

**MAURICEVILLE MUNICIPAL UTILITY DISTRICT**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2025**

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ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS §  
COUNTY OF Orange §

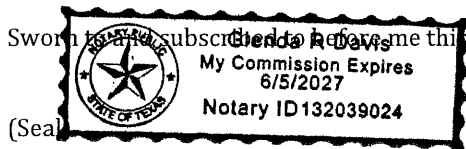
I, Mike West, President of the Mauriceville Municipal Utility District hereby swear, or affirm, that the District named above has reviewed and approved at a meeting of the Board of Directors of the District on the 1<sup>st</sup> day of April, 2026 its annual report for the year or period ended December 31, 2025 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: 4 - 1, 2026

By: [Signature]  
(Signature of District Representative)

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

Sworn before me this 1<sup>st</sup> day of April, 2026



[Signature]  
(Signature of Notary)

My commission expires on June 5, 27, Notary Public in and for the State of Texas.



March 30, 2026

## 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, 2025, 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, 2025, 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 22 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 22 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  
March 30, 2026

**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 23 through 32 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

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2025. 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, 2025, by \$4,931,697 (net position).
- The Mauriceville Municipal Utility District's total net position increased by \$995,084. The District had expenses associated with all activities totaling \$3,720,433 and total revenues were \$4,715,517.

### 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 of 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 21.

**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 22.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

Management's Discussion and Analysis  
 For the Year Ended December 31, 2025

**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 \$4,931,697 at December 31, 2025. The District's net position increased by \$995,084 and \$1,096,929 for the years ended December 31, 2025 and December 31, 2024, respectively.

**STATEMENT OF NET POSITION**

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Current and other assets	\$ 1,350,697	\$ 1,410,159	\$ (59,462)
Capital assets	<u>6,074,471</u>	<u>5,278,173</u>	<u>796,298</u>
Total assets	<u>7,425,168</u>	<u>6,688,332</u>	<u>736,836</u>
Current and other liabilities	1,044,482	1,024,934	19,548
Long-term liabilities	<u>1,448,989</u>	<u>1,726,785</u>	<u>(277,796)</u>
Total liabilities	<u>2,493,471</u>	<u>2,751,719</u>	<u>(258,248)</u>
Net Position			
Investment in capital assets, net of related debt	4,347,686	3,363,809	983,877
Unrestricted	<u>584,011</u>	<u>572,804</u>	<u>11,207</u>
Total net position	<u>\$ 4,931,697</u>	<u>\$ 3,936,613</u>	<u>\$ 995,084</u>

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

Management's Discussion and Analysis  
For the Year Ended December 31, 2025

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

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Revenues			
Program revenues			
Fees for services	\$ 4,618,305	\$ 4,502,404	\$ 115,901
General revenues			
Insurance recovery & grants	94,211	96,216	(2,005)
Other revenue	2,732	4,278	(1,546)
Loss on disposal of assets	-	(6,420)	6,420
Investment income	269	84	185
Total revenues	<u>4,715,517</u>	<u>4,596,562</u>	<u>118,955</u>
Expenses			
Water and sewer	2,857,507	2,711,569	145,938
Interest on long-term debt	93,679	88,481	5,198
Depreciation	769,247	699,583	69,664
Total expenses	<u>3,720,433</u>	<u>3,499,633</u>	<u>220,800</u>
Increase in net position	995,084	1,096,929	(101,845)
Net position - beginning	<u>3,936,613</u>	<u>2,839,684</u>	<u>1,096,929</u>
Net position - ending	<u>\$ 4,931,697</u>	<u>\$ 3,936,613</u>	<u>\$ 995,084</u>

As the result of current operations, the District's total net position increased by \$995,084 during the current fiscal year.

**Budgetary Highlights**

The original budget for the year ended December 31, 2025 was amended on September 15, 2025. 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 22. Operating revenues exceeded budgeted amounts by 0.58%. Operating expenses (excluding depreciation) were under budgeted amounts by 24%.

MAURICEVILLE MUNICIPAL UTILITY DISTRICT

Management's Discussion and Analysis  
For the Year Ended December 31, 2025

**Capital Assets**

The Mauriceville Municipal Utility District's investment in capital assets at December 31, 2025, was \$6,074,471 net of accumulated depreciation. This investment in capital assets includes land, buildings, machinery and equipment, and represents a net increase of \$719,774 after considering current depreciation expense of \$769,247.

<b>CAPITAL ASSETS</b>			
	<u>2025</u>	<u>2024</u>	<u>Change</u>
Land	\$ 745,548	\$ 745,548	\$ -
Construction in progress	-	-	-
Buildings and improvements	635,483	626,283	9,200
Improvements other than buildings	26,986,158	26,046,662	939,496
Machinery and equipment	2,535,881	2,337,889	197,992
Subscription assets	<u>91,829</u>	<u>91,829</u>	<u>-</u>
Total at historical cost	30,994,899	29,848,211	1,146,688
Total accumulated depreciation	<u>(24,920,428)</u>	<u>(24,493,514)</u>	<u>(426,914)</u>
Net capital assets	<u>\$ 6,074,471</u>	<u>\$ 5,354,697</u>	<u>\$ 719,774</u>

**Long-Term Debt**

At December 31, 2025, the Mauriceville Municipal Utility District had \$1,671,626 in notes payable outstanding, as shown below.

<b>LONG-TERM DEBT</b>			
	<u>2025</u>	<u>2024</u>	<u>Change</u>
Note payable	<u>\$ 1,671,626</u>	<u>\$ 1,920,045</u>	<u>\$ (248,419)</u>
Total long-term debt	<u>\$ 1,671,626</u>	<u>\$ 1,920,045</u>	<u>\$ (248,419)</u>

For the fiscal year ended December 31, 2025, interest expense was \$90,571. 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, 2025

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**Economic Factors and Next Year's Budgets**

Service fees and other operating revenues are budgeted at \$4,738,850 for the fiscal year ending December 31, 2026 as compared to actual operating revenue \$4,671,505 for the fiscal year just ended.

Operating expenses, prior to capital outlay, debt principal and interest, and depreciation are budgeted at \$3,060,650 for the fiscal year ending December 31, 2026 as compared to actual operating expenses of \$2,857,507 (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, 2025

<b>CURRENT ASSETS</b>	
Cash	\$ 643,741
Accounts receivable, net of allowance for doubtful accounts	
Service accounts	469,565
Prepaid insurance	10,487
Current portion of long term note receivable	18,000
Inventory	<u>197,231</u>
Total current assets	<u>1,339,024</u>
<b>NONCURRENT ASSETS</b>	
Capital assets	
Land	745,548
Other capital assets, net of accumulated depreciation	5,270,765
SBITA asset, net	58,158
Note receivable, net of current portion	<u>11,673</u>
Total noncurrent assets	<u>6,086,144</u>
Total assets	<u>7,425,168</u>
<b>CURRENT LIABILITIES</b>	
Accounts payable	141,525
Accrued liabilities	101,295
Interest payable	6,965
Compensated absences	46,365
Customer deposits	470,536
Current portion of long-term debt - Notes payable	261,309
Current portion of long-term debt - SBITA liability	<u>16,487</u>
Total current liabilities	<u>1,044,482</u>
<b>NONCURRENT LIABILITIES</b>	
Notes payable - noncurrent	1,410,317
SBITA liability - noncurrent	<u>38,672</u>
Total noncurrent liabilities	<u>1,448,989</u>
Total liabilities	<u>2,493,471</u>
<b>NET POSITION</b>	
Investment in capital assets, net of related debt	4,347,686
Unrestricted	<u>584,011</u>
<b>TOTAL NET POSITION</b>	<u>\$ 4,931,697</u>

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, 2025

<b>OPERATING REVENUES</b>	
Service fees	\$ 4,228,121
Tap connection fees	406,107
Miscellaneous	37,277
Total operating revenues	<u>4,671,505</u>
<b>OPERATING EXPENSES</b>	
Salaries and wages	1,259,210
Employee benefits	523,476
Professional services	79,901
Purchased and contract services	23,957
Consumable supplies and materials	598,742
Recurring operating expenses	372,221
Depreciation	769,247
Total operating expenses	<u>3,626,754</u>
<b>OPERATING INCOME</b>	<u>1,044,751</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest on investments	269
Interest expense	(93,679)
Insurance recoveries	41,011
Other revenue	2,732
Total non-operating revenues (expenses)	<u>(49,667)</u>
<b>INCREASE IN NET POSITION</b>	995,084
<b>NET POSITION, beginning of period</b>	<u>3,936,613</u>
<b>NET POSITION, end of period</b>	<u>\$ 4,931,697</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, 2025

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 4,688,321
Payments to suppliers	(1,133,250)
Payments to employees	(1,770,520)
Net cash provided by operating activities	1,784,551
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Customer security deposits	17,582
Net cash provided (used) by non-capital and related financing activities	17,582
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Payments for capital assets	(1,489,027)
Insurance recoveries	41,011
Other revenue	2,738
Payment for interest on long-term debt	(94,714)
Retirement of SBITA liability	(15,684)
Retirement of long-term debt	(248,419)
Net cash provided (used) by capital and related financing activities	(1,804,095)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and dividends on investments	269
Net cash provided (used) by investing activities	269
<b>INCREASE (DECREASE) IN CASH</b>	
	(1,693)
<b>CASH AND CASH EQUIVALENTS, beginning of period</b>	
	645,434
<b>CASH AND CASH EQUIVALENTS, end of period</b>	
	\$ 643,741
<b>Reconciliation of changes in net position to net cash provided</b>	
<b>by operating activities</b>	
Changes in net position	\$ 1,044,751
Adjustments to reconcile changes in net position to net cash provided	
by operating activities	
Depreciation and amortization	769,247
Changes in working capital	
Receivables	16,816
Inventory	(34,975)
Prepaid expenses	(596)
Accounts payable	(35,210)
Accrued liabilities	12,352
Compensated absences	12,166
Net cash provided by operating activities	\$ 1,784,551

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, 2025

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, 2025

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, 2025

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

**Compensated Absences**

Employees of the District are entitled to paid vacation and personal/sick leave based on length of service.

Vacation leave becomes available after completion of an initial six-month evaluation period; however, vacation may not be taken nor paid upon separation during the first year of employment. After the first anniversary of employment, vacation leave is credited annually and earned 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 forward to the subsequent fiscal year with approval of the General Manager. Vacation balances in excess of 20 days are paid annually at a fixed rate of \$40 per day as established by the District.

Regular full-time employees are entitled to personal/sick leave beginning on their first date of employment. Employees accrue personal leave each pay period. Unused personal leave of up to 20 days may be carried forward with approval of the General Manager. Personal leave balances in excess of 20 days are paid annually at a fixed rate of \$40 per day as established by the District.

The District accrues a liability for compensated absences when earned. The liability for compensated absences as of December 31, 2025 was \$46,365 and is reported as a current liability in the financial statements.

During the year ended December 31, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*, which establishes updated recognition and measurement guidance for compensated absences. Upon evaluation of the District's policies and existing accrued leave balances, the implementation of this standard did not result in a material change to the District's compensated absences liability or beginning net position.

**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 \$29,972 at December 31, 2025. The decrease in the allowance has been netted against revenue.

**Leases**

The District accounts for leases in accordance with GASB Statement No. 87, *Leases*, which requires recognition of a right-to-use asset and corresponding lease liability for leases with a term greater than 12 months, unless the lease is considered short-term or immaterial.

# MAURICEVILLE MUNICIPAL UTILITY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025

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

#### Leases (Continued)

The District maintains equipment under long-term lease agreements. Lease expense for the year ended December 31, 2025 was \$4,454, and future minimum lease payments total \$12,748. The District has evaluated these lease agreements and determined that the future lease obligations are not material to the financial statements, and, accordingly, no lease asset or liability has been recognized.

#### Change in Accounting Principle

In the year ended December 31, 2025, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences. The statement requires liabilities to be recognized for leave attributable to services already rendered that accumulates and is more likely than not to be used or otherwise paid. Adoption of this statement did not result in a material adjustment to the District's financial statements or beginning net position.

#### Subscription-Based Information Technology Arrangements (SBITA)

The District accounts for subscription-based information technology arrangements (SBITAs) in accordance with GASB Statement No. 96. Under this standard, the District recognizes a SBITA liability and a corresponding intangible right-to-use SBITA asset for subscription arrangements with terms greater than 12 months.

The SBITA liability is measured at the present value of subscription payments expected to be made during the subscription term, using the District's estimated incremental borrowing rate. The related SBITA asset is measured based on the initial liability amount, adjusted for certain implementation costs and other applicable items, and is amortized on a straight-line basis over the subscription term.

SBITA assets are reported with other capital assets, and SBITA liabilities are reported with long-term liabilities on the statement of net position. The District evaluates its SBITAs for changes in circumstances that may require remeasurement.

#### 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 March 30, 2026, the date on which the financial statements were available for issue.

# MAURICEVILLE MUNICIPAL UTILITY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025

### 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 \$643,741, and the balance of the deposits per the financial institution was \$547,729. 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.

### 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.

# MAURICEVILLE MUNICIPAL UTILITY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025

4) **CAPITAL ASSETS**

A summary of changes in the capital assets for the primary government for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Additions	Retirements	Balance December 31, 2025
Capital assets, not being depreciated				
Land	\$ 745,548	\$ -	\$ -	\$ 745,548
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>745,548</u>	<u>-</u>	<u>-</u>	<u>745,548</u>
Capital assets, being depreciated				
Buildings	626,283	9,200	-	635,483
Improvements other than buildings	26,046,662	1,281,829	342,333	26,986,158
Machinery and equipment	2,337,889	197,992	-	2,535,881
Subscription assets	91,829	-	-	91,829
Total capital assets, being depreciated	<u>29,102,663</u>	<u>1,489,021</u>	<u>342,333</u>	<u>30,249,351</u>
Less accumulated depreciation				
Buildings	132,931	18,499	-	151,430
Improvements other than buildings	23,353,913	626,774	342,333	23,638,354
Machinery and equipment	991,365	105,608	-	1,096,973
Subscription assets	15,305	18,366	-	33,671
Total accumulated depreciation	<u>24,493,514</u>	<u>769,247</u>	<u>342,333</u>	<u>24,920,428</u>
Total capital assets, being depreciated, net	<u>4,609,149</u>	<u>719,774</u>	<u>-</u>	<u>5,328,923</u>
Capital assets, net	<u>\$ 5,354,697</u>	<u>\$ 719,774</u>	<u>\$ -</u>	<u>\$ 6,074,471</u>
Total depreciation expense		<u>\$ 769,247</u>		

# MAURICEVILLE MUNICIPAL UTILITY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025

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. This loan required monthly payments of \$128,486 and had an original maturity date of December 10, 2025. On August 1, 2024, the District refinanced the remaining \$2,000,000 at a fixed interest rate of 5.00% for 84 months. Monthly payments of \$28,335 are required and the loan will mature on August 1, 2031. 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
2026	\$ 78,716	\$ 261,309
2027	65,157	274,868
2028	51,052	288,973
2029	35,900	304,125
2030	20,119	319,906
2031	4,238	222,445
	\$ 255,182	\$ 1,671,626

***Changes in Long-Term Liabilities***

Long-term liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Note payable	\$ 1,920,045	\$ -	\$ 248,419	\$ 1,671,626	\$ 261,309
Total long-term debt	\$ 1,920,045	\$ -	\$ 248,419	\$ 1,671,626	\$ 261,309

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) Depreciation expense exceeded budget by \$769,247. The District does not budget depreciation expense.
- C) Purchases and Contract Services exceeded budget by \$2,157.

# MAURICEVILLE MUNICIPAL UTILITY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025

7) **PENSION COSTS**

The District and its employees do not participate in a 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 2025 was \$80,301.

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) **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.

11) **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, 2025, the District received payments of \$18,000, leaving a receivable balance of \$29,673 at year-end, of which \$18,000 is considered a current asset.

# MAURICEVILLE MUNICIPAL UTILITY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025

12) **SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The District has an arrangement subject to the requirements of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA's). This arrangement is described in group – those used for administrative purposes. The District makes monthly and quarterly payments. The SBITA liability reflects the present value of the payments, calculated using the district's incremental borrowing rate of 5%. The liability is amortized over the SBITA term, and payments are segregated by principal and interest components. The SBITA asset represents the total amount of the SBITA liability, plus capitalized expenditures incurred in the initial implementation state. The SBITA asset is depreciated (amortized) using straight-line depreciation method over the term of the arrangement. There were no outflows of resources paid for the SBITA arrangements during the current fiscal year. There was an \$8,500, commitment made before the commencement of the SBITA terms. There were no impairments or modifications to be reported during this fiscal year.

SBITA assets and accumulated amortization at December 31, 2025, was as follows:

	Terms in Months	Total Asset Amount	Accumulated Amortization	Deletions	Remaining Value
<b>Governmental Funds:</b>					
Administrative	60	\$ 91,829	\$ (33,671)	\$ -	\$ 58,158

SBITA liability activity for the year ended December 31, 2025 was as follows:

	Terms in Months	Interest Rate	Beginning Liability	Additions	Reductions	Ending Liability	Due Within One Year
<b>Governmental Funds:</b>							
Administrative	60	5.00%	\$ (70,843)	\$ -	\$ 15,684	\$ (55,159)	\$ 16,487

Annual principal and interest requirements to maturity for the SBITA liability are as follows:

Year Ended December 31	SBITA Liabilities		
	Principal	Interest	Total
2026	\$ 16,487	\$ 2,305	\$ 18,792
2027	17,330	1,462	18,792
2028	18,217	575	18,792
2029	3,125	7	3,132
	<u>\$ 55,159</u>	<u>\$ 4,349</u>	<u>\$ 59,508</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

# MAURICEVILLE MUNICIPAL UTILITY DISTRICT

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BUDGET AND ACTUAL DECEMBER 31, 2025

	Original Budget	Final Budget	Actual	Final Budget Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Service fees	\$ 4,160,000	\$ 4,191,000	\$ 4,228,121	\$ 37,121
Tap connection fees	294,000	370,000	406,107	36,107
Miscellaneous	84,000	83,700	37,277	(46,423)
Total operating revenues	4,538,000	4,644,700	4,671,505	26,805
<b>EXPENSES</b>				
Salaries and wages	1,300,000	1,300,000	1,259,210	40,790
Employee benefits	604,000	611,000	523,476	87,524
Professional services	125,000	150,200	79,901	70,299
Purchased and contract services	21,800	21,800	23,957	(2,157)
Consumable supplies and materials	608,064	649,657	598,742	50,915
Recurring operating expenses	436,150	421,650	372,221	49,429
Total operating expenses	3,095,014	3,154,307	2,857,507	296,800
<b>OPERATING INCOME (LOSS) - BUDGET BASIS</b>	1,442,986	1,490,393	1,813,998	323,605
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest on investments	100	150	269	119
Interest expense	(91,610)	(91,610)	(93,679)	(2,069)
Grants	10,000	-	-	-
Insurance recoveries	-	-	41,011	41,011
Other revenue	-	-	2,732	2,732
Total non-operating revenues (expenses)	(81,510)	(91,460)	(49,667)	41,793
<b>CHANGE IN NET POSITION - BUDGET BASIS</b>	\$ 1,361,476	\$ 1,398,933	1,764,331	\$ 365,398
Depreciation and amortization			769,247	
<b>CHANGE IN NET POSITION</b>			995,084	
<b>NET POSITION, beginning of period</b>			3,936,613	
<b>NET POSITION, end of period</b>			\$ 4,931,697	
<b>NON GAAP BUDGET ITEMS</b>				
Capital expenditures	\$ 1,299,786	\$ 1,388,693	\$ 1,279,858	\$ 108,835

See Independent Auditor's Report on Supplementary Information.

**TEXAS SUPPLEMENTARY INFORMATION**

# MAURICEVILLE MUNICIPAL UTILITY DISTRICT

## SCHEDULE OF SERVICES AND RATES DECEMBER 31, 2025

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	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<sup>(1)</sup> connections within the District as of the fiscal year end. Provide actual number and single-family equivalents (ESFC) as noted:

	Active Connections	Inactive Connections (ESFC) <sup>(2)</sup>	Active ESFC
Single family			
Water	3,605	623	3,983
Sewer	2,871	412	3,148
Multifamily	39	7	280
Commercial	90	21	97
Other - recreational centers, government and VFD	1	-	1
	<u>3,735</u>	<u>651</u>	<u>4,361</u>

See Independent Auditor's Report on Supplementary Information.

**MAURICEVILLE MUNICIPAL UTILITY DISTRICT**

**SCHEDULE OF SERVICES AND RATES**

**DECEMBER 31, 2025**

**(CONTINUED)**

4. Total water consumption (rounded to the nearest 1,000) during the fiscal year:  
Gallons pumped into system: 257,773,000  
Gallons billed to customers: 210,218,335

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	340,025
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>\$ 340,025</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, 2025

<b>OPERATING EXPENSES</b>	
Personnel (including benefits)	<u>\$ 1,782,686</u>
Professional fees	
Auditing & accounting	18,200
Legal	18,647
Engineering	13,524
Other professional fees	<u>29,530</u>
Total professional fees	<u>79,901</u>
Purchased and contracted services	
Other contracted services	<u>23,957</u>
Total contracted services	<u>23,957</u>
Consumable supplies and materials	
Fuel, chemicals and other	386,075
Repair and maintenance	<u>212,667</u>
Total consumable supplies and materials	<u>598,742</u>
Recurring operating expenses	
Utilities	138,920
Insurance	73,455
Other administrative expenses	<u>159,846</u>
Total administrative expenses	<u>372,221</u>
Depreciation and amortization	<u>769,247</u>
<b>TOTAL OPERATING EXPENSES</b>	<u><b>3,626,754</b></u>
Interest expense	<u>93,679</u>
Total non-operating expenses	<u>93,679</u>
<b>TOTAL EXPENSES</b>	<u><b>\$ 3,720,433</b></u>

See Independent Auditor's Report on Supplementary Information.

**MAURICEVILLE MUNICIPAL UTILITY DISTRICT**

**SCHEDULE OF TEMPORARY INVESTMENTS  
DECEMBER 31, 2025**

The District did not have investments as of December 31, 2025.

See Independent Auditor's Report on Supplementary Information.

# **MAURICEVILLE MUNICIPAL UTILITY DISTRICT**

## **ANALYSIS OF TAXES LEVIED AND RECEIVABLE DECEMBER 31, 2025**

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, 2025.

See Independent Auditor's Report on Supplementary Information.

# MAURICEVILLE MUNICIPAL UTILITY DISTRICT

## DEBT SERVICE REQUIREMENTS BY YEARS DECEMBER 31, 2025

<u>Due During Years Ending December 31,</u>	Fixed Rate Long-Term Loan Financed \$2,000,000		<u>Total Principal and Interest</u>
	Yearly Payments		
	<u>Interest</u>	<u>Principal</u>	
2026	\$ 78,716	\$ 261,309	\$ 340,025
2027	65,157	274,868	340,025
2028	51,052	288,973	340,025
2029	35,900	304,125	340,025
2030	20,119	319,906	340,025
2031	4,238	222,445	226,683
	<u>\$ 255,182</u>	<u>\$ 1,671,626</u>	<u>\$ 1,926,808</u>

See Independent Auditor's Report on Supplementary Information.

# MAURICEVILLE MUNICIPAL UTILITY DISTRICT

## ANALYSIS OF CHANGES IN LONG-TERM DEBT DECEMBER 31, 2025

	Note Payable	Total
Interest rates	5.00%	
Dates interest payable	Monthly	
Maturity dates	8/1/2031	
Long-term, beginning of current period	\$ 1,920,045	\$ 1,920,045
New debt proceeds	-	-
Retirements, principal	248,419	248,419
Long-term debt outstanding, end of current period	\$ 1,671,626	\$ 1,671,626
Interest paid during current period	\$ 90,571	\$ 90,571
Average annual debt service payment (principal and interest) for remaining term of all debt		\$ 321,135

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, 2025

	Amounts				
	2025	2024	2023	2022	2021
<b>Operating revenues</b>					
Charges for service	\$ 4,228,121	\$ 4,172,584	\$ 4,091,619	\$ 4,013,612	\$ 3,859,845
Tap and connection fees	406,107	295,062	273,471	355,457	285,377
Inspection and miscellaneous fees	37,277	87,958	104,425	76,019	65,759
<b>Total revenues</b>	<b>4,671,505</b>	<b>4,555,604</b>	<b>4,469,515</b>	<b>4,445,088</b>	<b>4,210,981</b>
<b>Expenses</b>					
Salaries and wages	1,259,210	1,191,934	1,120,421	1,005,593	940,174
Employee benefits	523,476	506,702	469,779	455,043	469,663
Professional fees	79,901	93,670	71,425	75,105	65,175
Purchased and contracted services	23,957	21,552	20,292	20,585	19,164
Consumable supplies and materials	598,742	534,159	537,985	448,216	500,579
Recurring operating expenses	372,221	363,552	336,681	340,306	289,817
Depreciation and amortization	769,247	699,583	661,028	637,364	590,343
<b>Total expenses</b>	<b>3,626,754</b>	<b>3,411,152</b>	<b>3,217,611</b>	<b>2,982,212</b>	<b>2,874,915</b>
<b>Excess (expenses)</b>	<b>1,044,751</b>	<b>1,144,452</b>	<b>1,251,904</b>	<b>1,462,876</b>	<b>1,336,066</b>
<b>Nonoperating Revenues (Expenses)</b>					
Gain/(loss) on disposition of assets	-	(6,420)	(24,641)	(8,714)	-
Interest income	269	84	171	9,420	35,184
FEMA/Grants	-	-	-	-	11,500
Insurance recoveries	41,011	43,016	31,078	-	55,291
Other revenue	2,732	4,278	3,265	3,380	2,511
Interest expense	(93,679)	(88,481)	(109,486)	(182,872)	(344,507)
Amortization of bond discount	-	-	-	(118,339)	(23,668)
<b>Total nonoperating revenues</b>	<b>(49,667)</b>	<b>(47,523)</b>	<b>(99,613)</b>	<b>(297,125)</b>	<b>(263,689)</b>
<b>Net income (loss)</b>	<b>\$ 995,084</b>	<b>\$ 1,096,929</b>	<b>\$ 1,152,291</b>	<b>\$ 1,165,751</b>	<b>\$ 1,072,377</b>
<b>Total active retail water and/or wastewater connections</b>	<b>3,735</b>	<b>3,637</b>	<b>3,583</b>	<b>3,541</b>	<b>3,538</b>

See Independent Auditor's Report on Supplementary Information.

Percent of Fund Total Revenues				
2025	2024	2023	2022	2021
90.5%	91.6%	91.6%	90.3%	91.6%
8.7%	6.5%	6.1%	8.0%	6.8%
0.8%	1.9%	2.3%	1.7%	1.6%
<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
27.0%	26.2%	25.1%	22.6%	22.3%
11.2%	11.1%	10.5%	10.2%	11.2%
1.7%	2.1%	1.6%	1.7%	1.5%
0.5%	0.5%	0.5%	0.5%	0.5%
12.8%	11.7%	12.0%	10.1%	11.9%
8.0%	8.0%	7.5%	7.7%	6.9%
<u>16.5%</u>	<u>15.4%</u>	<u>14.8%</u>	<u>14.3%</u>	<u>14.0%</u>
<u>77.7%</u>	<u>75.0%</u>	<u>72.0%</u>	<u>67.1%</u>	<u>68.3%</u>
<u>22.3%</u>	<u>25.0%</u>	<u>28.0%</u>	<u>32.9%</u>	<u>31.7%</u>
0.0%	-0.1%	-0.6%	-0.2%	0.0%
0.0%	0.0%	0.0%	0.2%	0.8%
0.0%	0.0%	0.0%	0.0%	0.3%
0.9%	0.9%	0.7%	0.0%	1.3%
0.2%	0.4%	0.3%	0.3%	0.3%
-2.0%	-1.9%	-2.4%	-4.1%	-8.2%
<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>-2.7%</u>	<u>-0.6%</u>
<u>-0.9%</u>	<u>-0.7%</u>	<u>-2.0%</u>	<u>-6.5%</u>	<u>-6.1%</u>
<u>21.4%</u>	<u>24.3%</u>	<u>26.0%</u>	<u>26.4%</u>	<u>25.6%</u>

**MAURICEVILLE MUNICIPAL UTILITY DISTRICT**

**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
DECEMBER 31, 2025**

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

District Business Telephone Number: (409) 745-4882

<u>Name and Address</u>	<u>Term of Office Date Elected or Date Hired</u>	<u>Salary</u>	<u>Expense Reimbursements</u>	<u>Title at Year-End</u>	<u>Resident of District</u>
<b>Board Members</b>					
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	06/2024 06/2028	\$ -	\$ -	Treasurer/Secretary	Yes
Russell Love 7477 Circle 6 Orange, Texas 77632	06/2024 06/2028	\$ -	\$ -	Director	Yes
Jay Scheiderer 5343 Michelle Road Orange, Texas 77632	06/2024 06/2028	\$ -	\$ -	Vice-President	Yes

**Key Administrative Personnel**

Bradley Haeggquist 2625 Mansfield Ferry Rd. Vidor, Texas 77662	05/2018 Present	\$ 121,494	\$ 80	General Manager	No
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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, 2025  
(CONTINUED)**

<u>Name and Address</u>	<u>Term of Office Date Elected or Date Hired</u>	<u>Fees and Expense Reimbursements December 31, 2025</u>	<u>Title at Year-End</u>	<u>Resident of District</u>
<b>Consultants</b>				
Barron Law Office, PLLC 108 North 7th Street Orange, Texas 77630	11/2016	\$ 17,432	Attorney	N/A
Keri Michutka, CPA 1906 Texas Avenue Bridge City, Texas 77611	01/2019	\$ 550	CPA	N/A
Wathen, DeShong & Juncker, LLP 4140 Gladys Avenue, Suite 101 Beaumont, Texas 77706	11/2018	\$ 18,200	Independent Auditor	N/A
Leavins Engineering & Design, LLC 3250 Eastex Freeway Beaumont, Texas 77703	01/2022	\$ 68,731	Engineer	N/A
Germer, PLLC 550 Fannin, Suite 400 Beaumont, Texas 77701	01/2022	\$ 1,214	Attorney	N/A

See Independent Auditor's Report on Supplementary Information.