no. 3 jointly owned by the District and Harris – Fort Bend Counties Municipal Utility District No. 3 (the “Joint Water Plant”). A comparative summary of the Joint Water Plant Fund’s financial position as of February 29, 2024 and February 28, 2023, is as follows:

	<u>2024</u>	<u>2023</u>
Total assets	<u>\$ 797,491</u>	<u>\$ 481,325</u>
Total liabilities	<u>\$ 797,491</u>	<u>\$ 481,325</u>

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

	<u>2024</u>	<u>2023</u>
Total revenues	\$ 2,793,247	\$ 2,131,456
Total expenditures	<u>(2,793,247)</u>	<u>(2,131,456)</u>
Revenues over/(under) expenditures	<u>\$ -</u>	<u>\$ -</u>

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

**General Fund Budgetary Highlights**

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

***Cimarron Municipal Utility District  
Management’s Discussion and Analysis  
February 29, 2024***

Since the District’s budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was \$261,687 greater than budgeted. The *Budgetary Comparison Schedule* on page 38 of this report provides variance information per financial statement line item.

**Capital Assets**

Capital assets held by the District at February 29, 2024 and February 28, 2023, are summarized as follows:

	<u>2024</u>	<u>2023</u>
Capital assets not being depreciated		
Land and improvements	\$ 8,124,046	\$ 8,124,046
Construction in progress	7,457	409,090
	<u>8,131,503</u>	<u>8,533,136</u>
Capital assets being depreciated		
Infrastructure	17,615,827	17,236,026
Investment in regional facilities	3,223,499	2,580,111
	<u>20,839,326</u>	<u>19,816,137</u>
Less accumulated depreciation		
Infrastructure	(8,701,358)	(8,341,316)
Investment in regional facilities	(791,129)	(711,889)
	<u>(9,492,487)</u>	<u>(9,053,205)</u>
Depreciable capital assets, net	<u>11,346,839</u>	<u>10,762,932</u>
Capital assets, net	<u>\$ 19,478,342</u>	<u>\$ 19,296,068</u>

Capital asset additions during the current year include the following:

- Emergency generator
- Water Plant No. 1 paving improvements
- Water Plant No. 2 floor replacement
- Detention Pond rehabilitation
- Sewer Treatment Plant digester rehabilitation
- Sewer Treatment Plant bar screen replacement

Construction in progress is for the District’s pro-rata share of the construction of improvements to a regional wastewater treatment plant (see Note 9).



*Cimarron Municipal Utility District  
 Management’s Discussion and Analysis  
 February 29, 2024*

**Long-Term Debt**

At February 29, 2024 and February 28, 2023, the District had total bonded debt outstanding as shown below:

Series	2024	2023
2014 Refunding	\$ 2,220,000	\$ 2,815,000
2015	3,940,000	4,180,000
2017 Refunding	3,990,000	4,010,000
2017	845,000	900,000
2019 Refunding	8,845,000	9,060,000
2021 Refunding	1,650,000	1,905,000
	<u>\$ 21,490,000</u>	<u>\$ 22,870,000</u>

At February 29, 2024, the District had authorized, but unissued unlimited tax and revenue bonds in the amount of \$1,325,000; authorized, but unissued unlimited tax and refunding bonds in the amount of \$365,000 and authorized, but unissued unlimited tax refunding bonds in the amount of \$16,571.

**Next Year’s Budget**

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

	2024 Actual	2025 Budget
Total revenues	\$ 8,665,089	\$ 8,882,574
Total expenditures	(6,245,800)	(6,462,572)
Revenues over expenditures	2,419,289	2,420,002
Beginning fund balance	11,983,519	14,402,808
Ending fund balance	<u>\$ 14,402,808</u>	<u>\$ 16,822,810</u>

**Property Taxes**

The District’s property tax base increased approximately \$35,754,000 for the 2024 tax year from \$1,595,008,584 to \$1,630,762,965. The increase was primarily due to increased property values.

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## **Basic Financial Statements**

**Cimarron Municipal Utility District**  
**Statement of Net Position and Governmental Funds Balance Sheet**  
**February 29, 2024**

	General Fund	Debt Service Fund	Joint Water Plant Fund	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 416,958	\$ 290,104	\$ 447,795	\$ 1,154,857
Investments	13,463,220	1,923,471		15,386,691
Taxes receivable, net	115,638	171,940		287,578
Customer service receivables	304,110			304,110
Due from City of Houston	274,147			274,147
Internal balances	(239,834)	(99,635)	339,469	
Other receivables	23,366	212		23,578
Due from other districts			10,079	10,079
Prepaid items	27,160		148	27,308
Operating Reserve - West Memorial Treatment Plant	74,754			74,754
Operating Reserve - Water Plant	569,867			569,867
Capital assets not being depreciated				
Capital assets, net				
<b>Total Assets</b>	<b>\$ 15,029,386</b>	<b>\$ 2,286,092</b>	<b>\$ 797,491</b>	<b>\$ 18,112,969</b>
<b>Deferred Outflows of Resources</b>				
Deferred difference on refunding				
<b>Liabilities</b>				
Accounts payable	\$ 293,210	\$ -	\$ 183,036	\$ 476,246
Other payables	1,850	28,987		30,837
Operating reserve			614,455	614,455
Builder deposits	16,100			16,100
Due to other governments	113,936			113,936
Long-term debt				
Due within one year				
Due after one year				
<b>Total Liabilities</b>	<b>425,096</b>	<b>28,987</b>	<b>797,491</b>	<b>1,251,574</b>
<b>Deferred Inflows of Resources</b>				
Deferred property taxes	115,638	171,940		287,578
Deferred City of Houston sales tax	85,844			85,844
	201,482	171,940		373,422
<b>Fund Balances/Net Position</b>				
<b>Fund Balances</b>				
Nonspendable	671,781			671,781
Restricted		2,085,165		2,085,165
Unassigned	13,731,027			13,731,027
<b>Total Fund Balances</b>	<b>14,402,808</b>	<b>2,085,165</b>		<b>16,487,973</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 15,029,386</b>	<b>\$ 2,286,092</b>	<b>\$ 797,491</b>	<b>\$ 18,112,969</b>
<b>Net Position</b>				
Net investment in capital assets				
Restricted for debt service				
Unrestricted				
<b>Total Net Position</b>				

See notes to basic financial statements.

<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ -	\$ 1,154,857
	15,386,691
	287,578
	304,110
	274,147
	23,578
	10,079
	27,308
	74,754
(569,867)	
8,131,503	8,131,503
11,346,839	11,346,839
<u>18,908,475</u>	<u>37,021,444</u>
<u>293,234</u>	<u>293,234</u>
	476,246
	30,837
(569,867)	44,588
	16,100
	113,936
1,440,000	1,440,000
20,384,472	20,384,472
<u>21,254,605</u>	<u>22,506,179</u>
(287,578)	
<u>(85,844)</u>	
<u>(373,422)</u>	
(671,781)	
(2,085,165)	
<u>(13,731,027)</u>	
<u>(16,487,973)</u>	
(917,716)	(917,716)
2,257,105	2,257,105
13,469,110	13,469,110
<u>\$ 14,808,499</u>	<u>\$ 14,808,499</u>

***Cimarron Municipal Utility District***

***Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended February 29, 2024***

	General Fund	Debt Service Fund	Joint Water Plant Fund	Total
<b>Revenues</b>				
Water service	\$ 925,142	\$ -	\$ -	\$ 925,142
Sewer service	1,222,356			1,222,356
Property taxes	2,461,821	2,079,618		4,541,439
Penalties and interest	85,656	39,439		125,095
Water supply			2,790,924	2,790,924
Tap connection and inspection	110,451			110,451
City of Houston sales tax rebate	1,183,546			1,183,546
Regional water authority fees	2,064,627			2,064,627
Miscellaneous	15,273	3,272		18,545
Investment earnings	596,217	90,932	2,323	689,472
<b>Total Revenues</b>	<b>8,665,089</b>	<b>2,213,261</b>	<b>2,793,247</b>	<b>13,671,597</b>
<b>Expenditures/Expenses</b>				
Current service operations				
Purchased services	3,485,622			3,485,622
Professional fees	162,944		11,866	174,810
Contracted services	1,014,795	76,614	14,558	1,105,967
Repairs and maintenance	676,310		270,204	946,514
Utilities	22,110		160,931	183,041
Regional water authority fees			2,318,753	2,318,753
Administrative	124,910	8,027	16,645	149,582
Other	37,553		290	37,843
Economic development grant	100,000			100,000
Capital outlay	621,556			621,556
Debt service				
Principal		1,380,000		1,380,000
Interest and fees		764,070		764,070
Depreciation				
<b>Total Expenditures/Expenses</b>	<b>6,245,800</b>	<b>2,228,711</b>	<b>2,793,247</b>	<b>11,267,758</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>2,419,289</b>	<b>(15,450)</b>		<b>2,403,839</b>
<b>Change in Net Position</b>				
Fund Balances/Net Position				
Beginning of the period	11,983,519	2,100,615		14,084,134
<b>End of the period</b>	<b>\$ 14,402,808</b>	<b>\$ 2,085,165</b>	<b>\$ -</b>	<b>\$ 16,487,973</b>

See notes to basic financial statements.

<u>Adjustments</u>	<u>Statement of Activities</u>
\$ -	\$ 925,142
	1,222,356
63,727	4,605,166
11,499	136,594
	2,790,924
	110,451
-	1,183,546
	2,064,627
	18,545
	689,472
<u>75,226</u>	<u>13,746,823</u>
	3,485,622
	174,810
	1,105,967
	946,514
	183,041
	2,318,753
	149,582
	37,843
	100,000
(621,556)	
(1,380,000)	
20,570	784,640
439,282	439,282
<u>(1,541,704)</u>	<u>9,726,054</u>
(2,403,839)	
4,020,769	4,020,769
(3,296,404)	10,787,730
<u>\$ (1,679,474)</u>	<u>\$ 14,808,499</u>

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

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

### **Creation**

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

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

### **Reporting Entity**

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

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

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

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

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

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

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

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

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

**Measurement Focus and Basis of Accounting**

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

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

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

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

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

**Use of Restricted Resources**

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

**Prepaid Items**

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

**Receivables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At February 29, 2024, an allowance of \$26,942 was provided for possible uncollectible property taxes.

**Unbilled Service Revenues**

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

**Interfund Activity**

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

**Capital Assets**

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

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

**Capital Assets (continued)**

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

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

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

**Deferred Inflows and Outflows of Financial Resources**

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

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

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

**Net Position – Governmental Activities**

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

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

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

Unrestricted – resources not included in the other components.

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

**Fund Balances – Governmental Funds**

Governmental accounting standards establish the following fund balance classifications:

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

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

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

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

Unassigned - all other spendable amounts in the General Fund.

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

**Use of Estimates**

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

*Cimarron Municipal Utility District*  
*Notes to Financial Statements*  
*February 29, 2024*

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

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

Total fund balance, governmental funds	\$ 16,487,973
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

Historical cost	\$ 28,970,829	
Less accumulated depreciation	<u>(9,492,487)</u>	
Change due to capital assets		19,478,342

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

293,234

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

(21,824,472)

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

Property taxes	287,578	
City of Houston sales tax receipts	<u>85,844</u>	
		373,422

Total net position - governmental activities	<u><u>\$ 14,808,499</u></u>
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**Cimarron Municipal Utility District**  
**Notes to Financial Statements**  
**February 29, 2024**

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

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

Net change in fund balances - total governmental funds \$ 2,403,839

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

Property taxes and related penalties and interest	\$ 75,226	
City of Houston sales tax rebates	-	
		75,226

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

Capital outlays	621,556	
Depreciation expense	(439,282)	
		182,274

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

Principal payments	1,380,000	
Interest expense accrual	(20,570)	
		1,359,430

Change in net position of governmental activities \$ 4,020,769

**Note 3 – Deposits and Investments**

**Deposit Custodial Credit Risk**

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

*Cimarron Municipal Utility District*  
*Notes to Financial Statements*  
*February 29, 2024*

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

**Investments**

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

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

As of February 29, 2024, the District’s investments consist of the following:

Type	Fund	Carrying Value	Percentage of Total	Rating	Weighted Average Maturity
Certificates of deposit	General	\$ 705,000			
	Debt Service	235,000			
		<u>940,000</u>	6%	N/A	N/A
Texas CLASS	General	12,758,220			
	Debt Service	1,688,471			
		<u>14,446,691</u>	94%	AAAm	44 days
Total		<u>\$ 15,386,691</u>	100%		

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



*Cimarron Municipal Utility District*  
*Notes to Financial Statements*  
*February 29, 2024*

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

**Texas CLASS**

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

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

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

**Investment Credit and Interest Rate Risk**

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

**Note 4 – Interfund Balances and Transactions**

Amounts due to/from other funds at February 29, 2024, consist of the following:

Receivable Fund	Payable Fund	Amounts	Purpose
General Fund	Debt Service Fund	\$ 99,635	Maintenance tax collections not remitted as of year end
Joint Water Plant Fund	General Fund	339,469	Participant billings not remitted as of year end

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

***Cimarron Municipal Utility District***  
***Notes to Financial Statements***  
***February 29, 2024***

**Note 5 – Capital Assets**

A summary of changes in capital assets, for the year ended February 29, 2024, is as follows:

	Beginning Balances	Additions/ Adjustments	Ending Balances
Capital assets not being depreciated			
Land and improvements	\$ 8,124,046	\$ -	\$ 8,124,046
Construction in progress	409,090	(401,633)	7,457
	<u>8,533,136</u>	<u>(401,633)</u>	<u>8,131,503</u>
Capital assets being depreciated			
Infrastructure	17,236,026	379,801	17,615,827
Investment in regional facilities	2,580,111	643,388	3,223,499
	<u>19,816,137</u>	<u>1,023,189</u>	<u>20,839,326</u>
Less accumulated depreciation			
Infrastructure	(8,341,316)	(360,042)	(8,701,358)
Investment in regional facilities	(711,889)	(79,240)	(791,129)
	<u>(9,053,205)</u>	<u>(439,282)</u>	<u>(9,492,487)</u>
Subtotal depreciable capital assets, net	<u>10,762,932</u>	<u>583,907</u>	<u>11,346,839</u>
Capital assets, net	<u>\$ 19,296,068</u>	<u>\$ 182,274</u>	<u>\$ 19,478,342</u>

Depreciation expense for the current fiscal year was \$439,282.

**Note 6 – Long-Term Debt**

Long-term debt is comprised of the following:

Bonds payable	\$ 21,490,000
Unamortized discounts	(79,973)
Unamortized premiums	414,445
	<u>\$ 21,824,472</u>
Due within one year	<u>\$ 1,440,000</u>

*Cimarron Municipal Utility District*  
*Notes to Financial Statements*  
*February 29, 2024*

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

The District’s bonds payable at February 29, 2024, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2014 Refunding	\$ 2,220,000	\$ 6,585,000	2.00% - 3.125%	March 1, 2015/2031	September 1, March 1	March 1, 2023
2015	3,940,000	5,790,000	2.00% - 3.250%	March 1, 2016/2036	September 1, March 1	March 1, 2024
2017 Refunding	3,990,000	4,155,000	2.76%	March 1, 2018/2031	September 1, March 1	March 1, 2025
2017	845,000	1,215,000	2.00% - 4.50%	March 1, 2018/2036	September 1, March 1	March 1, 2025
2019 Refunding	8,845,000	9,655,000	4.00%	March 1, 2020/2036	September 1, March 1	March 1, 2029
2021 Refunding	1,650,000	2,400,000	2.00% - 3.00%	March 1, 2022/2036	September 1, March 1	March 1, 2028
	<u>\$ 21,490,000</u>					

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

At February 29, 2024, the District had authorized but unissued unlimited tax and revenue bonds in the amount of \$1,325,000; authorized but unissued unlimited tax and refunding bonds in the amount of \$365,000; and authorized but unissued unlimited tax refunding bonds in the amount of \$16,571.

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

Bonds payable, beginning of period	\$ 22,870,000
Bonds retired	(1,380,000)
Bonds payable, end of period	<u>\$ 21,490,000</u>

*Cimarron Municipal Utility District*  
*Notes to Financial Statements*  
*February 29, 2024*

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

The debt service payment due March 1 was made during the current fiscal year. The following schedule was prepared presuming this practice will continue. As of February 29, 2024, annual debt service requirements on bonds outstanding are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2025	\$ 1,440,000	\$ 717,088	\$ 2,157,088
2026	1,485,000	672,545	2,157,545
2027	1,530,000	627,514	2,157,514
2028	1,590,000	581,014	2,171,014
2029	1,655,000	532,717	2,187,717
2030	1,720,000	483,888	2,203,888
2031	1,770,000	432,733	2,202,733
2032	1,885,000	379,705	2,264,705
2033	1,970,000	310,544	2,280,544
2034	2,060,000	238,037	2,298,037
2035	2,145,000	162,087	2,307,087
2036	2,240,000	82,850	2,322,850
	<u>\$ 21,490,000</u>	<u>\$ 5,220,722</u>	<u>\$ 26,710,722</u>

**Note 7 – Property Taxes**

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

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

Property taxes are collected based on rates adopted in the year of the levy. The District’s 2024 fiscal year was financed through the 2023 tax levy, pursuant to which the District levied property taxes of \$0.30 per \$100 of assessed value, of which \$0.1625 was allocated to maintenance and operations and \$0.1375 was allocated to debt service. The resulting tax levy was \$4,785,026 on the adjusted taxable value of \$1,595,008,584.

*Cimarron Municipal Utility District  
 Notes to Financial Statements  
 February 29, 2024*

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

Net property taxes receivable, at February 29, 2024, consisted of the following:

Current year taxes receivable	\$ 166,405
Prior years taxes receivable	95,229
Less allowance for uncollectible accounts	<u>(26,942)</u>
	234,692
Penalty and interest receivable	<u>52,886</u>
Net property taxes receivable	<u><u>\$ 287,578</u></u>

**Note 8 – Strategic Partnership Agreement**

Effective April 10, 2003, as subsequently amended, the District and the City of Houston (the “City”) entered into a Strategic Partnership Agreement (the “Agreement”) under which the City annexed certain commercial areas of the District for the limited purposes of applying the City’s planning, zoning, health and safety ordinances within the District. The District continues to exercise all powers and functions of a municipal utility district. As consideration for the District providing services described in the Agreement, the City agreed to remit one half of all retail sales taxes collected from retailers in the area annexed. The City agrees that it will not annex all or part of the District during the term of this agreement which is thirty years. During the current year, the District recognized \$1,183,546 in City of Houston sales tax revenues.

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

On August 30, 1983, as subsequently amended, the District entered into a forty-year agreement with West Memorial Municipal Utility District (“West Memorial”), Interstate Municipal Utility District, Mason Creek Utility District and Harris County Municipal Utility District No. 81, whereby West Memorial agreed to provide the regional wastewater treatment and disposal facilities necessary to serve the participants. West Memorial has oversight responsibilities and holds title to the facilities for the benefit of the participating Districts. Upon expiration of the initial term, the contract will continue in force and effect for an additional one-year terms. The following table presents each participant’s capacity and percentage of ownership as per the agreement:

Participant	Million Gallons Capacity	Percent of Ownership
Cimarron Municipal Utility District	2,500,000	38.61%
Interstate Municipal Utility District	1,350,000	20.85%
Harris County Municipal Utility District No. 81	1,255,000	19.38%
Mason Creek Utility District	800,000	12.36%
West Memorial Municipal Utility District	<u>570,000</u>	<u>8.80%</u>
Totals	<u><u>6,475,000</u></u>	<u><u>100.00%</u></u>

On January 25, 1994, the District sold 29,000 gpd of capacity to West Memorial, which reduced its percent of ownership to 38.16%. The agreement was not amended to reflect the change in capacity.

***Cimarron Municipal Utility District***  
***Notes to Financial Statements***  
***February 29, 2024***

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

West Memorial operates the regional facilities. Participants are billed monthly based on a contractual formula. During the current year, the District recorded expenditures in the amount of \$994,070 for its share of operating costs. In addition, the District is responsible for its pro rata share of an operating and maintenance reserve, which is equivalent to three months of average budgeted operating and maintenance expenditures. As of February 29, 2024, the District’s share of the operating reserve is \$74,754.

Audited financial statements for the wastewater treatment plant are prepared annually and can be obtained from West Memorial’s attorney. Condensed financial information, as of and for the year ended June 30, 2023, is shown below:

Total Assets	<u>\$ 711,479</u>
Total Liabilities	\$ 204,366
Total Fund Balance - Restricted	<u>507,113</u>
Total Liabilities and Fund Balance	<u>\$ 711,479</u>
Total Revenues	\$ 2,860,572
Total Expenditures	<u>(2,860,572)</u>
Revenues Over Expenditures	
Other Financing Sources - Increase in Operating Reserve	<u>31,875</u>
Net Change in Fund Balance	31,875
Fund Balance, Beginning of Year	<u>475,238</u>
Fund Balance, End of Year	<u>\$ 507,113</u>

**Note 10 – Joint Water Supply Agreement**

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

**Note 10 – Joint Water Supply Agreement (continued)**

Pursuant to the Agreement, the District has established the Joint Water Plant Fund, a special revenue fund, to account for activities related to the operation and maintenance of the joint water plant. Each district is billed monthly for its proportionate share of maintenance and operating expenditures. For the year ended February 29, 2024, the District's share of the water service billings were \$2,553,307 and HFB MUD 3's share of the water service billings were \$237,617. As of February 29, 2024, the District's and HFB MUD 3's operating reserves are \$569,867 and \$44,588, respectively.

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

The District is within the boundaries of the West Harris County Regional Water Authority (the "Authority"), which was created by the Texas Legislature. The Authority is a political subdivision of the State of Texas, governed by an elected nine-member Board of Directors. The Authority was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Harris-Galveston Coastal Subsidence District, which regulates groundwater withdrawal. As of February 29, 2024, the Authority's rates are \$3.95 per 1,000 gallons of water pumped from the District's wells and \$4.35 for surface water supplied to the District. These rates are subject to future increases. The District passes these costs on to its customers.

**Note 12 – Economic Development Agreement**

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

**Note 13 – Risk Management**

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

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## **Required Supplementary Information**

*Cimarron Municipal Utility District*  
*Required Supplementary Information - Budgetary Comparison Schedule - General Fund*  
*For the Year Ended February 29, 2024*

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Water service	\$ 860,300	\$ 925,142	\$ 64,842
Sewer service	1,200,000	1,222,356	22,356
Property taxes	2,280,410	2,461,821	181,411
Penalties and interest	73,400	85,656	12,256
Tap connection and inspection	153,360	110,451	(42,909)
City of Houston sales tax rebate	1,159,200	1,183,546	24,346
Regional water authority fees	1,921,727	2,064,627	142,900
Miscellaneous	13,240	15,273	2,033
Investment earnings	437,500	596,217	158,717
<b>Total Revenues</b>	<u>8,099,137</u>	<u>8,665,089</u>	<u>565,952</u>
<b>Expenditures</b>			
Current service operations			
Purchased services	3,031,499	3,485,622	(454,123)
Professional fees	209,800	162,944	46,856
Contracted services	891,587	1,014,795	(123,208)
Repairs and maintenance	1,185,300	676,310	508,990
Utilities	21,800	22,110	(310)
Administrative	109,102	124,910	(15,808)
Other	30,200	37,553	(7,353)
Economic development grant	100,000	100,000	
Capital outlay	362,247	621,556	(259,309)
<b>Total Expenditures</b>	<u>5,941,535</u>	<u>6,245,800</u>	<u>(304,265)</u>
<b>Revenues Over Expenditures</b>	2,157,602	2,419,289	261,687
<b>Fund Balance</b>			
Beginning of the period	11,983,519	11,983,519	
<b>End of the period</b>	<u>\$ 14,141,121</u>	<u>\$ 14,402,808</u>	<u>\$ 261,687</u>

*Cimarron Municipal Utility District  
 Required Supplementary Information - Budgetary Comparison Schedule -  
 Joint Water Plant Fund  
 For the Year Ended February 29, 2024*

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Water supply	\$ 2,457,820	\$ 2,790,924	\$ 333,104
Investment earnings	600	2,323	1,723
Total Revenues	<u>2,458,420</u>	<u>2,793,247</u>	<u>334,827</u>
<b>Expenditures</b>			
Current service operations			
Professional fees	16,300	11,866	4,434
Contracted services	13,000	14,558	(1,558)
Repairs and maintenance	283,900	270,204	13,696
Utilities	131,300	160,931	(29,631)
Regional Water Authority fees	1,999,300	2,318,753	(319,453)
Administrative	13,920	16,645	(2,725)
Other	700	290	410
Total Expenditures	<u>2,458,420</u>	<u>2,793,247</u>	<u>(334,827)</u>
<b>Revenues Over (Under) Expenditures</b>			
<b>Fund Balance:</b>			
Beginning of the period	-	-	-
End of the period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*Cimarron Municipal Utility District*  
*Notes to Required Supplementary Information*  
*February 29, 2024*

**Budgets and Budgetary Accounting**

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

## **Texas Supplementary Information**

**Cimarron Municipal Utility District**

**TSI-1. Services and Rates**

February 29, 2024

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

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

2. Retail Service Providers

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

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

District employs winter averaging for wastewater usage?  Yes  No

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

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered			x 1.0	
less than 3/4"	1,502	1,485	x 1.0	1,485
1"	32	32	x 2.5	80
1.5"	39	39	x 5.0	195
2"	119	119	x 8.0	952
3"	2	2	x 15.0	30
4"	2	2	x 25.0	50
6"	4	4	x 50.0	200
8"	14	14	x 80.0	1,120
10"			x 115.0	
12"	1	1	x 155.0	155
Total Water	1,715	1,698		4,267
Total Wastewater	1,605	1,589	x 1.0	1,589

See accompanying auditor's report.

***Cimarron Municipal Utility District***  
***TSI-1. Services and Rates***  
***February 29, 2024***

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

Gallons pumped into system:	<u>586,807,000</u>	Water Accountability Ratio:
Gallons billed to customers:	<u>511,611,000</u>	(Gallons billed and sold/ gallons pumped and purchased)
*Gallons sold:	<u>34,246,000</u>	<u>93.02%</u>

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

Does the District have Debt Service standby fees? Yes  No

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

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

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

5. Location of District:

Is the District located entirely within one county? Yes  No

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

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

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

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

Entirely  Partly  Not at all

ETJs in which the District is located: City of Houston

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

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

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

See accompanying auditor's report.

*Cimarron Municipal Utility District  
 TSI-2. General Fund Expenditures  
 For the Year Ended February 29, 2024*

Purchased services	<u>\$ 3,485,622</u>
Professional fees	
Legal	76,483
Engineering	69,461
Audit	17,000
	<u>162,944</u>
Contracted services	
Bookkeeping	54,982
Operator	179,707
Garbage collection	352,620
Tap connection and inspection	151,102
Tax assessor collector	4,329
Security	272,055
	<u>1,014,795</u>
Repairs and maintenance	<u>676,310</u>
Utilities	<u>22,110</u>
Administrative	
Directors fees	19,331
Printing and office supplies	22,818
Insurance	46,027
Other	36,734
	<u>124,910</u>
Other	<u>37,553</u>
Economic development grant	<u>100,000</u>
Capital outlay	<u>621,556</u>
Total expenditures	<u><u>\$ 6,245,800</u></u>

See accompanying auditor's report.



*Cimarron Municipal Utility District*  
*TSI-3. Investments*  
*February 29, 2024*

Fund	Interest Rate	Maturity Date	Balance at End of Year	Interest Receivable
General				
Texas CLASS	Variable	N/A	\$ 12,758,220	\$ -
Certificate of deposit	5.50%	04/01/24	235,000	5,241
Certificate of deposit	5.25%	09/24/24	235,000	5,307
Certificate of deposit	5.50%	12/19/24	235,000	212
			<u>13,463,220</u>	<u>10,760</u>
Debt Service				
Texas CLASS	Variable	N/A	1,688,471	
Certificate of deposit	5.50%	08/24/24	235,000	212
			<u>1,923,471</u>	<u>212</u>
Total - All Funds			<u>\$ 15,386,691</u>	<u>\$ 10,972</u>

See accompanying auditor's report.

***Cimarron Municipal Utility District  
TSI-4. Taxes Levied and Receivable  
February 29, 2024***

	Maintenance Taxes	Debt Service Taxes	Totals	
Taxes Receivable, Beginning of Year	\$ 77,984	\$ 92,982	\$ 170,966	
Adjustments to Prior Year Tax Levy	(92,414)	(87,446)	(179,860)	
Adjusted Receivable	(14,430)	5,536	(8,894)	
2023 Original Tax Levy	2,380,665	2,014,409	4,395,074	
Adjustments	211,224	178,728	389,952	
Adjusted Tax Levy	2,591,889	2,193,137	4,785,026	
Total to be accounted for	2,577,459	2,198,673	4,776,132	
Tax collections:				
Current year	2,501,753	2,116,868	4,618,621	
Prior years	(39,932)	(37,249)	(77,181)	
Total Collections	2,461,821	2,079,619	4,541,440	
Taxes Receivable, End of Year	\$ 115,638	\$ 119,054	\$ 234,692	
Taxes Receivable, By Years				
2023	\$ 90,136	\$ 76,269	\$ 166,405	
2022	11,249	10,567	21,816	
2021	6,309	7,937	14,246	
2020 and prior	7,944	24,281	32,225	
Taxes Receivable, End of Year	\$ 115,638	\$ 119,054	\$ 234,692	
	2023	2022	2021	2020
Property Valuations:				
Land	\$ 412,504,814	\$ 395,909,055	\$ 317,719,413	\$ 315,004,238
Improvements	1,281,445,351	1,032,943,784	854,789,665	772,999,088
Personal Property	73,968,279	64,959,240	56,939,870	55,560,563
Exemptions	(172,909,860)	(141,881,486)	(87,418,976)	(81,271,570)
Total Property Valuations	\$ 1,595,008,584	\$ 1,351,930,593	\$ 1,142,029,972	\$ 1,062,292,319
Tax Rates per \$100 Valuation:				
Maintenance tax rates*	\$ 0.1625	\$ 0.165	\$ 0.155	\$ 0.165
Debt service tax rates	0.1375	0.155	0.195	0.200
Total Tax Rates per \$100 Valuation	\$ 0.3000	\$ 0.320	\$ 0.350	\$ 0.365
Adjusted Tax Levy:	\$ 4,785,026	\$ 4,326,178	\$ 3,997,105	\$ 3,877,367
Percentage of Taxes Collected to Taxes Levied **	96.52%	99.50%	99.64%	99.90%

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

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

See accompanying auditor's report.

*Cimarron Municipal Utility District*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2014 Refunding--by Years*  
*February 29, 2024*

<u>Due During Fiscal Years Ending</u>	<u>Principal Due March 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 620,000	\$ 67,319	\$ 687,319
2026	240,000	48,719	288,719
2027	250,000	41,519	291,519
2028	260,000	34,018	294,018
2029	275,000	26,218	301,218
2030	280,000	17,968	297,968
2031	295,000	9,218	304,218
	<u>\$ 2,220,000</u>	<u>\$ 244,979</u>	<u>\$ 2,464,979</u>

See accompanying auditor's report.

*Cimarron Municipal Utility District*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2015--by Years*  
*February 29, 2024*

Due During Fiscal Years Ending	Principal Due March 1	Interest Due September 1, March 1	Total
2025	\$ 255,000	\$ 123,363	\$ 378,363
2026	265,000	115,712	380,712
2027	275,000	107,763	382,763
2028	290,000	99,512	389,512
2029	305,000	90,813	395,813
2030	320,000	81,662	401,662
2031	330,000	72,063	402,063
2032	345,000	61,749	406,749
2033	365,000	50,538	415,538
2034	380,000	38,675	418,675
2035	395,000	26,325	421,325
2036	415,000	13,488	428,488
	<u>\$ 3,940,000</u>	<u>\$ 881,663</u>	<u>\$ 4,821,663</u>

See accompanying auditor's report.

*Cimarron Municipal Utility District*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2017 Refunding--by Years*  
*February 29, 2024*

<u>Due During Fiscal Years Ending</u>	<u>Principal Due March 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 160,000	\$ 110,124	\$ 270,124
2026	570,000	105,708	675,708
2027	595,000	89,976	684,976
2028	620,000	73,554	693,554
2029	650,000	56,442	706,442
2030	685,000	38,502	723,502
2031	710,000	19,596	729,596
	<u>\$ 3,990,000</u>	<u>\$ 493,902</u>	<u>\$ 4,483,902</u>

See accompanying auditor's report.

*Cimarron Municipal Utility District*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2017--by Years*  
*February 29, 2024*

Due During Fiscal Years Ending	Principal Due March 1	Interest Due September 1, March 1	Total
2025	\$ 60,000	\$ 24,532	\$ 84,532
2026	60,000	23,256	83,256
2027	60,000	21,906	81,906
2028	65,000	20,330	85,330
2029	65,000	18,544	83,544
2030	70,000	16,756	86,756
2031	70,000	14,656	84,656
2032	75,000	12,556	87,556
2033	75,000	10,306	85,306
2034	80,000	7,962	87,962
2035	80,000	5,362	85,362
2036	85,000	2,762	87,762
	<u>\$ 845,000</u>	<u>\$ 178,928</u>	<u>\$ 1,023,928</u>

See accompanying auditor's report.

*Cimarron Municipal Utility District*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2019 Refunding--by Years*  
*February 29, 2024*

Due During Fiscal Years Ending	Principal Due March 1	Interest Due September 1, March 1	Total
2025	\$ 225,000	\$ 353,800	\$ 578,800
2026	230,000	344,800	574,800
2027	225,000	335,600	560,600
2028	225,000	326,600	551,600
2029	225,000	317,600	542,600
2030	225,000	308,600	533,600
2031	225,000	299,600	524,600
2032	1,320,000	290,600	1,610,600
2033	1,385,000	237,800	1,622,800
2034	1,450,000	182,400	1,632,400
2035	1,520,000	124,400	1,644,400
2036	1,590,000	63,600	1,653,600
	<u>\$ 8,845,000</u>	<u>\$ 3,185,400</u>	<u>\$ 12,030,400</u>

See accompanying auditor's report.

*Cimarron Municipal Utility District*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2021 Refunding--by Years*  
*February 29, 2024*

Due During Fiscal Years Ending	Principal Due March 1	Interest Due September 1, March 1	Total
2025	\$ 120,000	\$ 37,950	\$ 157,950
2026	120,000	34,350	154,350
2027	125,000	30,750	155,750
2028	130,000	27,000	157,000
2029	135,000	23,100	158,100
2030	140,000	20,400	160,400
2031	140,000	17,600	157,600
2032	145,000	14,800	159,800
2033	145,000	11,900	156,900
2034	150,000	9,000	159,000
2035	150,000	6,000	156,000
2036	150,000	3,000	153,000
	<u>\$ 1,650,000</u>	<u>\$ 235,850</u>	<u>\$ 1,885,850</u>

See accompanying auditor's report.



*Cimarron Municipal Utility District*  
*TSI-5. Long-Term Debt Service Requirements*  
*All Bonded Debt Series--by Years*  
*February 29, 2024*

<u>Due During Fiscal Years Ending</u>	<u>Principal Due March 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 1,440,000	\$ 717,088	\$ 2,157,088
2026	1,485,000	672,545	2,157,545
2027	1,530,000	627,514	2,157,514
2028	1,590,000	581,014	2,171,014
2029	1,655,000	532,717	2,187,717
2030	1,720,000	483,888	2,203,888
2031	1,770,000	432,733	2,202,733
2032	1,885,000	379,705	2,264,705
2033	1,970,000	310,544	2,280,544
2034	2,060,000	238,037	2,298,037
2035	2,145,000	162,087	2,307,087
2036	2,240,000	82,850	2,322,850
	<u>\$ 21,490,000</u>	<u>\$ 5,220,722</u>	<u>\$ 26,710,722</u>

See accompanying auditor's report.

***Cimarron Municipal Utility District***  
***TSI-6. Change in Long-Term Bonded Debt***  
***February 29, 2024***

	Bond Issue			
	Series 2014 Refunding	Series 2015	Series 2017 Refunding	Series 2017
Interest rate	2.00% - 3.125%	2.00% - 3.25%	2.76%	2.00% - 4.50%
Dates interest payable	9/1; 3/1	9/1; 3/1	9/1; 3/1	9/1; 3/1
Maturity dates	3/1/15 - 3/1/31	3/1/16 - 3/1/36	3/1/18 - 3/1/31	3/1/18 - 3/1/36
Beginning bonds outstanding	\$ 2,815,000	\$ 4,180,000	\$ 4,010,000	\$ 900,000
Bonds retired	(595,000)	(240,000)	(20,000)	(55,000)
Ending bonds outstanding	<u>\$ 2,220,000</u>	<u>\$ 3,940,000</u>	<u>\$ 3,990,000</u>	<u>\$ 845,000</u>
Interest paid during fiscal year	<u>\$ 85,169</u>	<u>\$ 130,562</u>	<u>\$ 110,676</u>	<u>\$ 25,630</u>
Paying agent's name and city	All Series <u>Regions Bank, Houston, Texas</u>			
Bond Authority:	Unlimited Tax and Revenue Bonds	Unlimited Tax and Refunding Bonds	Refunding Bonds	
Amount Authorized by Voters	\$ 40,670,000	\$ 10,000,000	\$ 6,000,000	
Amount Issued	(39,345,000)	(9,635,000)	(5,983,429)	
Remaining To Be Issued	<u>\$ 1,325,000</u>	<u>\$ 365,000</u>	<u>\$ 16,571</u>	

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

Debt Service Fund cash and temporary investment balances as of February 29, 2024: \$ 2,213,575

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 2,225,894

See accompanying auditor's report.

Bond Issue

Series 2019 Refunding	Series 2021 Refunding	Totals
4.00%	2.00% - 3.00%	
9/1; 3/1	9/1; 3/1	
3/1/20 -	3/1/22 -	
3/1/36	3/1/36	
\$ 9,060,000	\$ 1,905,000	\$ 22,870,000
(215,000)	(255,000)	(1,380,000)
<u>\$ 8,845,000</u>	<u>\$ 1,650,000</u>	<u>\$ 21,490,000</u>
<u>\$ 362,400</u>	<u>\$ 45,600</u>	<u>\$ 760,037</u>

***Cimarron Municipal Utility District***

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

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

	Amounts				
	2024	2023	2022	2021	2020
Revenues					
Water service	\$ 925,142	\$ 838,392	\$ 719,243	\$ 791,059	\$ 626,240
Sewer service	1,222,356	1,172,336	1,132,762	1,077,891	967,426
Property taxes	2,461,821	2,225,554	1,724,055	1,784,601	1,294,132
Penalties and interest	85,656	96,926	113,900	52,628	59,374
Water supply			192,000		
Tap connection and inspection	110,451	206,748	326,609	440,123	507,134
City of Houston sales tax rebate	1,183,546	1,161,945	1,101,759	846,723	853,205
Regional water authority fees	2,064,627	1,822,669	1,459,290	1,362,287	1,240,787
Miscellaneous	15,273	12,518	83,402	89,994	68,177
Investment earnings	596,217	215,545	16,771	51,192	106,170
<b>Total Revenues</b>	<b>8,665,089</b>	<b>7,752,633</b>	<b>6,869,791</b>	<b>6,496,498</b>	<b>5,722,645</b>
Expenditures					
Current service operations					
Purchased services	3,485,622	3,025,227	1,647,345	1,414,595	1,016,237
Professional fees	162,944	180,602	145,435	144,256	139,983
Contracted services	1,014,795	789,972	820,993	835,138	781,713
Repairs and maintenance	676,310	666,756	921,975	770,325	672,276
Utilities	22,110	22,112	109,691	101,494	116,483
Regional water authority fees			930,387	786,510	978,193
Administrative	124,910	111,592	110,063	110,599	113,431
Other	37,553	29,113	34,981	32,983	39,590
Economic development grant	100,000	100,000	100,000	100,000	100,000
Capital outlay	621,556	426,488	150,443	625,837	805,571
Debt service					
Debt issuance costs				88,261	
<b>Total Expenditures</b>	<b>6,245,800</b>	<b>5,351,862</b>	<b>4,971,313</b>	<b>5,009,998</b>	<b>4,763,477</b>
<b>Revenues Over Expenditures</b>	<b>\$ 2,419,289</b>	<b>\$ 2,400,771</b>	<b>\$ 1,898,478</b>	<b>\$ 1,486,500</b>	<b>\$ 959,168</b>

\*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues

2024	2023	2022	2021	2020
11%	11%	10%	12%	11%
14%	15%	16%	17%	17%
28%	29%	25%	27%	22%
1%	1%	2%	1%	1%
		3%		
1%	2%	5%	7%	9%
14%	15%	16%	13%	15%
24%	24%	22%	21%	22%
*	*	1%	1%	1%
7%	3%	*	1%	2%
100%	100%	100%	100%	100%

40%	39%	24%	22%	18%
2%	2%	2%	2%	2%
12%	10%	12%	13%	14%
8%	9%	13%	12%	12%
*	*	2%	2%	2%
		14%	12%	17%
1%	1%	2%	2%	2%
*	*	1%	1%	1%
1%	1%	1%	2%	2%
7%	6%	2%	10%	14%
			1%	
71%	68%	73%	79%	84%
29%	32%	27%	21%	16%

*Cimarron Municipal Utility District*

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

*For the Last Five Fiscal Periods*

	Amounts				
	2024	2023	2022	2021	2020
Revenues					
Property taxes	\$ 2,079,618	\$ 2,081,508	\$ 2,222,217	\$ 2,158,477	\$ 2,077,006
Penalties and interest	39,439	23,343	30,869	24,433	31,162
Miscellaneous	3,272	9,766	41,507	209	4,871
Investment earnings	90,932	44,457	4,252	11,720	40,361
Total Revenues	<u>2,213,261</u>	<u>2,159,074</u>	<u>2,298,845</u>	<u>2,194,839</u>	<u>2,153,400</u>
Expenditures					
Tax collection services	84,641	72,842	81,843	68,661	72,923
Debt service					
Principal	1,380,000	1,325,000	1,285,000	1,230,000	1,200,000
Interest and fees	764,070	805,222	843,289	912,959	957,943
Debt issuance costs				35,934	
Total Expenditures	<u>2,228,711</u>	<u>2,203,064</u>	<u>2,210,132</u>	<u>2,247,554</u>	<u>2,230,866</u>
Revenues Over/(Under) Expenditures	<u>\$ (15,450)</u>	<u>\$ (43,990)</u>	<u>\$ 88,713</u>	<u>\$ (52,715)</u>	<u>\$ (77,466)</u>
Total Active Retail Water Connections	<u>1,698</u>	<u>1,693</u>	<u>1,688</u>	<u>1,681</u>	<u>1,667</u>
Total Active Retail Wastewater Connections	<u>1,589</u>	<u>1,588</u>	<u>1,587</u>	<u>1,585</u>	<u>1,577</u>

\*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues

2024	2023	2022	2021	2020
94%	97%	97%	98%	97%
2%	1%	1%	1%	1%
*	*	2%	*	*
4%	2%	*	1%	2%
100%	100%	100%	100%	100%
4%	3%	4%	3%	3%
62%	61%	56%	56%	56%
35%	37%	37%	42%	44%
			2%	
101%	101%	97%	103%	103%
(1%)	(1%)	3%	(3%)	(3%)

***Cimarron Municipal Utility District  
TSI-8. Board Members, Key Personnel and Consultants  
February 29, 2024***

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

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse- ments	Title at Year End
<b>Board Members</b>				
David F. Jones	5/22 to 5/26	\$ 2,147	\$ 381	President
Gary Russell	5/22 to 5/26	3,702	273	Vice President
John Linn	5/20 to 5/24	5,257	164	Secretary
David Aitken	5/20 to 5/24	1,555	381	Assistant Secretary
Mia Hull	12/21 to 5/24	6,670	2,421	Assistant Vice President
<b>Consultants</b>				
		<u>Amounts Paid</u>		
Allen Boone Humphries Robinson LLP <i>General legal fees</i>	2003	\$ 83,415		Attorney
Si Environmental, LLC	2012	840,988		Operator
Municipal Accounts & Consulting, LP	2017	74,593		Bookkeeper
Bob Leared Interests	1977	34,164		Tax Collector
Harris County Appraisal District	Legislature	32,190		Property Valuation
Fort Bend Central Appraisal District	Legislature	1,341		Property Valuation
Perdue, Brandon, Fielder, Collins, & Mott, LLP	1996	12,610		Delinquent Tax Attorney
Vogler & Spencer Engineering, Inc.	1997	105,964		Engineer
McGrath & Co., PLLC	Annual	21,000		Auditor

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