

MAURICEVILLE MUNICIPAL UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2023

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ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS §

COUNTY OF Orange §

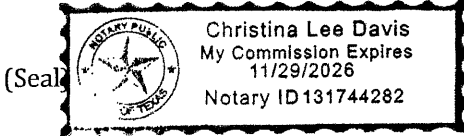
I, Mike West, President of the Mauriceville Municipal Utility District hereby swear, or affirm, that the District named above has reviewed and approved at a meeting of the Board of Directors of the District on the 3 day of April, 2024 its annual report for the year or period ended December 31, 2023 and that copies of the annual audit have been filed in the District office, located at 15509 FM 1442 Orange, TX 77632. The annual filing affidavit and the attached copy of the annual audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code.

Date: April 3, 2024

By: [Signature]
(Signature of District Representative)

Mike West, President
(Typed Name and Title of above District Representative)

Sworn to and subscribed to before me this 3 day of April, 2024



[Signature]
(Signature of Notary)

My commission expires on 11-29, 2026 Notary Public in and for the State of Texas.

J. Pat O'Neill, III, CPA
Michael W. Kiefer, CPA
Troy W. Domingue, CPA
Allen W. Fehnel, CPA



Stanley (Chip) Majors, Jr., CPA, CITP, CGMA
Jane P. Burns, CPA, CDFA
Jeremy R. Triska, CPA
Chris W. Busch, CPA

April 3, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mauriceville Municipal Utility District
Orange, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mauriceville Municipal Utility District, which comprise the statement of net position as of December 31, 2023, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Mauriceville Municipal Utility District as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Mauriceville Municipal Utility 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are issued.

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 opinion. 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 on pages 5 through 9 and the Statement of Revenues, Expenses and Changes in Net Position – Budget and Actual page 20 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 on pages 5 through 9 and page 20 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.

To the Board of Directors
Mauriceville Municipal Utility District
Page 3
April 3, 2024

Other Information

Management is responsible for the other information included in the annual report. The Texas Supplementary Information listed in the Table of Contents on pages 21 through 30 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other information comprises the Schedules of Services and Rates and Board Members, Key Personnel and Consultants but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Wathen, DeShong & Juncker, L.L.P.

WATHEN, DeSHONG & JUNCKER, L.L.P.

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Mauriceville Municipal Utility District, we offer readers of the Mauriceville Municipal Utility District financial statements this narrative overview and analysis of the financial activities of the Mauriceville Municipal Utility District for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the independent auditor's report and the District's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- The assets of the Mauriceville Municipal Utility District exceeded its liabilities as of December 31, 2023, by \$2,839,684 (net position).
- The Mauriceville Municipal Utility District's total net position increased by \$1,152,291. The District had expenses associated with all activities totaling \$3,343,663 and total revenues were \$4,495,954.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Mauriceville Municipal Utility District's basic financial statements. These financial statements are comprised of two components: 1) financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Financial statements. The financial statements are designed to provide readers with a broad overview of the Mauriceville Municipal Utility District's finances, in a manner similar to a private-sector business.

The District utilizes one fund to conduct all activities of the District.

The Statement of Net Position presents information on all of the Mauriceville Municipal Utility District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decrease in net position may serve as a useful indicator of whether the financial position of the Mauriceville Municipal Utility District is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation).

The Statement of Cash Flows reconciles the change in cash and cash equivalents for the year under audit to the account activity for accounts in the Statement in Net Position and Statement of Revenues, Expenses and Changes in Net Position. The Statement of Cash Flows is presented in the direct method and segregated by operating, investing, and financing activities. The end of year cash balance per the Statement of Cash Flows is reconciled to the cash and cash equivalents balances on the Statement of Net Position.

The financial statements can be found on pages 10 through 12 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 13 through 19.

Other information. In addition to the basic financial statements and accompanying notes, required supplementary information presents a budgetary comparison schedule for the District to demonstrate compliance with the budget. This required supplementary information can be found on page 20.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

Management's Discussion and Analysis
For the Year Ended December 31, 2023

Financial Statement Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Mauriceville Municipal Utility District, assets exceeded liabilities by \$2,839,684 at December 31, 2023. The District's net position increased by \$1,152,291 and \$1,165,751 for the years ended December 31, 2023 and December 31, 2022, respectively.

STATEMENT OF NET POSITION

| | <u>2023</u> | <u>2022</u> | <u>Change</u> |
|--|---------------------|---------------------|---------------------|
| Current and other assets | \$ 1,148,827 | \$ 1,365,254 | \$ (216,427) |
| Capital assets | <u>5,220,596</u> | <u>5,260,510</u> | <u>(39,914)</u> |
| Total assets | <u>6,369,423</u> | <u>6,625,764</u> | <u>(256,341)</u> |
| Current and other liabilities | 2,098,869 | 2,033,781 | 65,088 |
| Long-term liabilities | <u>1,430,870</u> | <u>2,904,590</u> | <u>(1,473,720)</u> |
| Total liabilities | <u>3,529,739</u> | <u>4,938,371</u> | <u>(1,408,632)</u> |
| Net Position | | | |
| Investment in capital assets, net of related debt | 2,331,908 | 926,077 | 1,405,831 |
| Unrestricted | <u>507,776</u> | <u>761,316</u> | <u>(253,540)</u> |
| Total net position | <u>\$ 2,839,684</u> | <u>\$ 1,687,393</u> | <u>\$ 1,152,291</u> |

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

Management's Discussion and Analysis
 For the Year Ended December 31, 2023

**STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET POSITION**

| | <u>2023</u> | <u>2022</u> | <u>Change</u> |
|-------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Program revenues | | | |
| Fees for services | \$ 4,432,881 | \$ 4,395,492 | \$ 37,389 |
| General revenues | | | |
| Insurance recovery & grants | 84,278 | 46,800 | 37,478 |
| Other revenue | 3,265 | 3,380 | (115) |
| Loss on disposal of assets | (24,641) | (8,714) | (15,927) |
| Investment income | 171 | 9,420 | (9,249) |
| Total revenues | <u>4,495,954</u> | <u>4,446,378</u> | <u>49,576</u> |
| Expenses | | | |
| Water and sewer | 2,573,149 | 2,342,052 | 231,097 |
| Interest on long-term debt | 109,486 | 182,872 | (73,386) |
| Amortization of bond discount | - | 118,339 | (118,339) |
| Depreciation | <u>661,028</u> | <u>637,364</u> | <u>23,664</u> |
| Total expenses | <u>3,343,663</u> | <u>3,280,627</u> | <u>63,036</u> |
| Increase in net position | 1,152,291 | 1,165,751 | (13,460) |
| Net position - beginning | <u>1,687,393</u> | <u>521,642</u> | <u>1,165,751</u> |
| Net position - ending | <u>\$ 2,839,684</u> | <u>\$ 1,687,393</u> | <u>\$ 1,152,291</u> |

As the result of current operations, the District's total net position increased by \$1,152,291 during the current fiscal year.

Budgetary Highlights

No amendments were made to the original budget for the year ended December 31, 2023. The budget is presented separately on the Statement of Revenues, Expenses and Changes in Net Position – Budget to Actual, which can be found on page 20. Operating revenues were below budgeted amounts by 2.16%. Operating expenses (excluding depreciation) were under budgeted amounts by 5.16%.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

Management's Discussion and Analysis
For the Year Ended December 31, 2023

Capital Assets

The Mauriceville Municipal Utility District's investment in capital assets at December 31, 2023, was \$5,236,497 net of accumulated depreciation. This investment in capital assets includes land, buildings, machinery and equipment, and represents a net decrease of \$24,013 after considering current depreciation expense of \$661,028.

| CAPITAL ASSETS | | | |
|--------------------------------|---------------------|---------------------|--------------------|
| | <u>2023</u> | <u>2022</u> | <u>Change</u> |
| Land | \$ 745,548 | \$ 745,548 | \$ - |
| Construction in progress | 15,901 | - | 15,901 |
| Buildings and improvements | 604,523 | 604,523 | - |
| Water system | 9,602,207 | 9,385,786 | 216,421 |
| Sewer system | 17,312,704 | 17,170,833 | 141,871 |
| Machinery and equipment | 606,534 | 591,978 | 14,556 |
| Automobiles and trucks | 463,263 | 463,263 | - |
| Furniture and fixtures | 26,597 | 26,597 | - |
| | <u>29,377,277</u> | <u>28,988,528</u> | <u>388,749</u> |
| Total at historical cost | 29,377,277 | 28,988,528 | 388,749 |
| Total accumulated depreciation | <u>(24,140,780)</u> | <u>(23,728,018)</u> | <u>(412,762)</u> |
| Net capital assets | <u>\$ 5,236,497</u> | <u>\$ 5,260,510</u> | <u>\$ (24,013)</u> |

Long-Term Debt

At December 31, 2023, the Mauriceville Municipal Utility District had \$2,904,589 in notes payable outstanding, as shown below.

| LONG-TERM DEBT | | | |
|-----------------------|---------------------|---------------------|-----------------------|
| | <u>2023</u> | <u>2022</u> | <u>Change</u> |
| Note payable | <u>\$ 2,904,589</u> | <u>\$ 4,334,433</u> | <u>\$ (1,429,844)</u> |
| Total long-term debt | <u>\$ 2,904,589</u> | <u>\$ 4,334,433</u> | <u>\$ (1,429,844)</u> |

For the fiscal year ended December 31, 2023, interest expense was \$109,486. In the fiscal year ended 2021, the District called the Series 2011 Revenue Refunding Bonds and obtained financing from a local financial institution. The District anticipated future savings of \$440,432. In relation to the savings, the District instituted a 2% reduction in rates effective May 1, 2022. See footnote 5 for additional information.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

Management's Discussion and Analysis
For the Year Ended December 31, 2023

Economic Factors and Next Year's Budgets

Service fees and other operating revenues are budgeted at \$4,582,000 for the fiscal year ending December 31, 2024 as compared to actual operating revenue \$4,486,081 for the fiscal year just ended.

Operating expenses, prior to capital outlay, debt principal and interest, and depreciation are budgeted at \$2,724,835 for the fiscal year ending December 31, 2024 as compared to actual operating expenses of \$2,573,149 (which excludes depreciation expense) for the fiscal year just ended.

Requests for Information

This financial report is designed to provide a general overview of the Mauriceville Municipal Utility District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Mauriceville Municipal Utility District General Manager, Bradley Haeggquist, 15509 FM 1442, Orange, Texas 77632.

BASIC FINANCIAL STATEMENTS

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

STATEMENT OF NET POSITION

DECEMBER 31, 2023

| | |
|---|---------------------|
| CURRENT ASSETS | |
| Cash | \$ 338,392 |
| Accounts receivable, net of allowance for doubtful accounts | |
| Service accounts | 570,231 |
| Prepaid insurance | 6,101 |
| Current portion of long term note receivable | 18,000 |
| Inventory | 152,529 |
| | <hr/> |
| Total current assets | 1,085,253 |
| NONCURRENT ASSETS | |
| Capital assets | |
| Land | 745,548 |
| Construction in progress | 15,901 |
| Other capital assets, net of accumulated depreciation | 4,475,048 |
| Note receivable, net of current portion | 47,673 |
| | <hr/> |
| Total noncurrent assets | 5,284,170 |
| | <hr/> |
| Total assets | 6,369,423 |
| CURRENT LIABILITIES | |
| Accounts payable | 76,410 |
| Accrued liabilities | 78,050 |
| Interest payable | 5,083 |
| Compensated absences | 34,303 |
| Customer deposits | 431,304 |
| Current portion of long-term debt | 1,473,719 |
| | <hr/> |
| Total current liabilities | 2,098,869 |
| NONCURRENT LIABILITIES | |
| Notes payable - noncurrent | 1,430,870 |
| | <hr/> |
| Total noncurrent liabilities | 1,430,870 |
| | <hr/> |
| Total liabilities | 3,529,739 |
| NET POSITION | |
| Investment in capital assets, net of related debt | 2,331,908 |
| Unrestricted | 507,776 |
| | <hr/> |
| TOTAL NET POSITION | \$ 2,839,684 |

The accompanying notes are an integral part
of these financial statements.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2023

| | |
|---|---------------------|
| OPERATING REVENUES | |
| Service fees | \$ 4,091,619 |
| Tap connection fees | 273,471 |
| Miscellaneous | 120,991 |
| Total operating revenues | <u>4,486,081</u> |
| OPERATING EXPENSES | |
| Salaries and wages | 1,120,421 |
| Employee benefits | 469,779 |
| Professional services | 71,425 |
| Purchased and contract services | 20,292 |
| Consumable supplies and materials | 537,985 |
| Recurring operating expenses | 353,247 |
| Depreciation | 661,028 |
| Total operating expenses | <u>3,234,177</u> |
| OPERATING INCOME | <u>1,251,904</u> |
| NON-OPERATING REVENUES (EXPENSES) | |
| Interest on investments | 171 |
| Interest expense | (109,486) |
| Insurance recoveries | 31,078 |
| Gain (loss) on disposal of assets | (24,641) |
| Other revenue | 3,265 |
| Total non-operating revenues (expenses) | <u>(99,613)</u> |
| INCREASE IN NET POSITION | 1,152,291 |
| NET POSITION , beginning of period | <u>1,687,393</u> |
| NET POSITION , end of period | <u>\$ 2,839,684</u> |

The accompanying notes are an integral part
of these financial statements.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

| | |
|---|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customers | \$ 4,497,323 |
| Payments to suppliers | (957,915) |
| Payments to employees | <u>(1,580,431)</u> |
| Net cash provided by operating activities | <u>1,958,977</u> |
| CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Customer security deposits | <u>14,416</u> |
| Net cash provided (used) by non-capital and related financing activities | <u>14,416</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Payments for capital assets | (661,656) |
| Insurance recoveries | 31,078 |
| Grant income | 46,800 |
| Payment for interest on long-term debt | (111,988) |
| Retirement of long-term debt | <u>(1,429,843)</u> |
| Net cash provided (used) by capital and related financing activities | <u>(2,125,609)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest and dividends on investments | <u>171</u> |
| Net cash provided (used) by investing activities | <u>171</u> |
| INCREASE (DECREASE) IN CASH | (152,045) |
| CASH AND CASH EQUIVALENTS, beginning of period | <u>490,437</u> |
| CASH AND CASH EQUIVALENTS, end of period | <u><u>\$ 338,392</u></u> |
| Reconciliation of changes in net position to net cash provided by operating activities | |
| Changes in net position | \$ 1,152,291 |
| Adjustments to reconcile changes in net position to net cash provided by operating activities | |
| Depreciation and amortization | 661,028 |
| Interest income | (171) |
| Interest expense | 109,486 |
| Loss on sale of assets | 24,641 |
| Insurance recoveries | (31,078) |
| Grant income | (46,800) |
| Changes in working capital | |
| Receivables | 54,777 |
| Inventory | 25,251 |
| Prepaid expenses | 255 |
| Accounts payable | (3,278) |
| Accrued liabilities | 2,806 |
| Compensated absences | <u>9,769</u> |
| Net cash provided by operating activities | <u><u>\$ 1,958,977</u></u> |

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Mauriceville Municipal Utility District (the "District") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting entity

On July 1, 1995, Mauriceville Special Utility District began operating the water system which was previously operated by the Mauriceville Water Supply Corporation. The District acquired title to the assets from Mauriceville Water Supply Corporation. on April 11, 1996, at the time of the issuance of Utility System Revenue Bonds. The Mauriceville Water Supply Corporation ceased operations upon the transfer of assets to the Mauriceville Special Utility District.

The Mauriceville Special Utility District was organized pursuant to the provisions of Section 59 of Article XVI of the Constitution of Texas by Order of the Texas Natural Resource Conservation Commission on Docket No. 94-0492-DIS and operates under Chapter 65 of the Texas Water Code, as amended. On July 25, 2007, the Texas Commission on Environmental Quality (TCEQ) approved the application for conversion of Mauriceville Special Utility District to a municipal utility district operating under Texas Water Code Chapter 54. The conversion permits the District, with voter approval, to levy and collect a property tax to meet bonded debt service requirements.

The District provides service to the unincorporated area of Mauriceville, Texas, and the incorporated areas of Orange and Vidor, Texas, which includes customers residing in Orange, Jasper and Newton counties. The District is governed by a Board of Directors consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District.

The following is a summary of the District's significant accounting policies:

The District has adopted Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity". In accordance with this statement, a financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

As required by generally accepted accounting principles, these financial statements present the activities of the District which is considered to be the primary government as well as the reporting entity. There are no other organizations which meet the criteria for inclusion herein as part of the financial reporting entity.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes, if any were levied, would be recognized as revenue in the year for which they were levied. Grants and similar items are recognized as revenue when eligibility requirements imposed by the provider have been met.

Operating revenues and expenses are distinguished from non-operating items. Operating revenue and expenses generally result from providing services and from producing and delivering goods in connection with the District's ongoing operations. The principal operating revenues of the District are charges to customers for water and sewer services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

Using Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported period. Actual results could differ from those estimates.

Budgetary Control

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts shown on the budget to actual statements are as originally adopted or as amended by the District.

Inventory

Inventory is valued at cost, determined by actual physical count. Consumable supplies are considered an expense when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported by category in the financial statements. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following useful lives:

| <u>Assets</u> | <u>Years</u> |
|-----------------------------------|--------------|
| Buildings | 5 - 40 |
| Improvements other than buildings | 10 - 40 |
| Equipment | 3 - 15 |

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Vacation

All employees shall be eligible to receive vacation leave after completion of an initial three-month evaluation period, but vacation cannot be taken nor paid upon separation during the first year of employment. After the first anniversary of employment, vacation leave is credited to the employee's account on the first day of each calendar year.

Vacation accrues at the end of the first year of continuous service. Regular employees earn vacation leave in accordance with the following schedule:

- 1 to 4 years of employment – earns 10 days per year
- 5 to 10 years of employment – earns 15 days per year
- Over 10 years of employment – earns 20 days per year
- Over 20 years of employment – earns 25 days per year

Unused vacation leave of up to 20 days may be carried over to the District's next fiscal year with the approval of the General Manager. Beginning January 1, 2020 and all subsequent years, all unused vacation days over and above the allowable 20 days will be paid to the employee at the rate of \$40 a day on the 1st pay period of the new year.

Personal/Sick Leave

Regular full-time employees are entitled to personal leave beginning on the first date of employment. Qualified employees accrue 4 hours of personal leave each pay period. Unused personal leave of up to 20 days may be carried over to the District's next fiscal year with the approval of the General Manager. Beginning January 1, 2020 and all subsequent years, all unused personal days over and above the allowable 20 days will be paid to the employee at the rate of \$40 a day on the 1st pay period of the new year.

The District's liability as of December 31, 2023 for compensated absences is \$34,303 which was accrued and reported on the face of the financials.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the District considers all cash on deposit with banks and all highly liquid investments (including restricted assets) to be cash and cash equivalents.

Accounts Receivable

Accounts receivable from water and wastewater services are presented net of the allowance for doubtful accounts of \$33,835 at December 31, 2023. The decrease in the allowance has been netted against bad debt expense.

Leases

The Organization adopted Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, in the year ended December 31, 2022, which established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB No. 87, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of income. The standard also required expanded disclosures related to the amount, timing and uncertainty of cash flows arising from leases.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Leases (Continued)

The District maintains equipment under long-term leases. The lease expense for the leases was \$4,309 for the year ended December 31, 2023. Future minimum payments required are \$17,750. The District has determined that the future lease obligations are not material to the financial statements, and, therefore, a right to use asset and liability in relation to these leases is not reported in the financial statements.

Change in Accounting Principle

GASB statement No. 96, Subscription-Based Information Technology Arrangements was adopted on January 1, 2023. GASB Statement No. 96 establishes uniform accounting and financial reporting requirement for SBITA's; improves the comparability of government's financial statements; and enhances the understandability, reliability, relevance and consistency of information about SBITA's.

The District has evaluated all existing subscription based information technology arrangements and determined that based on the length of the agreement, terms of contract and total amount of future payments, that the SBITA's are not material to the financial statements, and, therefore, an asset and liability in relation to these agreements are not reported in the financial statements.

Risk Management and Participation in Risk Pools

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are protected by participation in the Texas Municipal League Intergovernmental Risk Pool. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage.

Subsequent Events

In accordance with ASC 855, the management of Mauriceville Municipal Utility District has evaluated subsequent events through April 3, 2024, the date on which the financial statements were available for issue.

2) **CASH AND INVESTMENTS**

Texas statute and the District's investment policy authorize the District to invest in U.S. Treasury bills, notes, and bonds, which are backed by the full faith and credit of the United States government, U.S. governmental agency securities, and insured or collateralized time deposits issued by banks domiciled in the State of Texas.

At year-end, the carrying amount of the District's deposits was \$338,393, and balance of the deposits per the financial institution was \$350,324. All deposits as of the financial statement date were insured by FDIC coverage or collateralized by a letter of credit and pledged securities held by the depository's agent in the District's name. At year end all cash deposits were considered to be unrestricted.

The District addresses its credit risk, custodial credit risk and concentration of credit risk by investing only in local financial institution instruments that are fully insured or collateralized. The District addresses its interest rate risk by investing primarily in short-term instruments. At year-end the District did not have any investments.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

3) **PROPERTY TAXES**

On July 25, 2007, the Texas Commission on Environmental Quality (TCEQ) approved the application for conversion of Mauriceville Special Utility District to a municipal utility district operating under Texas Water Code Chapter 54. The conversion permits the District, with voter approval, to levy and collect a property tax to meet bonded debt service requirements. No tax has been levied since the conversion to Mauriceville Municipal Utility District.

4) **CAPITAL ASSETS**

A summary of changes in the capital assets for the primary government for the year ended December 31, 2023 was as follows:

| | Balance January 1, 2023 | Additions | Retirements | Balance December 31, 2023 |
|--|-------------------------------|------------|-------------|---------------------------------|
| Capital assets, not being depreciated | | | | |
| Land | \$ 745,548 | \$ - | \$ - | \$ 745,548 |
| Construction in progress | - | 15,901 | - | 15,901 |
| Total capital assets, not being depreciated | 745,548 | 15,901 | - | 761,449 |
| Capital assets, being depreciated | | | | |
| Buildings | 604,523 | - | - | 604,523 |
| Improvements other than buildings | 25,435,183 | 631,200 | 272,907 | 25,793,476 |
| Machinery and equipment | 2,203,274 | 14,555 | - | 2,217,829 |
| Total capital assets, being depreciated | 28,242,980 | 645,755 | 272,907 | 28,615,828 |
| Less accumulated depreciation | | | | |
| Buildings | 97,559 | 17,086 | - | 114,645 |
| Improvements other than buildings | 22,829,341 | 532,540 | 248,266 | 23,113,615 |
| Machinery and equipment | 801,118 | 111,402 | - | 912,520 |
| Total accumulated depreciation | 23,728,018 | 661,028 | 248,266 | 24,140,780 |
| Total capital assets, being depreciation, net | 4,514,962 | (15,273) | 24,641 | 4,475,048 |
| Capital assets, net | \$ 5,260,510 | \$ 628 | \$ 24,641 | \$ 5,236,497 |
| Total depreciation expense | | \$ 661,028 | | |

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

5) **LONG-TERM DEBT**

The District issues revenue bonds to provide funds for the acquisition and construction of major capital facilities. During the year ended December 31, 2022, the District called the Series 2011 Revenue Refunding Bonds. On March 10, 2022 a payment of \$7,576,342 was made to fulfill the District's obligation for these bonds.

In relation to calling the Series 2011 Revenue Refunding Bonds, on March 10, 2022 the District entered into a business loan agreement with a local lender. The District financed \$5,250,000 at a fixed interest rate of 3.00% for 43 months. Monthly payments of \$128,486 are required and the loan will mature on December 10, 2025. The District pledged all vehicles and equipment as collateral in relation to the loan.

Annual debt service requirements to maturity:

| Years Ending December 31, | Interest | Principal |
|------------------------------|-----------|--------------|
| 2024 | \$ 68,113 | \$ 1,473,719 |
| 2025 | 22,430 | 1,430,871 |
| | \$ 90,543 | \$ 2,904,590 |

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2023 was as follows:

| | Beginning Balance | Additions | Retirements | Ending Balance | Due Within One Year |
|----------------------|----------------------|-----------|--------------|-------------------|------------------------|
| Note payable | \$ 4,334,433 | \$ - | \$ 1,429,844 | \$ 2,904,589 | \$ 1,473,719 |
| Total long-term debt | \$ 4,334,433 | \$ - | \$ 1,429,844 | \$ 2,904,589 | \$ 1,473,719 |

6) **OTHER REQUIRED DISCLOSURES**

Generally accepted accounting principles require disclosure, as part of the basic financial statements, of certain information:

- A) Segment information for certain enterprise funds. This requirement is effectively met in this report because the District maintains only fund.
- B) Purchased and contract services exceeded budget by \$492 and depreciation exceeded budget by \$41,028.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

7) **PENSION COSTS**

The District and its employees do not participate in any public retirement system provided by the State of Texas or any of its political subdivisions.

The Board of Directors approved the District's participation in a Section 457 plan in the year ended December 31, 2000. On July 1, 2007, the plan changed from an Enterprise Plan to an Expert Plan with American Funds. This change was supported by employee vote at a May 17, 2007 board meeting. The plan is qualified and the contributions are considered deferred compensation for the employees. Since the amount contributed is not subject to the general creditors of the District, the funds are not presented in the financial statements. The District contributes 7% of each employee's base pay. The contribution percentage is determined each year as part of the budget process and the District has no obligation to make this contribution in future years. The amount paid in 2023 was \$58,052.

8) **COMMITMENTS AND CONTINGENCIES**

The District is a party to various claims and legal actions arising in the ordinary course of operations. In the opinion of management, all such matters are adequately covered by insurance or if not so covered, are without merit, or involve such amounts that unfavorable disposition would not have a material effect on the operation of the District.

9) **TAX ABATEMENTS**

The District does not levy taxes and has not awarded any Tax Abatement Agreements under Texas Property Redevelopment and Tax Abatement Tax Code Chapter 312.

10) **CONTINGENCY**

The Federal Emergency Management Agency (FEMA) is assisting the District in recovering costs associated with Tropical Storm Harvey. The total amount of FEMA reimbursements is unknown at this time. The District has not recognized revenue or recorded a receivable for potential amounts to be received from FEMA.

11) **RECLASSIFICATION OF PRIOR PERIOD PRESENTATION**

Certain prior period balances have been reclassified for consistency with the current year presentation. There is no impact on net assets and no prior period adjustment is necessary.

12) **SOUTH NEWTON WATER SUPPLY CORPORATION**

The District provides sewer services to the customers of the South Newton Water Supply Corporation (South Newton). In the year ended December 31, 2016 the District completed improvements to the sewer plant mandated by Texas Commission on Environmental Quality. The District entered into an agreement with South Newton to recover a portion of the costs associated with the plant upgrade. Per the agreement, South Newton will pay the District \$1,500 per month until a total of \$146,673 has been paid. In the year ended December 31, 2023, the District received payments of \$18,000, leaving a receivable balance of \$65,673 at year-end, of which \$18,000 is considered a current asset.

REQUIRED SUPPLEMENTARY INFORMATION

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BUDGET AND ACTUAL DECEMBER 31, 2023

| | Original Budget | Final Budget | Actual | Final Budget Variance Favorable (Unfavorable) |
|---|--------------------|-----------------|--------------|--|
| REVENUES | | | | |
| Service fees | \$ 4,061,000 | \$ 4,061,000 | \$ 4,091,619 | \$ 30,619 |
| Tap connection fees | 462,000 | 462,000 | 273,471 | (188,529) |
| Miscellaneous | 62,000 | 62,000 | 120,991 | 58,991 |
| Total operating revenues | 4,585,000 | 4,585,000 | 4,486,081 | (98,919) |
| EXPENSES | | | | |
| Salaries and wages | 1,140,000 | 1,140,000 | 1,120,421 | 19,579 |
| Employee benefits | 547,150 | 547,150 | 469,779 | 77,371 |
| Professional services | 97,995 | 97,995 | 71,425 | 26,570 |
| Purchased and contract services | 19,800 | 19,800 | 20,292 | (492) |
| Consumable supplies and materials | 743,500 | 743,500 | 537,985 | 205,515 |
| Recurring operating expenses | 387,390 | 387,390 | 353,247 | 34,143 |
| Depreciation and amortization | 620,000 | 620,000 | 661,028 | (41,028) |
| Total operating expenses | 3,555,835 | 3,555,835 | 3,234,177 | 321,658 |
| OPERATING INCOME (LOSS) - BUDGET BASIS | 1,029,165 | 1,029,165 | 1,251,904 | 222,739 |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Interest on investments | 200 | 200 | 171 | (29) |
| Interest expense | (112,000) | (112,000) | (109,486) | 2,514 |
| Disposition of assets | - | - | (24,641) | (24,641) |
| Grants | 110,000 | 110,000 | - | (110,000) |
| Insurance recoveries | - | - | 31,078 | 31,078 |
| Other revenue | - | - | 3,265 | 3,265 |
| Total non-operating revenues (expenses) | (1,800) | (1,800) | (99,613) | (97,813) |
| CHANGE IN NET POSITION - BUDGET BASIS | \$ 1,027,365 | \$ 1,027,365 | 1,152,291 | \$ 124,926 |
| NET POSITION, beginning of period | | | 1,687,393 | |
| NET POSITION, end of period | | | \$ 2,839,684 | |

See Independent Auditor's Report on Supplementary Information.

TEXAS SUPPLEMENTARY INFORMATION

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

SCHEDULE OF SERVICES AND RATES

DECEMBER 31, 2023

1. Services provided by the District:

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

2. Retail rates based on 5/8" meter: Retail rates not applicable

The most prevalent type of meter (if not a 5/8"): 5/8" is most prevalent

Based on Rate Order dated May 1, 2022:

| | Minimum Charge | Minimum Usage | Flat Rate Y/N | Rate Per 1,000 Gallons Over Minimum | Usage Levels | | |
|--|----------------|---------------|---------------|-------------------------------------|--------------------------|----|-------------------------------------|
| Water | 25.60 | - | Y | - | - | to | - |
| | | | | 4.79 | - | to | 7,999 |
| | | | | 5.08 | 8,000 | to | Plus |
| Wastewater | 29.35 | - | Y | - | - | to | - |
| | | | | 4.25 | - | to | 7,999 |
| | | | | 4.50 | 8,000 | to | Plus |
| Surcharge | NA | | | | | | |
| Does the District employ winter averaging for wastewater usage? | | | | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| Total water and wastewater charges per 10,000 gallons usage (including surcharges) | | | | | \$ <u>147.17</u> | | |

3. Retail service providers: Number of retail and/or wastewater⁽¹⁾ connections within the District as of the fiscal year end. Provide actual number and single-family equivalents (ESFC) as noted:

| | Active Connections | Active ESFC | Inactive Connections (ESFC) ⁽²⁾ | Total |
|--|--------------------|--------------|--|--------------|
| Single family | | | | |
| Water | 3,448 | 3,448 | Unknown | 3,448 |
| Sewer | 2,763 | 2,974 | Unknown | 2,974 |
| Multifamily | 47 | 281 | Unknown | 281 |
| Commercial | 87 | 87 | - | 87 |
| Other - recreational centers, government and VFD | 1 | 1 | - | 1 |
| | <u>3,583</u> | <u>3,817</u> | <u>-</u> | <u>3,817</u> |

See Independent Auditor's Report on Supplementary Information.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

SCHEDULE OF SERVICES AND RATES

DECEMBER 31, 2023

(CONTINUED)

4. Total water consumption (rounded to the nearest 1,000) during the fiscal year:
Gallons pumped into system: 239,842,000
Gallons billed to customers: 190,440,500
5. Standby fees: Does the District assess standby fees? Yes _____ No X
Have standby fees been levied in accordance with Water Code Section 49.231 thereby constituting a lien on a property? Yes _____ No X
6. Anticipated sources of funds to be used by debt service payments in the District's following year:
- | | <u>Amount</u> |
|--|---------------------|
| Debt service tax receipts | \$ - |
| Surplus construction funds | - |
| Water and/or wastewater revenue | 1,541,832 |
| Standby fees | - |
| Debt service fund balance to be used | - |
| Interest revenues | - |
| Other funds in excess of required payments | <u>-</u> |
| Total Anticipated Funds to be used | <u>\$ 1,541,832</u> |
7. Location of District: County(ies) in which District is located. Orange, Jasper, Newton County
Is the general membership of the board appointed by an office outside the District? Yes ___ No X
Is the District located within a city? Entirely _____ Partly X Not at all _____
City(ies) in which District is located? City of Orange, City of Vidor
Is the District located within a city's extra territorial jurisdiction (ETJ)?
Entirely ___ Partly X Not at all ___
ETJ's in which District is located? City of Orange, City of Vidor
Outside the District? Yes ___ No X
Name of Contact Brad Haeggquist Phone Number (409)745-4882
Title General Manager

(1) Number of connections relates to water service if water service is provided. Otherwise, number of wastewater connections is provided.

(2) "Inactive" means that water and sewer connections were made but service is not being provided.

See Independent Auditor's Report on Supplementary Information.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

SCHEDULE OF OPERATING EXPENSES

DECEMBER 31, 2023

| OPERATING EXPENSES | |
|---|----------------------------|
| Personnel (including benefits) | <u>\$ 1,590,200</u> |
| Professional fees | |
| Auditing & accounting | 16,995 |
| Legal | 22,138 |
| Engineering | 11,475 |
| Other professional fees | <u>20,817</u> |
| Total professional fees | <u>71,425</u> |
| Purchased and contracted services | |
| Other contracted services | <u>20,292</u> |
| Total contracted services | <u>20,292</u> |
| Consumable supplies and materials | |
| Fuel, chemicals and other | 321,756 |
| Repair and maintenance | <u>216,229</u> |
| Total consumable supplies and materials | <u>537,985</u> |
| Recurring operating expenses | |
| Utilities | 121,532 |
| Insurance | 57,642 |
| Other administrative expenses | <u>174,073</u> |
| Total administrative expenses | <u>353,247</u> |
| Depreciation and amortization | <u>661,028</u> |
| TOTAL OPERATING EXPENSES | <u>3,234,177</u> |
| Interest expense | <u>109,486</u> |
| Total non-operating expenses | <u>134,127</u> |
| TOTAL EXPENSES | <u>\$ 3,368,304</u> |

See Independent Auditor's Report on Supplementary Information.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

SCHEDULE OF TEMPORARY INVESTMENTS

DECEMBER 31, 2023

The District did not have investments as of December 31, 2023.

See Independent Auditor's Report on Supplementary Information.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

ANALYSIS OF TAXES LEVIED AND RECEIVABLE

DECEMBER 31, 2023

Mauriceville Special Utility District converted to a Municipal Utility District on July 25, 2007. The District has the authority to levy tax with voter approval. As of year-end, the District had taken no such action and therefore, had no taxes receivable at December 31, 2023.

See Independent Auditor's Report on Supplementary Information.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

DEBT SERVICE REQUIREMENTS BY YEARS DECEMBER 31, 2023

| <u>Due During Years Ending December 31,</u> | Fixed Rate Long-Term Loan Financed \$5,250,000 | | <u>Total Principal and Interest</u> |
|---|---|--------------|---|
| | Yearly Payments | | |
| | Interest | Principal | |
| 2024 | \$ 68,113 | \$ 1,473,719 | \$ 1,541,832 |
| 2025 | 22,430 | 1,430,871 | 1,453,301 |
| | \$ 90,543 | \$ 2,904,590 | \$ 2,995,133 |

See Independent Auditor's Report on Supplementary Information.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

ANALYSIS OF CHANGES IN LONG-TERM DEBT DECEMBER 31, 2023

| | Note Payable | Total |
|--|--------------|--------------|
| Interest rates | 3.00% | |
| Dates interest payable | Monthly | |
| Maturity dates | 12/10/2025 | |
| Long-term, beginning of current period | \$ 4,344,433 | \$ 4,344,433 |
| New debt proceeds | - | - |
| Retirements, principal | 1,429,844 | 1,429,844 |
| Long-term debt outstanding, end of current period | \$ 2,914,589 | \$ 2,914,589 |
| Interest paid during current period | \$ 109,486 | \$ 109,486 |
| | | |
| Average annual debt service payment (principal and interest) for remaining term of all debt | | \$ 1,497,567 |

See Independent Auditor's Report on Supplementary Information.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

COMPARATIVE STATEMENT OF REVENUES AND EXPENSES FOR THE FIVE YEARS ENDED DECEMBER 31, 2023

| | Amounts | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Operating revenues | | | | | |
| Charges for service | \$ 4,091,619 | \$ 4,013,612 | \$ 3,859,845 | \$ 3,769,873 | \$ 3,593,063 |
| Tap and connection fees | 273,471 | 355,457 | 285,377 | 348,314 | 291,312 |
| Inspection and miscellaneous fees | 120,991 | 73,223 | 69,103 | 55,992 | 32,069 |
| Total revenues | 4,486,081 | 4,442,292 | 4,214,325 | 4,174,179 | 3,916,444 |
| Expenses | | | | | |
| Salaries and wages | 1,120,421 | 1,005,593 | 940,174 | 935,736 | 1,224,146 |
| Employee benefits | 469,779 | 455,043 | 469,663 | 416,842 | - |
| Professional fees | 71,425 | 75,105 | 65,175 | 74,336 | 72,551 |
| Purchased and contracted services | 20,292 | 20,585 | 19,164 | 47,957 | 45,185 |
| Consumable supplies and materials | 537,985 | 448,216 | 500,579 | 465,525 | 471,559 |
| Recurring operating expenses | 336,681 | 340,306 | 289,817 | 245,353 | 222,463 |
| Bad debt expense | 16,566 | (2,796) | 3,344 | 4,918 | 11,738 |
| Depreciation and amortization | 661,028 | 637,364 | 590,343 | 530,671 | 519,315 |
| Total expenses | 3,234,177 | 2,979,416 | 2,878,259 | 2,721,338 | 2,566,957 |
| Excess (expenses) | 1,251,904 | 1,462,876 | 1,336,066 | 1,452,841 | 1,349,487 |
| Nonoperating Revenues (Expenses) | | | | | |
| Gain/(loss) on disposition of assets | (24,641) | (8,714) | - | (11,301) | (19,404) |
| Disaster repair expenses | - | - | - | - | (19,357) |
| Interest income | 171 | 9,420 | 35,184 | 30,233 | 42,719 |
| FEMA/Grants | - | - | 11,500 | 30,316 | 145,187 |
| Insurance recoveries | 31,078 | - | 55,291 | 51,097 | 167,111 |
| Other revenue | 3,265 | 3,380 | 2,511 | 1,478 | 137,673 |
| Interest expense | (109,486) | (182,872) | (344,507) | (390,069) | (431,268) |
| Amortization of bond discount | - | (118,339) | (23,668) | (23,668) | (23,668) |
| Total nonoperating revenues | (99,613) | (297,125) | (263,689) | (311,914) | (1,007) |
| Net income (loss) | \$ 1,152,291 | \$ 1,165,751 | \$ 1,072,377 | \$ 1,140,927 | \$ 1,348,480 |
| Total active retail water and/or wastewater connections | 3,817 | 3,719 | 3,661 | 3,609 | 3,492 |

See Independent Auditor's Report on Supplementary Information.

| Percent of Fund Total Revenues | | | | |
|--------------------------------|---------------|---------------|---------------|--------------|
| 2023 | 2022 | 2021 | 2020 | 2019 |
| 91.2% | 90.4% | 91.7% | 90.4% | 91.6% |
| 6.1% | 8.0% | 6.8% | 8.3% | 7.4% |
| 2.7% | 1.6% | 1.6% | 1.3% | 0.8% |
| <u>100.0%</u> | <u>100.0%</u> | <u>100.1%</u> | <u>100.0%</u> | <u>99.8%</u> |
| 25.0% | 22.6% | 22.3% | 22.4% | 31.3% |
| 10.5% | 10.2% | 11.1% | 10.0% | 0.0% |
| 1.6% | 1.7% | 1.5% | 1.8% | 1.9% |
| 0.5% | 0.5% | 0.5% | 1.1% | 1.2% |
| 12.0% | 10.1% | 11.9% | 11.2% | 12.0% |
| 7.5% | 7.7% | 6.9% | 5.9% | 5.7% |
| 0.4% | -0.1% | 0.1% | 0.1% | 0.3% |
| 14.7% | 14.3% | 14.0% | 12.7% | 13.3% |
| <u>72.2%</u> | <u>67.0%</u> | <u>68.3%</u> | <u>65.2%</u> | <u>65.7%</u> |
| <u>27.8%</u> | <u>33.0%</u> | <u>31.8%</u> | <u>34.8%</u> | <u>34.1%</u> |
| -0.5% | -0.2% | 0.0% | -0.3% | -0.5% |
| 0.0% | 0.0% | 0.0% | 0.0% | -0.5% |
| 0.0% | 0.2% | 0.8% | 0.7% | 1.1% |
| 0.0% | 0.0% | 0.3% | 0.7% | 3.7% |
| 0.7% | 0.0% | 1.3% | 1.2% | 4.3% |
| 0.3% | 0.3% | 0.3% | 0.2% | 11.2% |
| -2.4% | -4.1% | -8.2% | -9.3% | -11.0% |
| <u>0.0%</u> | <u>-2.7%</u> | <u>-0.6%</u> | <u>-0.6%</u> | <u>-0.6%</u> |
| <u>-1.9%</u> | <u>-6.5%</u> | <u>-6.1%</u> | <u>-7.4%</u> | <u>7.7%</u> |
| <u>25.9%</u> | <u>26.5%</u> | <u>25.7%</u> | <u>27.4%</u> | <u>41.8%</u> |

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS DECEMBER 31, 2023

Complete District Mailing Address: Mauriceville Municipal Utility District
15509 FM 1442
Orange, TX 77632

District Business Telephone Number: (409) 745-4882

| Name and Address | Term of Office Date Elected or Date Hired | Salary | Expense Reimbursements | Title at Year-End | Resident of District |
|--|--|------------|---------------------------|----------------------|-------------------------|
| Board Members | | | | | |
| Tim McCarver 5570 Colony Lane Orange, Texas 77632 | 05/2022 12/2026 | \$ - | \$ - | Director | Yes |
| Michael West 4846 Len Dr. Orange, Texas 77632 | 05/2022 12/2026 | \$ - | \$ - | President | Yes |
| Ted Williams PO Box 707 Mauriceville, Texas 77626 | 12/2020 06/2024 | \$ - | \$ - | Treasurer/Secretary | Yes |
| Russell Love 7477 Circle 6 Orange, Texas 77632 | 06/2020 06/2024 | \$ - | \$ - | Director | Yes |
| Jay Scheiderer 5343 Michelle Road Orange, Texas 77632 | 06/2020 06/2024 | \$ - | \$ - | Vice-President | Yes |
| Key Administrative Personnel | | | | | |
| Bradley Haeggquist 2625 Mansfield Ferry Rd. Vidor, Texas 77662 | 05/2018 Present | \$ 104,520 | \$ 97 | General Manager | No |

NOTE: No director is disqualified from serving on the board of the District under the Texas Water Code.

See Independent Auditor's Report on Supplementary Information.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS DECEMBER 31, 2023 (CONTINUED)

| <u>Name and Address</u> | <u>Term of Office Date Elected or Date Hired</u> | <u>Fees and Expense Reimbursements December 31, 2022</u> | <u>Title at Year-End</u> | <u>Resident of District</u> |
|--|--|--|------------------------------|---------------------------------|
| Consultants | | | | |
| Barron Law Office, PLLC 108 North 7th Street Orange, Texas 77630 | 11/2016 | \$ 12,000 | Attorney | N/A |
| Keri Michutka, CPA 1906 Texas Avenue Bridge City, Texas 77611 | 01/2019 | \$ 638 | CPA | N/A |
| Wathen, DeShong & Juncker, LLP 4140 Gladys Avenue, Suite 101 Beaumont, Texas 77706 | 11/2018 | \$ 16,995 | Independent Auditor | N/A |
| Leavins Engineering & Design, LLC 3250 Eastex Freeway Beaumont, Texas 77703 | 01/2022 | \$ 11,475 | Engineer | N/A |
| Germer, PLLC 550 Fannin, Suite 400 Beaumont, Texas 77701 | 01/2022 | \$ 11,138 | Attorney | N/A |

See Independent Auditor's Report on Supplementary Information.