



**Grand Oaks Municipal Utility  
District  
Montgomery County, Texas**

**Independent Auditor's Report, Financial Statements,  
and Supplementary Information**

September 30, 2025



**Grand Oaks Municipal Utility District**  
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**September 30, 2025**

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## Independent Auditor's Report

Board of Directors  
Grand Oaks Municipal Utility District  
Montgomery County, Texas

### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of Grand Oaks Municipal Utility District (District), as of and for the year ended September 30, 2025, 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 September 30, 2025, 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 GAAS, 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 accompanying schedules required by the Texas Commission on Environmental Quality listed in the table of contents 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Forvis Mazars, LLP**

**Houston, Texas  
February 9, 2026**

**Grand Oaks Municipal Utility District  
Management's Discussion and Analysis  
Year Ended September 30, 2025**

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***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 by the District's state oversight agency, the Texas Commission on Environmental Quality (Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities that 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.

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.

**Grand Oaks Municipal Utility District  
Management’s Discussion and Analysis  
Year Ended September 30, 2025**

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**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 balances 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 balances 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.

**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**

	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 3,186,600	\$ 3,678,675
Capital assets	<u>7,663,957</u>	<u>7,373,798</u>
Total assets	<u>10,850,557</u>	<u>11,052,473</u>
Deferred outflows of resources	<u>36,012</u>	<u>39,809</u>
Total assets and deferred outflows of resources	<u>\$ 10,886,569</u>	<u>\$ 11,092,282</u>
Long-term liabilities	\$ 10,434,767	\$ 10,942,685
Other liabilities	<u>335,340</u>	<u>330,830</u>
Total liabilities	<u>10,770,107</u>	<u>11,273,515</u>

**Grand Oaks Municipal Utility District  
Management's Discussion and Analysis  
Year Ended September 30, 2025**

**Summary of Net Position (Continued)**

	<u>2025</u>	<u>2024</u>
Net position		
Net investment in capital assets	\$ (2,734,798)	\$ (2,840,567)
Restricted	547,289	483,854
Unrestricted	<u>2,303,971</u>	<u>2,175,480</u>
Total net position	<u>\$ 116,462</u>	<u>\$ (181,233)</u>

The total net position of the District increased by \$297,695, or about 164%. The majority of the increase in net position is related to property taxes and charges for services revenues exceeding services and debt service expenses. 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**

	<u>2025</u>	<u>2024</u>
Revenues		
Property taxes	\$ 1,148,553	\$ 972,809
Charges for services	966,156	893,717
Other revenues	<u>202,425</u>	<u>257,975</u>
Total revenues	<u>2,317,134</u>	<u>2,124,501</u>
Expenses		
Services	1,438,548	1,395,082
Depreciation	184,316	182,728
Debt service	<u>396,575</u>	<u>580,599</u>
Total expenses	<u>2,019,439</u>	<u>2,158,409</u>
Change in net position	297,695	(33,908)
Net position, beginning of year	<u>(181,233)</u>	<u>(147,325)</u>
Net position, end of year	<u>\$ 116,462</u>	<u>\$ (181,233)</u>

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

The District's combined fund balances as of the end of the fiscal year ended September 30, 2025 were \$2,805,118, a decrease of \$461,391 from the prior year.

The general fund's fund balance increased by \$168,072 due to property taxes and services revenues and investment income exceeding service operations expenditures.

The debt service fund's fund balance increased by \$61,931 due to property tax revenues and investment income, exceeding bond principal and interest requirements and contracted services expenditures.

**Grand Oaks Municipal Utility District  
Management’s Discussion and Analysis  
Year Ended September 30, 2025**

The capital projects fund’s fund balance decreased by \$691,394 primarily due to capital outlay expenditures related to reimbursement to the developer of the District from surplus Series 2024 bond proceeds for constructed capital assets.

**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 sewer service revenues being higher than anticipated, as well as tap connection and inspection fees revenues, and purchased services and regional water authority expenditures being lower than anticipated. In addition, budgeted capital outlay expenditures were not incurred. The fund balance as of September 30, 2025 was expected to be \$2,092,955, and the actual end-of-year fund balance was \$2,283,107.

**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)**

	<u>2025</u>	<u>2024</u>
Land and improvements	\$ 1,423,963	\$ 1,017,807
Water facilities	1,446,966	1,472,404
Wastewater facilities	1,966,809	2,009,068
Drainage facilities	<u>2,826,219</u>	<u>2,874,519</u>
Total capital assets	<u>\$ 7,663,957</u>	<u>\$ 7,373,798</u>

Additions to capital assets during the current year are as follows:

Glen Oaks, Section 6 clearing and grubbing	\$ 406,156
Water, sewer, and drainage facilities to serve Glen Oaks, Section 5	<u>68,319</u>
Total additions to capital assets	<u>\$ 474,475</u>

**Debt**

The changes in the debt position of the District during the fiscal year ended September 30, 2025 are summarized as follows:

Long-term debt payable, beginning of year	\$ 10,942,685
Increases in long-term debt	406,156
Decreases in long-term debt	<u>(914,074)</u>
Long-term debt payable, end of year	<u>\$ 10,434,767</u>

The developer of the District has constructed water, sewer, and drainage facilities on behalf of the District. The District is maintaining and operating the facilities and has agreed to reimburse the developer for these construction costs and interest to the extent approved by the Commission from the proceeds of future bond sales.

**Grand Oaks Municipal Utility District  
Management’s Discussion and Analysis  
Year Ended September 30, 2025**

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At September 30, 2025, a liability for developer-constructed capital assets of \$1,460,525 was recorded in the government-wide financial statements.

Since inception, the developer has advanced \$220,000 to the District for operations. The District has agreed to reimburse these amounts, plus interest, to the extent approved by the Commission from the proceeds of future bond sales. These advances have been recorded as long-term liabilities in the government-wide financial statements.

At September 30, 2025, the District had \$14,185,000 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.

The District’s bonds carry an underlying rating of “Baa3” from Moody’s Investors Service. The Series 2022 and Series 2024 bonds carry a “AA” rating from Standard & Poor’s by virtue of bond insurance issued by Build America Mutual Assurance Company.

***Other Relevant Factors***

***Relationship to the City of Magnolia (City)***

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City, the District must conform to the City ordinance consenting to the creation of the District.

***Contingencies***

The developer of the District is constructing water, sewer, drainage, and detention facilities within the boundaries of the District. The District has agreed to reimburse the developer for these costs, plus interest, from the proceeds of future bond sales to the extent approved by the Commission. The District’s engineer has stated that current construction contract amounts are approximately \$3,134,000. This amount has not been recorded in the financial statements since the facilities are not complete nor operational.

**Grand Oaks Municipal Utility District  
Statement of Net Position and Governmental Funds Balance Sheet  
September 30, 2025**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>Assets</b>						
Cash	\$ 163,228	\$ 30,409	\$ 1,296	\$ 194,933	\$ -	\$ 194,933
Certificates of deposit	1,205,000	300,000	-	1,505,000	-	1,505,000
Short-term investments	950,916	207,427	-	1,158,343	-	1,158,343
Receivables						
Property taxes	20,864	26,883	-	47,747	-	47,747
Service accounts (net of allowance for uncollectible accounts of \$20,000)	227,138	-	-	227,138	-	227,138
Accrued penalty and interest	-	-	-	-	28,912	28,912
Accrued interest	20,530	3,997	-	24,527	-	24,527
Interfund receivables	17,529	-	-	17,529	(17,529)	-
Capital assets (net of accumulated depreciation)						
Land and improvements	-	-	-	-	1,423,963	1,423,963
Infrastructure	-	-	-	-	6,239,994	6,239,994
<b>Total Assets</b>	<b>2,605,205</b>	<b>568,716</b>	<b>1,296</b>	<b>3,175,217</b>	<b>7,675,340</b>	<b>10,850,557</b>
<b>Deferred Outflows of Resources</b>						
Deferred amount on debt refundings	-	-	-	-	36,012	36,012
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 2,605,205</b>	<b>\$ 568,716</b>	<b>\$ 1,296</b>	<b>\$ 3,175,217</b>	<b>\$ 7,711,352</b>	<b>\$ 10,886,569</b>

**Grand Oaks Municipal Utility District  
Statement of Net Position and Governmental Funds Balance Sheet  
September 30, 2025**

**(Continued)**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
<b>Liabilities</b>						
Accounts payable	\$ 123,259	\$ 2,722	\$ 867	\$ 126,848	\$ -	\$ 126,848
Accrued interest payable	-	-	-	-	30,517	30,517
Customer deposits	177,975	-	-	177,975	-	177,975
Interfund payables	-	17,529	-	17,529	(17,529)	-
Long-term liabilities						
Due within one year	-	-	-	-	340,000	340,000
Due after one year	-	-	-	-	10,094,767	10,094,767
<b>Total Liabilities</b>	<u>301,234</u>	<u>20,251</u>	<u>867</u>	<u>322,352</u>	<u>10,447,755</u>	<u>10,770,107</u>
<b>Deferred Inflows of Resources</b>						
Deferred property tax revenues	20,864	26,883	-	47,747	(47,747)	-
<b>Fund Balances/Net Position</b>						
Fund balances						
Restricted for						
Unlimited tax bonds	-	521,582	-	521,582	(521,582)	-
Water, sewer, and drainage	-	-	429	429	(429)	-
Assigned to future expenditures	8,934	-	-	8,934	(8,934)	-
Unassigned	2,274,173	-	-	2,274,173	(2,274,173)	-
Total fund balances	<u>2,283,107</u>	<u>521,582</u>	<u>429</u>	<u>2,805,118</u>	<u>(2,805,118)</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 2,605,205</u>	<u>\$ 568,716</u>	<u>\$ 1,296</u>	<u>\$ 3,175,217</u>		
<b>Net position</b>						
Net investment in capital assets					(2,734,798)	(2,734,798)
Restricted for debt service					546,860	546,860
Restricted for capital projects					429	429
Unrestricted					2,303,971	2,303,971
Total net position					<u>\$ 116,462</u>	<u>\$ 116,462</u>

**Grand Oaks Municipal Utility District  
Statement of Activities and Governmental Funds Revenues,  
Expenditures, and Changes in Fund Balances  
Year Ended September 30, 2025**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
<b>Revenues</b>						
Property taxes	\$ 381,886	\$ 748,729	\$ -	\$ 1,130,615	\$ 17,938	\$ 1,148,553
Water service	457,852	-	-	457,852	-	457,852
Sewer service	359,628	-	-	359,628	-	359,628
Regional water fee	148,676	-	-	148,676	-	148,676
Penalty and interest	36,971	8,841	-	45,812	7,747	53,559
Tap connection and inspection fees	8,464	-	-	8,464	-	8,464
Investment income	96,289	36,364	6,947	139,600	-	139,600
Other income	514	288	-	802	-	802
<b>Total Revenues</b>	<b>1,490,280</b>	<b>794,222</b>	<b>6,947</b>	<b>2,291,449</b>	<b>25,685</b>	<b>2,317,134</b>
<b>Expenditures/Expenses</b>						
Service operations						
Purchased services	354,184	-	-	354,184	46,000	400,184
Regional water authority	129,815	-	-	129,815	-	129,815
Professional fees	153,630	3,294	-	156,924	26,614	183,538
Contracted services	295,627	20,636	-	316,263	868	317,131
Utilities	2,569	-	-	2,569	-	2,569
Repairs and maintenance	309,857	-	-	309,857	-	309,857
Other expenditures	87,176	7,118	60	94,354	-	94,354
Tap connections	1,100	-	-	1,100	-	1,100
Capital outlay	-	-	686,531	686,531	(686,531)	-
Depreciation	-	-	-	-	184,316	184,316
Debt service						
Principal retirement	-	330,000	-	330,000	(330,000)	-
Interest and fees	-	371,243	-	371,243	25,332	396,575
<b>Total Expenditures/Expenses</b>	<b>1,333,958</b>	<b>732,291</b>	<b>686,591</b>	<b>2,752,840</b>	<b>(733,401)</b>	<b>2,019,439</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>156,322</b>	<b>61,931</b>	<b>(679,644)</b>	<b>(461,391)</b>	<b>759,086</b>	
<b>Other Financing Sources (Uses)</b>						
Interfund transfers in (out)	11,750	-	(11,750)	-	-	
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>168,072</b>	<b>61,931</b>	<b>(691,394)</b>	<b>(461,391)</b>	<b>461,391</b>	
<b>Change in Net Position</b>					<b>297,695</b>	<b>297,695</b>
<b>Fund Balances/Net Position</b>						
Beginning of year	2,115,035	459,651	691,823	3,266,509	-	(181,233)
End of year	<u>\$ 2,283,107</u>	<u>\$ 521,582</u>	<u>\$ 429</u>	<u>\$ 2,805,118</u>	<u>\$ -</u>	<u>\$ 116,462</u>

## **Note 1. Nature of Operations and Summary of Significant Accounting Policies**

Grand Oaks Municipal Utility District (District) was created by an order of the Texas Commission on Environmental Quality (Commission), effective March 12, 2004, in accordance with the Texas Water Code. 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.

The District is governed by a Board of Directors (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 that 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.

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.

**Grand Oaks Municipal Utility District  
Notes to Financial Statements  
September 30, 2025**

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*Capital Project Fund* – The capital project 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.

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are 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. 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. 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.

***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

**Grand Oaks Municipal Utility District  
Notes to Financial Statements  
September 30, 2025**

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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.

***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, 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 and penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal 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 September 30, 2025 include collections during the current period or within 60 days of year-end related to the 2024 and prior years' tax levies.

**Grand Oaks Municipal Utility District  
Notes to Financial Statements  
September 30, 2025**

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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 September 30, 2025, the 2024 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.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives is not capitalized.

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

Water production and distribution facilities	10–45 years
Wastewater collection and treatment facilities	10–45 years
Drainage facilities	10–45 years

***Deferred Amount on Debt Refundings***

In the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt in a debt refunding is deferred and amortized to interest expense using the effective interest rate method over the remaining life of the old debt or the life of the new debt whichever is shorter. Such amounts are classified as deferred outflows or inflows of resources.

***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.

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.

**Grand Oaks Municipal Utility District  
Notes to Financial Statements  
September 30, 2025**

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

**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.	\$ 7,663,957
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	47,747
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.	28,912
Deferred amount on debt refundings for governmental activities is not considered financial resources and is not reported in the funds.	36,012
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	(30,517)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	<u>(10,434,767)</u>
Adjustment to fund balances to arrive at net position.	<u><u>\$ (2,688,656)</u></u>

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.	\$ (461,391)
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 period.	474,733
Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.	330,000
Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported as revenues in the statement of activities.	25,685

**Grand Oaks Municipal Utility District  
Notes to Financial Statements  
September 30, 2025**

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.

\$ (71,332)

Change in net position of governmental activities.

\$ 297,695

**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 September 30, 2025, 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. The District’s investments in Texas CLASS are reported at net asset value.

At September 30, 2025, the District had the following investments and maturities:

	<b>Maturities in Years</b>				
	<b>Fair Value</b>	<b>Less Than 1</b>	<b>1–5</b>	<b>6–10</b>	<b>More Than 10</b>
Texas CLASS	<u>\$ 1,158,343</u>	<u>\$ 1,158,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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

**Grand Oaks Municipal Utility District  
Notes to Financial Statements  
September 30, 2025**

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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 September 30, 2025, 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 September 30, 2025 as follows:

Carrying value	
Deposits	\$ 1,699,933
Investments	<u>1,158,343</u>
Total	<u><u>\$ 2,858,276</u></u>

Included in the following statement of net position captions:

Cash	\$ 194,933
Certificates of deposit	1,505,000
Short-term investments	<u>1,158,343</u>
Total	<u><u>\$ 2,858,276</u></u>

***Investment Income***

Investment income of \$139,600 for the year ended September 30, 2025 consisted of interest income.

***Fair Value Measurements***

The District has the following recurring fair value measurements as of September 30, 2025:

- Pooled investments of \$1,158,343 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 September 30, 2025 is presented as follows.

**Grand Oaks Municipal Utility District  
Notes to Financial Statements  
September 30, 2025**

<b>Governmental Activities</b>	<b>Balances, Beginning of Year</b>	<b>Additions</b>	<b>Balances, End of Year</b>
Capital assets, non-depreciable			
Land and improvements	\$ 1,017,807	\$ 406,156	\$ 1,423,963
Capital assets, depreciable			
Water production and distribution facilities	1,932,457	18,602	1,951,059
Wastewater collection and treatment facilities	2,734,898	20,585	2,755,483
Drainage facilities	3,451,444	29,132	3,480,576
Total capital assets, depreciable	8,118,799	68,319	8,187,118
Less accumulated depreciation			
Water production and distribution facilities	(460,053)	(44,040)	(504,093)
Wastewater collection and treatment facilities	(725,830)	(62,844)	(788,674)
Drainage facilities	(576,925)	(77,432)	(654,357)
Total accumulated depreciation	(1,762,808)	(184,316)	(1,947,124)
Total governmental activities, net	<u>\$ 7,373,798</u>	<u>\$ 290,159</u>	<u>\$ 7,663,957</u>

**Note 4. Long-Term Liabilities**

Changes in long-term liabilities for the year ended September 30, 2025 were as follows:

<b>Governmental Activities</b>	<b>Balances, Beginning of Year</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances, End of Year</b>	<b>Amounts Due in One Year</b>
Bonds payable					
General obligation bonds	\$ 9,320,000	\$ -	\$ 330,000	\$ 8,990,000	\$ 340,000
Add premiums on bonds	1,556	-	149	1,407	-
Less discounts on bonds	243,970	-	6,805	237,165	-
	9,077,586	-	323,344	8,754,242	340,000
Due to developer					
Construction	1,645,099	406,156	590,730	1,460,525	-
Advances	220,000	-	-	220,000	-
Total governmental activities long-term liabilities	<u>\$ 10,942,685</u>	<u>\$ 406,156</u>	<u>\$ 914,074</u>	<u>\$ 10,434,767</u>	<u>\$ 340,000</u>

**Grand Oaks Municipal Utility District  
Notes to Financial Statements  
September 30, 2025**

**General Obligation Bonds**

	<u>Series 2016</u>	<u>Refunding Series 2017</u>
Amounts outstanding, September 30, 2025	\$850,000	\$960,000
Interest rates	2.00% to 3.75%	2.00% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2026/2038	September 1, 2026/2033
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	September 1, 2022	September 1, 2023
	<u>Series 2022</u>	<u>Series 2024</u>
Amounts outstanding, September 30, 2025	\$2,780,000	\$4,400,000
Interest rates	3.25% to 5.50%	4.00% to 6.50%
Maturity dates, serially beginning/ending	September 1, 2026/2047	September 1, 2026/2049
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	September 1, 2028	September 1, 2030

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

**Annual Debt Service Requirements**

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at September 30, 2025:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 340,000	\$ 366,206	\$ 706,206
2027	355,000	350,068	705,068
2028	365,000	332,970	697,970
2029	375,000	315,744	690,744
2030	395,000	299,826	694,826
2031–2035	1,955,000	1,261,761	3,216,761
2036–2040	1,815,000	888,650	2,703,650
2041–2045	1,925,000	530,800	2,455,800
2046–2049	1,465,000	134,600	1,599,600
Total	<u>\$ 8,990,000</u>	<u>\$ 4,480,625</u>	<u>\$ 13,470,625</u>

**Grand Oaks Municipal Utility District  
Notes to Financial Statements  
September 30, 2025**

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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.

Bonds voted	\$ 25,000,000
Bonds sold	10,815,000
Refunding bonds voted	25,000,000
Refunding bonds authorization used	110,000

***Due to Developer***

The developer of the District has constructed water, sewer, and drainage facilities on behalf of the District. The District is maintaining and operating the facilities and has agreed to reimburse the developer for these construction costs and interest to the extent approved by the Commission from the proceeds of future bond sales. The District's engineer estimates reimbursable costs for completed projects are \$1,460,525. These amounts have been recorded in the financial statements as long-term liabilities.

The developer of the District has advanced \$220,000 to the District for operating expenses. The District has agreed to reimburse these amounts, plus interest, to the extent approved by the Commission from the proceeds of future bond sales. The amounts have been recorded in the financial statements as long-term liabilities.

**Note 5. Significant Bond Resolutions and Commission Requirements**

- (A) The Bond Resolutions 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 September 30, 2025, the District levied an ad valorem debt service tax at the rate of \$0.5300 per \$100 of assessed valuation, which resulted in a tax levy of \$755,121 on the taxable valuation of \$142,475,708 for the 2024 tax year. The interest and principal requirements paid from the tax revenues and available resources were \$710,981.
- (B) During the current year, the District transferred \$11,750 from the capital projects fund to the general fund. The transfer was made in accordance with the rules of the Commission.

**Note 6. Maintenance Taxes**

At an election held May 15, 2004, 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 September 30, 2025, the District levied an ad valorem maintenance tax at the rate of \$0.2700 per \$100 of assessed valuation, which resulted in a tax levy of \$384,685 on the taxable valuation of \$142,475,708 for the 2024 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

**Note 7. Water and Sanitary Sewer Supply Agreement**

On August 27, 2002, a developer of land in the District entered into a Potable Water and Sanitary Sewer Supply Agreement (Agreement) with the City of Magnolia (City) on behalf of the District. On March 28, 2006, the developer assigned its rights and obligations under the Agreement to the District. On October 28, 2008, the City and the District entered into a First Amendment to the Agreement to clarify certain matters. On May 1, 2016, the City and the District entered into a Second Amendment to the Agreement, which supersedes and replaces the terms of the First Amendment. Subsequent to year-end on October 14, 2025, the City and the District entered into a Third Amendment to the Agreement, which supersedes and replaces the terms of the Second Amendment. Under the terms of the Agreement, as amended, the City is obligated to provide water and sanitary sewer service

**Grand Oaks Municipal Utility District  
Notes to Financial Statements  
September 30, 2025**

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to 924 residential connections and 15 acres of commercial development within the District. The maximum rate at which water may be drafted on a daily basis is 820,800 gallons per day (gpd) and the maximum rate at which water may be drafted on an hourly basis is 570 gallons per minute (gpm), based on 0.6 gpm/equivalent single family connection; provided, however, that the maximum water consumption for the District shall not exceed 10,402,500 gallons per month. The District is obligated to pay the City a capital recovery charge for residential water and sewer connections for capacity in the City's system, as established and adjusted according to the terms of the Agreement, as amended. The District is obligated to pay the City water and sewer service fees based on actual usage in the District according to the applicable City water and sewer rates. During the current year, the District incurred \$529,999 in water and sewer service costs under the Agreement.

**Note 8. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts in the past three fiscal years.

**Note 9. Contingencies**

The developer of the District is constructing water, sewer, drainage, and detention facilities within the boundaries of the District. The District has agreed to reimburse the developer for these costs, plus interest, from the proceeds of future bond sales to the extent approved by the Commission. The District's engineer has stated that current construction contract amounts are approximately \$3,134,000. This amount has not been recorded in the financial statements since the facilities are not complete nor operational.

***Required Supplementary Information***

**Grand Oaks Municipal Utility District  
 Budgetary Comparison Schedule – General Fund  
 Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Property taxes	\$ 363,600	\$ 381,886	\$ 18,286
Water service	458,900	457,852	(1,048)
Sewer service	319,100	359,628	40,528
Regional water fee	154,700	148,676	(6,024)
Penalty and interest	59,000	36,971	(22,029)
Tap connection and inspection fees	55,500	8,464	(47,036)
Investment income	98,100	96,289	(1,811)
Other income	-	514	514
<b>Total Revenues</b>	<u>1,508,900</u>	<u>1,490,280</u>	<u>(18,620)</u>
<b>Expenditures</b>			
Service operations			
Purchased services	410,000	354,184	55,816
Regional water authority	154,700	129,815	24,885
Professional fees	173,000	153,630	19,370
Contracted services	299,600	295,627	3,973
Utilities	3,000	2,569	431
Repairs and maintenance	324,900	309,857	15,043
Other expenditures	95,780	87,176	8,604
Tap connections	20,000	1,100	18,900
Capital outlay	50,000	-	50,000
<b>Total Expenditures</b>	<u>1,530,980</u>	<u>1,333,958</u>	<u>197,022</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(22,080)	156,322	178,402
<b>Other Financing Sources</b>			
Interfund transfers in	-	11,750	11,750
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	(22,080)	168,072	190,152
<b>Fund Balance, Beginning of Year</b>	<u>2,115,035</u>	<u>2,115,035</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 2,092,955</u>	<u>\$ 2,283,107</u>	<u>\$ 190,152</u>

**Grand Oaks Municipal Utility District  
Notes to Required Supplementary Information  
September 30, 2025**

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***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 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 2025.

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.

***Supplementary Information***

**Grand Oaks Municipal Utility District  
Other Schedules Included Within This Report  
September 30, 2025**

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(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 11–21
- [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] Schedules of Long-Term Debt Service Requirements by Years
- [X] Changes in Long-Term Bonded Debt
- [X] Comparative Schedules of Revenues and Expenditures – General Fund and Debt Service Fund –  
Five Years
- [X] Board Members, Key Personnel, and Consultants

**Grand Oaks Municipal Utility District  
 Schedule of Services and Rates  
 Year Ended September 30, 2025**

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 checked="" type="checkbox"/> Other <u>Wholesale water and wastewater services provided to the District by the City of Magnolia</u> |   |  |

2. Retail service providers

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

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate Per 1,000 Gallons Over Minimum</u>	<u>Usage Levels</u>
Water:	\$ 30.00	0	N	\$ 7.00	3,001 to 6,000
				\$ 8.00	6,001 to 10,000
				\$ 9.00	10,001 to 15,000
				\$ 10.00	15,001 to No Limit
Wastewater:	\$ 29.22	0	N	\$ 2.80	1 to No Limit
Regional water fee:	\$ 3.155	0	N	\$ 3.155	1 to No Limit

Does the District employ winter averaging for wastewater usage? Yes  No

Total charges per 10,000 gallons usage (including fees): Water \$ 114.55 Wastewater \$ 57.22

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"	694	694	x1.0	694
1"	5	5	x2.5	13
1 1/2"	2	2	x5.0	10
2"	1	1	x8.0	8
3"	-	-	x15.0	-
4"	-	-	x25.0	-
6"	-	-	x50.0	-
8"	1	1	x80.0	80
10"	-	-	x115.0	-
12"	-	-	x330.0	-
Total water	703	703		805
Total wastewater	697	697	x1.0	697

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

Gallons pumped into the system:	<u>48,313</u>
Gallons billed to customers:	<u>48,603</u>
Water accountability ratio (gallons billed/gallons pumped):	<u>100.60%</u>

\*"ESFC" means equivalent single-family connections

**Grand Oaks Municipal Utility District  
Schedule of General Fund Expenditures  
Year Ended September 30, 2025**

<b>Personnel (including benefits)</b>		\$ -
<b>Professional Fees</b>		
Auditing	\$ 21,800	
Legal	68,421	
Engineering	63,409	
Financial advisor	<u>-</u>	153,630
<b>Purchased Services for Resale</b>		
Bulk water and wastewater service purchases		354,184
<b>Regional Water Authority</b>		129,815
<b>Contracted Services</b>		
Bookkeeping	68,666	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	-	
Other contracted services	<u>61,468</u>	130,134
<b>Utilities</b>		2,569
<b>Repairs and Maintenance</b>		309,857
<b>Administrative Expenditures</b>		
Directors' fees	9,061	
Office supplies	7,071	
Insurance	8,604	
Other administrative expenditures	<u>62,440</u>	87,176
<b>Capital Outlay</b>		
Capitalized assets	-	
Expenditures not capitalized	<u>-</u>	-
<b>Tap Connection Expenditures</b>		1,100
<b>Solid Waste Disposal</b>		165,493
<b>Fire Fighting</b>		-
<b>Parks and Recreation</b>		-
<b>Other Expenditures</b>		<u>-</u>
<b>Total Expenditures</b>		<u><u>\$ 1,333,958</u></u>

**Grand Oaks Municipal Utility District  
Schedule of Temporary Investments  
September 30, 2025**

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Face Amount</u>	<u>Accrued Interest Receivable</u>
<b>General Fund</b>				
Certificates of Deposit				
No. 12911	4.25%	05/31/26	\$ 235,000	\$ 3,338
No. 4205969	4.00%	06/24/26	235,000	2,524
No. 2000000519	4.09%	01/30/26	100,000	2,734
No. 440064984	4.00%	11/07/25	100,000	1,556
No. 109498	4.17%	07/29/26	100,000	720
No. 6000068301	4.15%	04/08/26	100,000	1,990
No. 6000068368	4.15%	02/07/26	100,000	2,672
No. 9009004873	4.15%	03/27/26	235,000	4,996
Texas CLASS	4.26%	Demand	950,916	-
			<u>2,155,916</u>	<u>20,530</u>
<b>Debt Service Fund</b>				
Certificates of Deposit				
No. 6000068350	4.15%	02/07/26	100,000	2,672
No. 9009005854	4.05%	06/27/26	100,000	655
No. 6550143624	4.15%	08/01/26	100,000	670
Texas CLASS	4.26%	Demand	207,427	-
			<u>507,427</u>	<u>3,997</u>
<b>Totals</b>			<u>\$ 2,663,343</u>	<u>\$ 24,527</u>

**Grand Oaks Municipal Utility District  
Analysis of Taxes Levied and Receivable  
Year Ended September 30, 2025**

	<b>Maintenance Taxes</b>	<b>Debt Service Taxes</b>
<b>Receivable, Beginning of Year</b>	\$ 14,445	\$ 15,364
Additions and corrections to prior years' taxes	3,620	5,127
<b>Adjusted Receivable, Beginning of Year</b>	<u>18,065</u>	<u>20,491</u>
<b>2024 Original Tax Levy</b>	373,551	733,266
Additions and corrections	11,134	21,855
Adjusted tax levy	<u>384,685</u>	<u>755,121</u>
<b>Total to Be Accounted For</b>	402,750	775,612
Tax collections: Current year	(379,974)	(745,874)
Prior years	(1,912)	(2,855)
<b>Receivable, End of Year</b>	<u>\$ 20,864</u>	<u>\$ 26,883</u>
<b>Receivable, by Years</b>		
2024	\$ 4,711	\$ 9,247
2023	4,796	6,166
2022	1,254	1,846
2021	1,438	697
2020	1,347	861
2019	1,391	782
2018	1,031	1,031
2017	567	1,360
2016	567	1,236
2015	671	1,280
2014 and prior	<u>3,091</u>	<u>2,377</u>
<b>Receivable, End of Year</b>	<u>\$ 20,864</u>	<u>\$ 26,883</u>

**Grand Oaks Municipal Utility District  
Analysis of Taxes Levied and Receivable  
Year Ended September 30, 2025**

**(Continued)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Property Valuations</b>				
Land	\$ 35,869,492	\$ 35,906,840	\$ 19,721,080	\$ 18,754,820
Improvements	110,276,563	96,218,710	95,293,220	58,875,870
Personal property	6,644,929	1,004,052	1,083,297	1,037,788
Exemptions	<u>(10,315,276)</u>	<u>(11,109,594)</u>	<u>(10,881,978)</u>	<u>(2,143,698)</u>
<b>Total Property Valuations</b>	<u>\$ 142,475,708</u>	<u>\$ 122,020,008</u>	<u>\$ 105,215,619</u>	<u>\$ 76,524,780</u>
<b>Tax Rates per \$100 Valuation</b>				
Debt service tax rates	\$ 0.5300	\$ 0.4500	\$ 0.5300	\$ 0.3100
Maintenance tax rates*	<u>0.2700</u>	<u>0.3500</u>	<u>0.3600</u>	<u>0.6400</u>
<b>Total Tax Rates per \$100 Valuation</b>	<u>\$ 0.8000</u>	<u>\$ 0.8000</u>	<u>\$ 0.8900</u>	<u>\$ 0.9500</u>
<b>Tax Levy</b>	<u>\$ 1,139,806</u>	<u>\$ 976,160</u>	<u>\$ 936,419</u>	<u>\$ 726,986</u>
<b>Percent of Taxes Collected to Taxes Levied**</b>	<u>99%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>

\*Maximum tax rate approved by voters: \$1.50 on May 15, 2004

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

**Grand Oaks Municipal Utility District  
Schedule of Long-Term Debt Service Requirements by Years  
September 30, 2025**

<u>Due During Fiscal Years Ending September 30</u>	<u>Series 2016</u>		<u>Total</u>
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	
2026	\$ 50,000	\$ 30,025	\$ 80,025
2027	50,000	28,525	78,525
2028	50,000	26,963	76,963
2029	50,000	25,338	75,338
2030	50,000	23,713	73,713
2031	50,000	21,963	71,963
2032	50,000	20,212	70,212
2033	50,000	18,462	68,462
2034	90,000	16,650	106,650
2035	90,000	13,387	103,387
2036	90,000	10,125	100,125
2037	90,000	6,750	96,750
2038	90,000	3,375	93,375
Totals	<u>\$ 850,000</u>	<u>\$ 245,488</u>	<u>\$ 1,095,488</u>

**Grand Oaks Municipal Utility District  
Schedule of Long-Term Debt Service Requirements by Years  
September 30, 2025**

**(Continued)**

<u>Due During Fiscal Years Ending September 30</u>	<u>Refunding Series 2017</u>		
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	<u>Total</u>
2026	\$ 105,000	\$ 35,294	\$ 140,294
2027	110,000	31,881	141,881
2028	115,000	28,169	143,169
2029	115,000	24,144	139,144
2030	125,000	19,975	144,975
2031	125,000	15,287	140,287
2032	130,000	10,600	140,600
2033	135,000	5,400	140,400
Totals	<u>\$ 960,000</u>	<u>\$ 170,750</u>	<u>\$ 1,130,750</u>

**Grand Oaks Municipal Utility District  
Schedule of Long-Term Debt Service Requirements by Years  
September 30, 2025**

**(Continued)**

<u>Due During Fiscal Years Ending September 30</u>	<u>Series 2022</u>		<u>Total</u>
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	
2026	\$ 80,000	\$ 113,562	\$ 193,562
2027	85,000	109,162	194,162
2028	85,000	104,488	189,488
2029	90,000	99,812	189,812
2030	95,000	96,888	191,888
2031	95,000	93,800	188,800
2032	100,000	90,000	190,000
2033	105,000	86,000	191,000
2034	110,000	81,800	191,800
2035	115,000	77,400	192,400
2036	120,000	72,800	192,800
2037	125,000	68,000	193,000
2038	130,000	63,000	193,000
2039	135,000	57,800	192,800
2040	140,000	52,400	192,400
2041	145,000	46,800	191,800
2042	155,000	41,000	196,000
2043	160,000	34,800	194,800
2044	165,000	28,400	193,400
2045	175,000	21,800	196,800
2046	180,000	14,800	194,800
2047	190,000	7,600	197,600
Totals	<u>\$ 2,780,000</u>	<u>\$ 1,462,112</u>	<u>\$ 4,242,112</u>

**Grand Oaks Municipal Utility District  
Schedule of Long-Term Debt Service Requirements by Years  
September 30, 2025**

**(Continued)**

<u>Due During Fiscal Years Ending September 30</u>	<u>Series 2024</u>		<u>Total</u>
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	
2026	\$ 105,000	\$ 187,325	\$ 292,325
2027	110,000	180,500	290,500
2028	115,000	173,350	288,350
2029	120,000	166,450	286,450
2030	125,000	159,250	284,250
2031	130,000	153,000	283,000
2032	135,000	147,800	282,800
2033	140,000	142,400	282,400
2034	150,000	136,800	286,800
2035	155,000	130,800	285,800
2036	165,000	124,600	289,600
2037	170,000	118,000	288,000
2038	180,000	111,200	291,200
2039	185,000	104,000	289,000
2040	195,000	96,600	291,600
2041	205,000	88,800	293,800
2042	215,000	80,600	295,600
2043	225,000	72,000	297,000
2044	235,000	63,000	298,000
2045	245,000	53,600	298,600
2046	255,000	43,800	298,800
2047	265,000	33,600	298,600
2048	280,000	23,000	303,000
2049	295,000	11,800	306,800
Totals	<u>\$ 4,400,000</u>	<u>\$ 2,602,275</u>	<u>\$ 7,002,275</u>

**Grand Oaks Municipal Utility District  
Schedule of Long-Term Debt Service Requirements by Years  
September 30, 2025**

**(Continued)**

<u>Due During Fiscal Years Ending September 30</u>	<u>Annual Requirements For All Series</u>		
	<u>Total Principal Due</u>	<u>Total Interest Due</u>	<u>Total Principal and Interest Due</u>
2026	\$ 340,000	\$ 366,206	\$ 706,206
2027	355,000	350,068	705,068
2028	365,000	332,970	697,970
2029	375,000	315,744	690,744
2030	395,000	299,826	694,826
2031	400,000	284,050	684,050
2032	415,000	268,612	683,612
2033	430,000	252,262	682,262
2034	350,000	235,250	585,250
2035	360,000	221,587	581,587
2036	375,000	207,525	582,525
2037	385,000	192,750	577,750
2038	400,000	177,575	577,575
2039	320,000	161,800	481,800
2040	335,000	149,000	484,000
2041	350,000	135,600	485,600
2042	370,000	121,600	491,600
2043	385,000	106,800	491,800
2044	400,000	91,400	491,400
2045	420,000	75,400	495,400
2046	435,000	58,600	493,600
2047	455,000	41,200	496,200
2048	280,000	23,000	303,000
2049	295,000	11,800	306,800
Totals	<u>\$ 8,990,000</u>	<u>\$ 4,480,625</u>	<u>\$ 13,470,625</u>

**Grand Oaks Municipal Utility District  
Changes in Long-Term Bonded Debt  
Year Ended September 30, 2025**

	<b>Bond Issues</b>				<b>Totals</b>
	<b>Series 2016</b>	<b>Refunding Series 2017</b>	<b>Series 2022</b>	<b>Series 2024</b>	
Interest rates	2.00% to 3.75%	2.00% to 4.00%	3.25% to 5.50%	4.00% to 6.50%	
Dates interest payable	March 1/ September 1	March 1/ September 1	March 1/ September 1	March 1/ September 1	
Maturity dates	September 1, 2026/2038	September 1, 2026/2033	September 1, 2026/2047	September 1, 2026/2049	
Bonds outstanding, beginning of current year	\$ 900,000	\$ 1,065,000	\$ 2,855,000	\$ 4,500,000	\$ 9,320,000
Retirements, principal	50,000	105,000	75,000	100,000	330,000
Bonds outstanding, end of current year	<u>\$ 850,000</u>	<u>\$ 960,000</u>	<u>\$ 2,780,000</u>	<u>\$ 4,400,000</u>	<u>\$ 8,990,000</u>
Interest paid during current year	<u>\$ 31,525</u>	<u>\$ 38,443</u>	<u>\$ 117,688</u>	<u>\$ 193,325</u>	<u>\$ 380,981</u>

Paying agent's name and address

**Series 2016** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas

**Series 2017** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas

**Series 2022** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas

**Series 2024** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas

Bond authority

	<b>Tax Bonds</b>	<b>Other Bonds</b>	<b>Refunding Bonds</b>
Amount authorized by voters	\$ 25,000,000	\$ -	\$ 25,000,000
Amount of authorization issued	\$ 10,815,000	\$ -	\$ 110,000
Remaining authorization to be issued	<u>\$ 14,185,000</u>	<u>\$ -</u>	<u>\$ 24,890,000</u>

Debt service fund cash and temporary investment balances as of September 30, 2025:

\$ 537,836

Average annual debt service payment (principal and interest) for remaining term of all debt:

\$ 561,276

**Grand Oaks Municipal Utility District  
Comparative Schedule of Revenues and Expenditures – General Fund  
Five Years Ended September 30,**

	Amounts				
	2025	2024	2023	2022	2021
<b>General Fund</b>					
<b>Revenues</b>					
Property taxes	\$ 381,886	\$ 427,366	\$ 378,070	\$ 490,033	\$ 341,994
Water service	457,852	429,655	383,929	348,763	310,310
Sewer service	359,628	326,125	292,755	263,911	232,573
Regional water fee	148,676	137,937	129,987	121,897	99,652
Penalty and interest	36,971	59,693	40,434	33,764	41,883
Tap connection and inspection fees	8,464	48,638	152,703	21,475	109,224
Investment income	96,289	104,924	85,015	10,895	4,485
Other income	514	31	-	11	11
<b>Total Revenues</b>	<u>1,490,280</u>	<u>1,534,369</u>	<u>1,462,893</u>	<u>1,290,749</u>	<u>1,140,132</u>
<b>Expenditures</b>					
Service operations					
Purchased services	354,184	394,790	347,650	331,131	383,214
Regional water authority	129,815	145,603	146,635	132,698	156,093
Professional fees	153,630	134,365	158,137	136,838	112,290
Contracted services	295,627	284,711	239,254	179,878	169,806
Utilities	2,569	2,664	2,478	2,988	1,375
Repairs and maintenance	309,857	300,420	229,829	121,313	120,688
Other expenditures	87,176	81,996	87,572	54,750	47,962
Tap connections	1,100	20,900	64,350	2,655	37,280
Capital outlay	-	45,182	1,019,462	4,500	13,362
Debt service, debt issuance costs	-	-	11,750	-	15,323
<b>Total Expenditures</b>	<u>1,333,958</u>	<u>1,410,631</u>	<u>2,307,117</u>	<u>966,751</u>	<u>1,057,393</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>156,322</u>	<u>123,738</u>	<u>(844,224)</u>	<u>323,998</u>	<u>82,739</u>
<b>Other Financing Sources</b>					
Interfund transfers in	11,750	-	-	37,921	-
Developer advances received	-	-	1,010,240	-	-
<b>Total Other Financing Sources</b>	<u>11,750</u>	<u>-</u>	<u>1,010,240</u>	<u>37,921</u>	<u>-</u>
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	168,072	123,738	166,016	361,919	82,739
<b>Fund Balance, Beginning of Year</b>	<u>2,115,035</u>	<u>1,991,297</u>	<u>1,825,281</u>	<u>1,463,362</u>	<u>1,380,623</u>
<b>Fund Balance, End of Year</b>	<u>\$ 2,283,107</u>	<u>\$ 2,115,035</u>	<u>\$ 1,991,297</u>	<u>\$ 1,825,281</u>	<u>\$ 1,463,362</u>
<b>Total Active Retail Water Connections</b>	<u>703</u>	<u>696</u>	<u>642</u>	<u>531</u>	<u>478</u>
<b>Total Active Retail Wastewater Connections</b>	<u>697</u>	<u>688</u>	<u>634</u>	<u>524</u>	<u>470</u>

**Percent of Fund Total Revenues**

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
25.6 %	27.8 %	25.8 %	38.0 %	30.0 %
30.7	28.0	26.2	27.0	27.2
24.1	21.3	20.0	20.5	20.4
10.0	9.0	8.9	9.4	8.7
2.5	3.9	2.8	2.6	3.7
0.6	3.2	10.5	1.7	9.6
6.5	6.8	5.8	0.8	0.4
0.0	0.0	-	0.0	0.0
100.0	100.0	100.0	100.0	100.0
23.8	25.7	23.8	25.7	33.6
8.7	9.5	10.0	10.3	13.7
10.3	8.7	10.8	10.6	9.8
19.8	18.6	16.3	13.9	14.9
0.2	0.2	0.2	0.2	0.1
20.8	19.6	15.7	9.4	10.6
5.8	5.3	6.0	4.2	4.2
0.1	1.4	4.4	0.2	3.3
-	2.9	69.7	0.4	1.2
-	-	0.8	-	1.3
89.5	91.9	157.7	74.9	92.7
10.5 %	8.1 %	(57.7) %	25.1 %	7.3 %

**Grand Oaks Municipal Utility District  
Comparative Schedule of Revenues and Expenditures – Debt Service Fund  
Five Years Ended September 30,**

	Amounts				
	2025	2024	2023	2022	2021
<b>Debt Service Fund</b>					
<b>Revenues</b>					
Property taxes	\$ 748,729	\$ 548,255	\$ 553,386	\$ 238,042	\$ 218,830
Penalty and interest	8,841	11,457	5,890	7,934	3,120
Investment income	36,364	30,823	22,300	1,841	1,133
Other income	288	-	-	-	4
<b>Total Revenues</b>	<u>794,222</u>	<u>590,535</u>	<u>581,576</u>	<u>247,817</u>	<u>223,087</u>
<b>Expenditures</b>					
Current					
Professional fees	3,294	1,087	428	2,465	476
Contracted services	20,636	17,890	13,161	12,018	7,937
Other expenditures	7,118	8,354	11,197	5,833	6,390
Debt service					
Principal retirement	330,000	225,000	215,000	145,000	140,000
Interest and fees	371,243	198,556	206,356	117,428	87,619
<b>Total Expenditures</b>	<u>732,291</u>	<u>450,887</u>	<u>446,142</u>	<u>282,744</u>	<u>242,422</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	61,931	139,648	135,434	(34,927)	(19,335)
<b>Fund Balance, Beginning of Year</b>	<u>459,651</u>	<u>320,003</u>	<u>184,569</u>	<u>219,496</u>	<u>238,831</u>
<b>Fund Balance, End of Year</b>	<u>\$ 521,582</u>	<u>\$ 459,651</u>	<u>\$ 320,003</u>	<u>\$ 184,569</u>	<u>\$ 219,496</u>



Percent of Fund Total Revenues

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
94.3 %	92.9 %	95.2 %	96.1 %	98.1 %
1.1	1.9	1.0	3.2	1.4
4.6	5.2	3.8	0.7	0.5
<u>0.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.0</u>
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
0.4	0.2	0.1	1.0	0.2
2.6	3.0	2.2	4.8	3.5
0.9	1.4	1.9	2.4	2.9
41.6	38.1	37.0	58.5	62.8
<u>46.7</u>	<u>33.6</u>	<u>35.5</u>	<u>47.4</u>	<u>39.3</u>
<u>92.2</u>	<u>76.3</u>	<u>76.7</u>	<u>114.1</u>	<u>108.7</u>
<u><u>7.8 %</u></u>	<u><u>23.7 %</u></u>	<u><u>23.3 %</u></u>	<u><u>(14.1) %</u></u>	<u><u>(8.7) %</u></u>

**Grand Oaks Municipal Utility District  
Board Members, Key Personnel, and Consultants  
Year Ended September 30, 2025**

Complete District mailing address:	Grand Oaks Municipal Utility District c/o Allen Boone Humphries Robinson LLP 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):	June 3, 2024
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

<u>Board Members</u>	<u>Term of Office Elected &amp; Expires</u>	<u>Fees*</u>	<u>Expense Reimbursements</u>	<u>Title at Year-End</u>
Joel R. Scott	Elected 05/24– 05/28	\$ 1,326	\$ 41	President
Brandon Buell	Elected 05/22– 05/26	2,431	174	Vice President
Rick Nommensen	Elected 05/24– 05/28	1,326	176	Secretary
John Hammond	Appointed 05/22– 05/26	1,768	50	Assistant Vice President
Jeff Inabnit	Elected 05/24– 05/28	2,210	263	Assistant Secretary

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

**Grand Oaks Municipal Utility District  
Board Members, Key Personnel, and Consultants  
Year Ended September 30, 2025**

**(Continued)**

<b>Consultants</b>	<b>Date Hired</b>	<b>Fees and Expense Reimbursements</b>	<b>Title</b>
Allen Boone Humphries Robinson LLP	03/12/04	\$ 90,429	General Counsel
Bob Leared Interests	07/27/04	14,591	Tax Assessor/ Collector
Forvis Mazars, LLP	08/23/05	36,700	Auditor
Montgomery Central Appraisal District	Legislative Action	10,650	Appraiser
Municipal Accounts & Consulting, L.P.	03/24/20	73,319	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/22/05	3,294	Delinquent Tax Attorney
Post Oak Municipal Advisors LLC	04/24/18	-	Financial Advisor
Quiddity Engineering, LLC	09/21/18	63,409	Engineer
TNG Utility Corp.	10/25/05	297,392	Operator
<b>Investment Officers</b>			
Mark Burton and Ghia Lewis	03/24/20	N/A	Bookkeepers