

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
HENDERSON COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
JULY 31, 2021

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
HENDERSON COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
JULY 31, 2021

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McCALL GIBSON SWEDLUND BARFOOT PLLC

Certified Public Accountants

13100 Wortham Center Drive
Suite 235
Houston, Texas 77065-5610
(713) 462-0341
Fax (713) 462-2708

PO Box 29584
Austin, TX 78755-5126
(512) 610-2209
www.mgsbpllc.com
E-Mail: mgsb@mgsbpllc.com

Board of Directors
Lake View Management and Development District
Henderson County, Texas

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities and each major fund of Lake View Management and Development District (the "District"), as of and for the year ended July 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of July 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

November 30, 2021

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2021**

Management's discussion and analysis of Lake View Management and Development District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended July 31, 2021. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance. This report also includes required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes all of the District's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for resources not accounted for in another fund, property tax revenues, customer service revenues as well as operating and administrative costs. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2021**

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short term financing decisions. The adjustment columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI"). A budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities exceeded assets by \$16,349,352 as of July 31, 2021. The following is a comparable analysis of government-wide changes in net position:

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

| | Summary of Changes in the the Statement of Net Position | | |
|---|---|-----------------|----------------------------------|
| | 2021 | 2020 | Change Positive (Negative) |
| Current and Other Assets | \$ 1,318,653 | \$ 1,333,258 | \$ (14,605) |
| Capital Assets (Net of Accumulated Depreciation) | 5,211,944 | 5,379,911 | (167,967) |
| Total Assets | \$ 6,530,597 | \$ 6,713,169 | \$ (182,572) |
| Due to Developer | \$ 1,180,849 | \$ 299,949 | \$ (880,900) |
| Long -Term Liabilities | 20,700,479 | 21,218,913 | 518,434 |
| Other Liabilities | 998,621 | 1,016,147 | 17,526 |
| Total Liabilities | \$ 22,879,949 | \$ 22,535,009 | \$ (344,940) |
| Net Position: | | | |
| Net Investment in Capital Assets | \$ (16,003,439) | \$ (16,333,911) | \$ 330,472 |
| Restricted | 572,587 | 841,725 | (269,138) |
| Unrestricted | (918,500) | (329,654) | (588,846) |
| Total Net Position | \$ (16,349,352) | \$ (15,821,840) | \$ (527,512) |

The following table provides a summary of the District's operations for the years ending July 31, 2021, and July 31, 2020.

| | Summary of Changes in the Statement of Activities | | |
|---------------------------------|---|-----------------|----------------------------------|
| | 2021 | 2020 | Change Positive (Negative) |
| Revenues: | | | |
| Property Tax Revenue | \$ 1,632,876 | \$ 1,762,720 | \$ (129,844) |
| Charges for Services | 361,151 | 223,110 | 138,041 |
| Other Revenues | 36,337 | 28,272 | 8,065 |
| Total Revenues | \$ 2,030,364 | \$ 2,014,102 | \$ 16,262 |
| Expenses for Services | 2,557,876 | 3,840,044 | 1,282,168 |
| Change in Net Position | \$ (527,512) | \$ (1,825,942) | \$ 1,298,430 |
| Net Position, Beginning of Year | (15,821,840) | (13,995,898) | (1,825,942) |
| Net Position, End of Year | \$ (16,349,352) | \$ (15,821,840) | \$ (527,512) |

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The District's combined fund balances as of July 31, 2021, were \$1,217,023, an increase of \$834 from the prior year.

The General Fund fund balance increased by \$287,216, primarily due to developer contributions.

The Debt Service Fund fund balance decreased by \$286,387, primarily due to the structure of the District's debt.

The Capital Projects Fund fund balance increased by \$5.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors amended the budget during the fiscal year to decrease property tax revenue and increase miscellaneous revenues, increase expected contracted service costs, utilities cost, other miscellaneous costs and capital outlay costs and decrease expected costs in all other categories. Actual revenues were \$49,839 more than budgeted revenues, and actual expenditures were \$103,855 less than budgeted expenditures.

CAPITAL ASSETS

Capital assets as of July 31, 2021, total \$5,211,944 (net of accumulated depreciation) and include water, wastewater and drainage facilities and equipment. Additional information on the District's capital assets can be found in Note 6 of this report.

| Capital Assets At Year-End, Net of Accumulated Depreciation | | | |
|---|--------------|--------------|----------------------------------|
| | 2021 | 2020 | Change Positive (Negative) |
| Capital Assets Not Being Depreciated: | | | |
| Construction in Progress | \$ 22,200 | \$ | \$ 22,200 |
| Capital Assets, Net of Accumulated Depreciation: | | | |
| Water System | 512,704 | 526,391 | (13,687) |
| Wastewater System | 159,761 | 164,195 | (4,434) |
| Drainage | 255,039 | 261,655 | (6,616) |
| Equipment | 512 | 10,522 | (10,010) |
| Landscaping | 160,807 | 208,301 | (47,494) |
| Roads | 4,100,921 | 4,208,847 | (107,926) |
| Total Net Capital Assets | \$ 5,211,944 | \$ 5,379,911 | \$ (167,967) |

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2021**

LONG TERM DEBT ACTIVITY

As of July 31, 2021, the District had total bond debt payable of \$21,390,000. The changes in the debt position of the District during the fiscal year ended July 31, 2021, are summarized as follows:

| | |
|-----------------------------------|----------------------|
| Bond Debt Payable, August 1, 2020 | \$ 21,895,000 |
| Less: Bond Principal Paid | <u>505,000</u> |
| Bond Debt Payable, July 31, 2021 | <u>\$ 21,390,000</u> |

The District's Series 2016, Series 2017 and Series 2019 bonds are not rated.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Lake View Management and Development District, c/o Winstead PC, 2728 N. Harwood, Suite 500, Dallas, TX 75201.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JULY 31, 2021

| | General Fund | Debt Service Fund |
|---|-------------------|----------------------|
| ASSETS | | |
| Cash | \$ 311,887 | \$ 44,235 |
| Investments | 81 | 509,250 |
| Cash with Paying Agent | | 385,975 |
| Receivables: | | |
| Property Taxes | 4,838 | 8,621 |
| Service Accounts | 15,785 | |
| Other | 17,929 | |
| Prepaid Costs | | 9,956 |
| Construction in Progress | | |
| Capital Assets (Net of Accumulated Depreciation) | | |
| TOTAL ASSETS | \$ 350,520 | \$ 958,037 |
| LIABILITIES | | |
| Accounts Payable | \$ 85,771 | \$ |
| Accrued Interest Payable | | |
| Due to Developer | | |
| Security Deposits | 2,400 | |
| Long-Term Liabilities: | | |
| Bonds Payable, Due Within One Year | | |
| Bonds Payable, Due After One Year | | |
| TOTAL LIABILITIES | \$ 88,171 | \$ -0- |
| DEFERRED INFLOWS OF RESOURCES | | |
| Property Taxes | \$ 4,838 | \$ 8,621 |
| FUND BALANCES/NET POSITION | | |
| FUND BALANCES | | |
| Nonspendable: | | |
| Prepaid Costs | \$ | \$ 9,956 |
| Restricted for Authorized Construction | | |
| Restricted for Debt Service | | 939,460 |
| Unassigned | 257,511 | |
| TOTAL FUND BALANCES | \$ 257,511 | \$ 949,416 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 350,520 | \$ 958,037 |
| NET POSITION | | |
| Net Investment in Capital Assets | | |
| Restricted for Debt Service | | |
| Unrestricted | | |
| TOTAL NET POSITION | | |

The accompanying notes to the financial statements are an integral part of this report.

| Capital Projects Fund | Total | Adjustments | Statement of Net Position |
|--------------------------|---------------------|------------------------|------------------------------|
| \$ 10,096 | \$ 366,218 | \$ | \$ 366,218 |
| | 509,331 | | 509,331 |
| | 385,975 | | 385,975 |
| | 13,459 | | 13,459 |
| | 15,785 | | 15,785 |
| | 17,929 | | 17,929 |
| | 9,956 | | 9,956 |
| | | 22,200 | 22,200 |
| | | 5,189,744 | 5,189,744 |
| <u>\$ 10,096</u> | <u>\$ 1,318,653</u> | <u>\$ 5,211,944</u> | <u>\$ 6,530,597</u> |
| \$ | \$ 85,771 | \$ | \$ 85,771 |
| | | 385,450 | 385,450 |
| | | 1,180,849 | 1,180,849 |
| | 2,400 | | 2,400 |
| | | 525,000 | 525,000 |
| | | 20,700,479 | 20,700,479 |
| <u>\$ -0-</u> | <u>\$ 88,171</u> | <u>\$ 22,791,778</u> | <u>\$ 22,879,949</u> |
| <u>\$ -0-</u> | <u>\$ 13,459</u> | <u>\$ (13,459)</u> | <u>\$ -0-</u> |
| \$ | \$ 9,956 | \$ (9,956) | \$ |
| 10,096 | 10,096 | (10,096) | |
| | 939,460 | (939,460) | |
| | 257,511 | (257,511) | |
| <u>\$ 10,096</u> | <u>\$ 1,217,023</u> | <u>\$ (1,217,023)</u> | <u>\$ - 0 -</u> |
| <u>\$ 10,096</u> | <u>\$ 1,318,653</u> | | |
| | | \$ (16,003,439) | \$ (16,003,439) |
| | | 572,587 | 572,587 |
| | | (918,500) | (918,500) |
| | | <u>\$ (16,349,352)</u> | <u>\$ (16,349,352)</u> |

The accompanying notes to the financial statements are an integral part of this report.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JULY 31, 2021

Total Fund Balances - Governmental Funds \$ 1,217,023

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 5,211,944

Deferred tax revenues for the 2020 tax levy became part of recognized revenue in the governmental activities of the District. 13,459

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

| | | |
|-------------------------------|---------------------|---------------------|
| Due to Developer | \$ (1,180,849) | |
| Accrued Interest Payable | (385,450) | |
| Bonds Payable Within One Year | (525,000) | |
| Bonds Payable After One Year | <u>(20,700,479)</u> | <u>(22,791,778)</u> |

Total Net Position - Governmental Activities \$ (16,349,352)

The accompanying notes to the financial statements are an integral part of this report.

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**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JULY 31, 2021**

| | General Fund | Debt Service Fund |
|--|---------------------|----------------------|
| REVENUES | | |
| Property Taxes | \$ 582,132 | \$ 1,037,285 |
| Water Service | 63,724 | |
| Wastewater Service | 64,913 | |
| Trash Collection Revenue | 37,960 | |
| Tap Connection and Inspection Fees | 194,554 | |
| Penalty and Interest | 4,574 | 13,527 |
| Investment Revenues | 129 | 1,195 |
| Miscellaneous Revenues | 16,907 | |
| TOTAL REVENUES | \$ 964,893 | \$ 1,052,007 |
| EXPENDITURES/EXPENSES | | |
| Service Operations: | | |
| Professional Fees | \$ 155,492 | \$ 6,084 |
| Contracted Services | 375,430 | 41,260 |
| Utilities | 5,128 | |
| Repairs and Maintenance | 648,611 | |
| Depreciation | | |
| Other | 298,325 | |
| Capital Outlay | 75,591 | |
| Debt Service: | | |
| Bond Principal | | 505,000 |
| Bond Interest | | 786,050 |
| TOTAL EXPENDITURES/EXPENSES | \$ 1,558,577 | \$ 1,338,394 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ (593,684) | \$ (286,387) |
| OTHER FINANCING SOURCES (USES) | | |
| Developer Contributions | 880,900 | |
| NET CHANGE IN FUND BALANCES | \$ 287,216 | \$ (286,387) |
| CHANGE IN NET POSITION | | |
| FUND BALANCES/NET POSITION - AUGUST 1, 2020 | (29,705) | 1,235,803 |
| FUND BALANCES/NET POSITION - JULY 31, 2021 | \$ 257,511 | \$ 949,416 |

The accompanying notes to the financial
statements are an integral part of this report.

| Capital Projects Fund | Total | Adjustments | Statement of Activities |
|--------------------------|--------------|-----------------|----------------------------|
| \$ | \$ 1,619,417 | \$ 13,459 | \$ 1,632,876 |
| | 63,724 | | 63,724 |
| | 64,913 | | 64,913 |
| | 37,960 | | 37,960 |
| | 194,554 | | 194,554 |
| | 18,101 | | 18,101 |
| 5 | 1,329 | | 1,329 |
| | 16,907 | | 16,907 |
| \$ 5 | \$ 2,016,905 | \$ 13,459 | \$ 2,030,364 |
| \$ | \$ 161,576 | \$ | \$ 161,576 |
| | 416,690 | | 416,690 |
| | 5,128 | | 5,128 |
| | 648,611 | | 648,611 |
| | | 190,167 | 190,167 |
| | 298,325 | | 298,325 |
| | 75,591 | (22,200) | 53,391 |
| | 505,000 | (505,000) | |
| | 786,050 | (2,062) | 783,988 |
| \$ -0- | \$ 2,896,971 | \$ (339,095) | \$ 2,557,876 |
| \$ 5 | \$ (880,066) | \$ 352,554 | \$ (527,512) |
| | 880,900 | (880,900) | |
| \$ 5 | \$ 834 | \$ (834) | \$ |
| | | (527,512) | (527,512) |
| 10,091 | 1,216,189 | (17,038,029) | (15,821,840) |
| \$ 10,096 | \$ 1,217,023 | \$ (17,566,375) | \$ (16,349,352) |

The accompanying notes to the financial statements are an integral part of this report.

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2021**

| | | |
|---|----|-------------------------|
| Net Change in Fund Balances - Governmental Funds | \$ | 834 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied. | | 13,459 |
| Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities. | | (190,167) |
| Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected. | | 22,200 |
| Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities. | | 505,000 |
| Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end. | | 2,062 |
| Governmental funds report developer advances as other financing sources. However, in the Statement of Net Position, developer advances, net any amount paid to the developer, are recorded as a liability. | | <u>(880,900)</u> |
| Change in Net Position - Governmental Activities | \$ | <u><u>(527,512)</u></u> |

The accompanying notes to the financial statements are an integral part of this report.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 1. CREATION OF DISTRICT

Lake View Management and Development District (the “District”) was created effective July 10, 2003, by action of the 78th Legislature, Regular Session, 2003, and subsequently confirmed and amended by action of the 79th Legislature, Regular Session, 2005, and the 81st Legislature, Regular Session, 2009, in accordance with Article XVI, Section 59 and Article III, Section 52 of the Texas Constitution. The Board of Directors held its first meeting on February 20, 2004, and was confirmed by the voters within the District on May 15, 2004. The District operates in accordance with Chapters 257, 372, 375, 382, 441 and 505 of the Texas Local Government Code and Chapters 49 and 54 of the Texas Water Code. The District’s operations and the District’s improvement projects will enable the District to preserve, maintain, and enhance the economic health and vitality of the area in the District as a community, residential, business and commerce center. The District will promote the health, safety, welfare, education, convenience, and enjoyment of the public by improving, landscaping, and developing certain area in and adjacent to the District and providing public services and facilities in and adjacent to the District that are necessary for the restoration, preservation, enhancement, and enjoyment of scenic beauty.

The District is empowered to impose an ad valorem tax on all taxable property in the District. The District may impose an assessment or impact fee, may impose a sales and use tax, or may impose fees for the use of District improvements. The District may issue bonds for its stated purposes.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB”).

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District’s Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Governmental Funds Balance Sheet and a Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance.

Governmental Fund

The District has three governmental funds and considers each to be a major fund.

General Fund - To account for resources not required to be accounted for in another fund, property tax revenues, customer service revenues as well as operating and administrative costs.

Debt Service Fund - To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Capital Projects Fund - To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

Capital Assets

Capital assets, which may include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital Assets additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Water, wastewater and drainage facilities are amortized over periods ranging from 10 to 45 years. Roads are amortized over 40 years and equipment is amortized over 5 years.

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Directors are wages subject to federal income tax withholding for payroll tax purposes only.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

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

Unassigned: all other spendable amounts in the General Fund.

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

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3. LONG-TERM DEBT

| | <u>Series 2016</u> | <u>Series 2017</u> | <u>Series 2019 Road</u> |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Amount Outstanding – July 31, 2021 | \$10,725,000 | \$4,920,000 | \$5,745,000 |
| Interest Rates | 3.00% - 4.00% | 3.00% - 4.00% | 3.00% - 3.50% |
| Maturity Dates – Beginning/Ending | February 15, 2022/2046 | February 15, 2022/2047 | February 15, 2022/2049 |
| Interest Payment Dates | February 15/ August 15 | February 15/ August 15 | February 15/ August 15 |
| Callable Dates | February 15, 2024* | February 15, 2025* | February 15, 2026* |

* Or on any date thereafter, in whole or in part, at the option of the District, at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. The Series 2016 term bonds maturing on February 15, 2030, February 15, 2032, February 15, 2034, and February 15, 2046, are subject to mandatory redemption beginning on February 15, 2029, February 15, 2031, February 15, 2033, and February 15, 2035, respectively. The Series 2017 term bonds maturing on February 15, 2032, February 15, 2037, February 15, 2042, and February 15, 2047, are subject to mandatory redemption beginning on February 15, 2030, February 15, 2033, February 15, 2038, and February 15, 2043, respectively. The Series 2019 term bonds maturing on February 15, 2030, February 15, 2037, February 15, 2039, February 15, 2044, and February 15, 2049, are subject to mandatory redemption beginning on February 15, 2029, February 15, 2036, February 15, 2038, February 15, 2040, and February 15, 2045, respectively.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 3. LONG-TERM DEBT (Continued)

The following is a summary of transactions regarding bonds payable for the year ended July 31, 2021:

| | August 1, 2020 | Additions | Retirements | July 31, 2021 |
|-----------------------------|-------------------|-----------|-----------------------------|------------------|
| Bonds Payable | \$ 21,895,000 | \$ | \$ 505,000 | \$ 21,390,000 |
| Unamortized Discounts | (171,087) | — | (6,566) | (164,521) |
| Total Long-Term Liabilities | \$ 21,723,913 | \$ -0- | \$ 498,434 | \$ 21,225,479 |
| | | | Amount Due Within One Year | \$ 525,000 |
| | | | Amount Due After One Year | 20,700,479 |
| | | | Total Long-Term Liabilities | \$ 21,225,479 |

As of July 31, 2021, the debt service requirements on the bonds outstanding were as follows:

| Fiscal Year | Principal | Interest | Total |
|-------------|---------------|---------------|---------------|
| 2022 | \$ 525,000 | \$ 770,900 | \$ 1,295,900 |
| 2023 | 545,000 | 755,151 | 1,300,151 |
| 2024 | 555,000 | 738,799 | 1,293,799 |
| 2025 | 570,000 | 722,151 | 1,292,151 |
| 2026 | 590,000 | 705,050 | 1,295,050 |
| 2027-2031 | 3,250,000 | 3,239,464 | 6,489,464 |
| 2032-2036 | 3,865,000 | 2,646,191 | 6,511,191 |
| 2037-2041 | 4,650,000 | 1,865,569 | 6,515,569 |
| 2042-2046 | 5,630,000 | 890,750 | 6,520,750 |
| 2047-2049 | 1,210,000 | 76,550 | 1,286,550 |
| | \$ 21,390,000 | \$ 12,410,575 | \$ 33,800,575 |

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount. In an election held November 3, 2015, voters of the District authorized utility bonds totaling \$139,631,048, and utility refunding bonds totaling \$181,520,400. In addition, voters of the District authorized road bonds totaling \$103,765,662, and authorized refunding road bonds totaling \$134,895,400. After issuance of the District's Series 2016 and Series 2017 bonds, the District has authorized but unissued utility bonds totaling \$122,981,048. After issuance of the District's Series 2019 Road bonds, the District has authorized but unissued road bonds totaling \$97,735,662.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 3. LONG-TERM DEBT (Continued)

During the current fiscal year, the District levied an ad valorem maintenance tax at the rate of \$0.6085 per \$100 of assessed valuation, which resulted in a tax levy of \$1,045,900 on the taxable valuation of \$171,794,080 for the 2020 tax year. The bond order requires the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for maintenance tax levy.

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

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds, within the meaning of section 148 (f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on each 5th-year anniversary of each issue.

The bond orders state that the District is required to annually provide continuing disclosure of certain general financial information and operating data to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) system. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District’s deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District’s deposits was \$366,218 and the bank balance was \$641,499. As of July 31, 2021, the District was not subject to custodial credit risk.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at July 31, 2021, as listed below:

| | Cash |
|-----------------------|------------|
| GENERAL FUND | \$ 311,887 |
| DEBT SERVICE FUND | 44,235 |
| CAPITAL PROJECTS FUND | 10,096 |
| TOTAL DEPOSITS | \$ 366,218 |

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest District funds without express written authority from the Board of Directors.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District’s investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Local Government Investment Cooperative (LOGIC), an external investment pool that is not SEC-registered. The State Comptroller of the State of Texas has oversight of LOGIC. FirstSouthwest, a division of Hilltop Securities and J.P. Morgan Investment Management, Inc. co-manage the daily operations of LOGIC under a contract with the Comptroller. LOGIC meets the criteria established in GASB Statement No. 79 and measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in LOGIC at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from LOGIC.

As of July 31, 2021, the District had the following investments and maturities:

| Fund and Investment Type | Fair Value | Maturities in Less Than 1 Year |
|-----------------------------|------------|--------------------------------------|
| <u>GENERAL FUND</u> | | |
| LOGIC | \$ 81 | \$ 81 |
| <u>DEBT SERVICE FUND</u> | | |
| LOGIC | 509,250 | 509,250 |
| TOTAL INVESTMENTS | \$ 509,331 | \$ 509,331 |

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At July 31, 2021, the District’s investment in LOGIC was rated AAAM by Standard and Poor’s.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in LOGIC to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value.

All cash and investments of the Debt Service Fund are restricted for the payment of debt service. All cash and investments of the Capital Projects Fund are restricted for the acquisition or construction of facilities and related costs.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 6. CAPITAL ASSETS

Capital assets activity for the year ended July 31, 2021:

| | August 1, 2020 | Increases | Decreases | July 31, 2021 |
|--|-------------------|--------------|-----------|------------------|
| Capital Assets Not Being Depreciated | | | | |
| Construction in Progress | \$ - 0 - | \$ 22,200 | \$ - 0 - | \$ 22,200 |
| Capital Assets Subject to Depreciation | | | | |
| Water System | \$ 615,914 | \$ | \$ | \$ 615,914 |
| Wastewater System | 199,519 | | | 199,519 |
| Drainage | 297,726 | | | 297,726 |
| Equipment | 50,160 | | | 50,160 |
| Landscaping | 608,135 | | | 608,135 |
| Roads | 4,856,662 | | | 4,856,662 |
| Total Capital Assets Subject to Depreciation | \$ 6,628,116 | \$ - 0 - | \$ - 0 - | \$ 6,628,116 |
| Less Accumulated Depreciation | | | | |
| Water System | \$ 89,523 | \$ 13,687 | \$ | \$ 103,210 |
| Wastewater System | 35,324 | 4,434 | | 39,758 |
| Drainage | 36,071 | 6,616 | | 42,687 |
| Equipment | 39,638 | 10,010 | | 49,648 |
| Landscaping | 399,834 | 47,494 | | 447,328 |
| Roads | 647,815 | 107,926 | | 755,741 |
| Total Accumulated Depreciation | \$ 1,248,205 | \$ 190,167 | \$ - 0 - | \$ 1,438,372 |
| Total Depreciable Capital Assets, Net of Accumulated Depreciation | \$ 5,379,911 | \$ (190,167) | \$ - 0 - | \$ 5,189,744 |
| Total Capital Assets, Net of Accumulated Depreciation | \$ 5,379,911 | \$ (167,967) | \$ - 0 - | \$ 5,211,944 |

NOTE 7. MAINTENANCE TAX

On May 14, 2011, the voters of the District approved the levy and collection of an unlimited maintenance tax per \$100 of assessed valuation of taxable property within the District. During the current fiscal year, the District levied an ad valorem maintenance tax at the rate of \$0.3415 per \$100 of assessed valuation, which resulted in a tax levy of \$586,976 on the taxable valuation of \$171,794,080 for the 2020 tax year. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks, sanitary sewer, drainage and roadway system and other District facilities.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 8. DUE TO DEVELOPER

The District has executed an agreement for the construction of improvements and reimbursement of advances with a Developer within the District. The agreement calls for the Developer to fund costs associated with water, wastewater, drainage and road facilities and operating advances until such time as the District can sell bonds. As reflected in the Statement of Net Position, \$1,180,849 has been recorded as a liability for operating advances received in prior fiscal years. Additionally, the Developer reports that they have made expenditures totaling approximately \$28.5 million on behalf of the District for facilities financed by the Developer as of the fiscal year-end. Reimbursements to the Developer will come from future bond sales or surplus revenues of the District.

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, error and omission and natural disasters from which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 10. NECHES AND TRINITY VALLEY GROUNDWATER CONSERVATION DISTRICT

The Corporation operates within the boundaries of the Neches and Trinity Valleys Groundwater Conservation District (the "Conservation District"). The Conservation District operates in Anderson, Cherokee, and Henderson counties. The Conservation District was created to provide a locally controlled groundwater district in order to protect and recharge groundwater, to prevent pollution or waste of groundwater, to control subsidence caused by withdrawal of water from the reservoirs in the area, and to regulate the transport of water out of the boundaries of the Conservation District. The Conservation District charges production fees based on the amount of water authorized by permit to be withdrawn from a well. The Conservation District also charges a transfer fee for water transported out of the District.

NOTE 11. ECONOMIC DEPENDENCY

The District's Developer owns a substantial portion of the taxable property within the District. In addition, the District could be dependent upon the Developer for operating advances to meet its financial obligations. The Developer's ability to make full and timely payments of taxes and operating advances could directly affect the District's ability to meet its financial obligations.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 12. FIRE PROTECTION

On December 12, 2019, the District executed an agreement with Henderson County Emergency Services District No. 1 (“ESD 1”) for fire protection services to persons, buildings and property located within the boundaries of the District. The services will be provided by Trinidad Volunteer Fire Department, which is funded by ESD 1. The District will make annual payments of \$10,000 plus an additional fee of \$150 per call within the District. A future fire station within the District is contemplated by the parties. Either party may terminate the agreement by giving 60 days written notice to the other party.

NOTE 13. PUBLIC WATER WELL LEASE

Effective January 15, 2020, the District entered a Public Water System Well Lease with Post Oak Ranch LP. The District leased a 0.230 acre tract of land, a public water supply well rated at 175 gallons per minute yield with a submersible pump, an 8 foot intruder resistant fence with a lockable gate and an all weather access road. Annual lease payments are \$1 per year for a term of 99 years, unless earlier terminated pursuant to contractual terms. The District may operate, repair, maintain, alter, improve or replace the well at the District’s own expense.

NOTE 14. UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. As a result, economic uncertainties have arisen which could have an impact on the operations of the District. The District is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty, as the potential financial impact of this pandemic is unknown at this time.

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LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

JULY 31, 2021

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR YEAR ENDED JULY 31, 2021

| | <u>Original Budget</u> | <u>Final Amended Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------------|-------------------------------------|---------------------|---|
| REVENUES | | | | |
| Property Tax Revenue | \$ 749,241 | \$ 609,495 | \$ 582,132 | \$ (27,363) |
| Water Service | 70,016 | 70,016 | 63,724 | (6,292) |
| Wastewater Service | 64,200 | 64,200 | 64,913 | 713 |
| Trash Collection Revenue | 31,950 | 31,950 | 37,960 | 6,010 |
| Tap Connection and Inspection Fees | 132,000 | 132,000 | 194,554 | 62,554 |
| Penalty and Interest | 400 | 400 | 4,574 | 4,174 |
| Miscellaneous Revenues | <u>1,800</u> | <u>6,993</u> | <u>17,036</u> | <u>10,043</u> |
| TOTAL REVENUES | <u>\$ 1,049,607</u> | <u>\$ 915,054</u> | <u>\$ 964,893</u> | <u>\$ 49,839</u> |
| EXPENDITURES | | | | |
| Service Operations: | | | | |
| Professional Fees | \$ 203,950 | \$ 187,650 | \$ 155,492 | \$ 32,158 |
| Contracted Services | 145,983 | 295,419 | 375,430 | (80,011) |
| Utilities | 4,320 | 5,315 | 5,128 | 187 |
| Repairs and Maintenance | 558,800 | 534,220 | 648,611 | (114,391) |
| Other | 426,960 | 525,628 | 298,325 | 227,303 |
| Capital Outlay | <u>92,000</u> | <u>114,200</u> | <u>75,591</u> | <u>38,609</u> |
| TOTAL EXPENDITURES | <u>\$ 1,432,013</u> | <u>\$ 1,662,432</u> | <u>\$ 1,558,577</u> | <u>\$ 103,855</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ (382,406)</u> | <u>\$ (747,378)</u> | <u>\$ (593,684)</u> | <u>\$ 153,694</u> |
| OTHER FINANCING SOURCES(USES) | | | | |
| Developer Contributions | <u>\$ -0-</u> | <u>\$ 747,378</u> | <u>\$ 880,900</u> | <u>\$ 133,522</u> |
| NET CHANGE IN FUND BALANCE | \$ (382,406) | \$ -0- | \$ 287,216 | \$ 287,216 |
| FUND BALANCE - AUGUST 1, 2020 | <u>(29,705)</u> | <u>(29,705)</u> | <u>(29,705)</u> | <u> </u> |
| FUND BALANCE - JULY 31, 2021 | <u>\$ (412,111)</u> | <u>\$ (29,705)</u> | <u>\$ 257,511</u> | <u>\$ 287,216</u> |

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LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
SUPPLEMENTARY INFORMATION REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

JULY 31, 2021

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2021**

1. SERVICES PROVIDED BY THE DISTRICT:

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

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 1” METER (OR EQUIVALENT):

Based on the rate order approved July 30, 2020.

| | <u>Minimum Charge</u> | <u>Minimum Usage</u> | <u>Flat Rate</u> | <u>Rate per 1,000 Gallons over Minimum Use</u> | <u>Usage Levels</u> |
|-------------|-----------------------|----------------------|------------------|--|--------------------------------|
| WATER: | \$ 40.00 | -0- | N | \$ 5.50 \$ 7.00 | 001 to 10,000 10,001 and up |
| WASTEWATER: | \$ 60.00 | N/A | Y | | |

SURCHARGE:

| | |
|------------------------|----------|
| Commission | |
| Regulatory Assessments | ½ of 1% |
| Solid Waste Collection | \$ 35.00 |

District employs winter averaging for wastewater usage?

 X
Yes No

Total monthly charges per 10,000 gallons usage: Water: \$95.00 Wastewater: \$60.00 Surcharge: \$35.78

See accompanying independent auditor’s report.

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2021**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

| <u>Meter Size</u> | <u>Total Connections</u> | <u>Active Connections</u> | <u>ESFC Factor</u> | <u>Active ESFCs</u> |
|------------------------------|------------------------------|-------------------------------|------------------------|-------------------------|
| Unmetered | _____ | _____ | x 1.0 | _____ |
| ≤¾" | <u>1</u> | <u>1</u> | x 1.0 | <u>1</u> |
| 1" | <u>124</u> | <u>124</u> | x 2.5 | <u>310</u> |
| 1½" | _____ | _____ | x 5.0 | _____ |
| 2" | _____ | _____ | x 8.0 | _____ |
| 3" | _____ | _____ | x 15.0 | _____ |
| 4" | _____ | _____ | x 25.0 | _____ |
| 6" | _____ | _____ | x 50.0 | _____ |
| 8" | _____ | _____ | x 80.0 | _____ |
| 10" | _____ | _____ | x 115.0 | _____ |
| Total Water Connections | <u>125</u> | <u>125</u> | | <u>311</u> |
| Total Wastewater Connections | <u>125</u> | <u>125</u> | x 1.0 | <u>125</u> |

3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)

| | | |
|------------------------------|-----------|--|
| Gallons pumped: | 6,266,000 | Water Accountability Ratio: 85.8 % (Gallons billed and sold/Gallons pumped and purchased) |
| Gallons billed to customers: | 5,375,000 | |

See accompanying independent auditor's report.

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2021**

4. STANDBY FEES (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes No

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No

County or Counties in which District is located:

Henderson County, Texas

Is the District located within a city?

Entirely Partly Not at all

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

Entirely Partly Not at all

Are Board Members appointed by an office outside the District?

Yes No

See accompanying independent auditor's report.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JULY 31, 2021

| | |
|-----------------------------------|----------------------------|
| PROFESSIONAL FEES: | |
| Auditing | \$ 13,750 |
| Engineering | 58,988 |
| Legal | 79,254 |
| Financial Advisor | <u>3,500</u> |
| TOTAL PROFESSIONAL FEES | <u>\$ 155,492</u> |
| CONTRACTED SERVICES: | |
| Bookkeeping | \$ 43,644 |
| Fire Protection | 10,750 |
| Operations | 275,579 |
| Solid Waste Disposal | <u>45,457</u> |
| TOTAL CONTRACTED SERVICES | <u>\$ 375,430</u> |
| TOTAL UTILITIES | <u>\$ 5,128</u> |
| REPAIRS AND MAINTENANCE | <u>\$ 648,611</u> |
| ADMINISTRATIVE EXPENDITURES: | |
| Director Fees | \$ 5,550 |
| Insurance | 10,459 |
| Office Supplies and Postage | 2,116 |
| Payroll Taxes | 425 |
| Other | <u>2,719</u> |
| TOTAL ADMINISTRATIVE EXPENDITURES | <u>\$ 21,269</u> |
| CAPITAL OUTLAY: | |
| Capitalized Assets | \$ 75,591 |
| Expenditures Not Capitalized | |
| TOTAL CAPITAL OUTLAY | <u>\$ 75,591</u> |
| OTHER EXPENDITURES: | |
| Chemicals | \$ 1,411 |
| Laboratory Fees | 6,478 |
| Permit Fees | 1,000 |
| Inspection Fees | 7,049 |
| Regulatory Assessment | 606 |
| Sludge Hauling | <u>260,512</u> |
| TOTAL OTHER EXPENDITURES | <u>\$ 277,056</u> |
| TOTAL EXPENDITURES | <u><u>\$ 1,558,577</u></u> |

See accompanying independent auditor's report.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
INVESTMENTS
FOR THE YEAR ENDED JULY 31, 2021

| <u>Fund</u> | <u>Identification or Certificate Number</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Balance at End of Year</u> | <u>Accrued Interest Receivable at End of Year</u> |
|--------------------------|---|--------------------------|--------------------------|-----------------------------------|---|
| <u>GENERAL FUND</u> | | | | | |
| LOGIC Investment Pool | XXXX9001 | Varies | Daily | \$ <u>81</u> | \$ <u>- 0 -</u> |
| <u>DEBT SERVICE FUND</u> | | | | | |
| LOGIC Investment Pool | XXXX9002 | Varies | Daily | \$ <u>509,250</u> | \$ <u>- 0 -</u> |
| TOTAL - ALL FUNDS | | | | <u>\$ 509,331</u> | <u>\$ - 0 -</u> |

See accompanying independent auditor's report.

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JULY 31, 2021**

| | Maintenance Taxes | | Debt Service Taxes | |
|--------------------------------------|-------------------|------------|--------------------|--------------|
| TAXES RECEIVABLE - AUGUST 1, 2020 | \$ | -0- | \$ | -0- |
| Adjustments to Beginning Balance | | \$ -0- | | \$ -0- |
| Original 2020 Tax Levy | \$ | 618,863 | \$ | 1,102,718 |
| Adjustment to 2020 Tax Levy | | (31,887) | | (56,818) |
| TOTAL TO BE ACCOUNTED FOR | | \$ 586,976 | | \$ 1,045,900 |
| TAX COLLECTIONS: | | | | |
| Prior Years | \$ | | \$ | |
| Current Year | | 582,138 | | 1,037,279 |
| TAXES RECEIVABLE - JULY 31, 2021 | | \$ 4,838 | | \$ 8,621 |
| TAXES RECEIVABLE BY YEAR: | | | | |
| 2020 | | \$ 4,838 | | \$ 8,621 |

See accompanying independent auditor's report.

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JULY 31, 2021**

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| TOTAL PROPERTY VALUATIONS | <u>\$ 171,794,080</u> | <u>\$ 185,198,617</u> | <u>\$ 168,942,955</u> | <u>\$ 107,652,115</u> |
| TAX RATES PER \$100 VALUATION: | | | | |
| Debt Service | \$ 0.6085 | \$ 0.6085 | \$ 0.6085 | \$ 0.6085 |
| Maintenance | <u>0.3415</u> | <u>0.3415</u> | <u>0.3415</u> | <u>0.3415</u> |
| TOTAL TAX RATES PER \$100 VALUATION | <u>\$ 0.9500</u> | <u>\$ 0.9500</u> | <u>\$ 0.9500</u> | <u>\$ 0.9500</u> |
| ADJUSTED TAX LEVY* | <u>\$ 1,632,876</u> | <u>\$ 1,759,387</u> | <u>\$ 1,604,958</u> | <u>\$ 1,022,696</u> |
| PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED | <u>99.18 %</u> | <u>100.00 %</u> | <u>100.00 %</u> | <u>100.00 %</u> |

* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

Maintenance Tax – Unlimited tax rate per \$100 of assessed valuation approved by voters on May 14, 2011.

See accompanying independent auditor's report.

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021**

| S E R I E S - 2 0 1 6 | | | |
|--|---------------------------------|---|---------------|
| Due During Fiscal Years Ending July 31 | Principal Due February 15 | Interest Due August 15/ February 15 | Total |
| 2022 | \$ 275,000 | \$ 398,525 | \$ 673,525 |
| 2023 | 285,000 | 390,275 | 675,275 |
| 2024 | 290,000 | 381,725 | 671,725 |
| 2025 | 300,000 | 373,025 | 673,025 |
| 2026 | 310,000 | 364,025 | 674,025 |
| 2027 | 320,000 | 354,725 | 674,725 |
| 2028 | 330,000 | 345,125 | 675,125 |
| 2029 | 340,000 | 334,400 | 674,400 |
| 2030 | 355,000 | 322,500 | 677,500 |
| 2031 | 365,000 | 310,075 | 675,075 |
| 2032 | 380,000 | 297,300 | 677,300 |
| 2033 | 395,000 | 284,000 | 679,000 |
| 2034 | 405,000 | 269,681 | 674,681 |
| 2035 | 425,000 | 255,000 | 680,000 |
| 2036 | 440,000 | 238,000 | 678,000 |
| 2037 | 460,000 | 220,400 | 680,400 |
| 2038 | 475,000 | 202,000 | 677,000 |
| 2039 | 495,000 | 183,000 | 678,000 |
| 2040 | 515,000 | 163,200 | 678,200 |
| 2041 | 535,000 | 142,600 | 677,600 |
| 2042 | 560,000 | 121,200 | 681,200 |
| 2043 | 580,000 | 98,800 | 678,800 |
| 2044 | 605,000 | 75,600 | 680,600 |
| 2045 | 630,000 | 51,400 | 681,400 |
| 2046 | 655,000 | 26,200 | 681,200 |
| 2047 | | | |
| 2048 | | | |
| 2049 | | | |
| | \$ 10,725,000 | \$ 6,202,781 | \$ 16,927,781 |

See accompanying independent auditor's report.

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021**

| S E R I E S - 2 0 1 7 | | | |
|--|---------------------------------|---|--------------|
| Due During Fiscal Years Ending July 31 | Principal Due February 15 | Interest Due August 15/ February 15 | Total |
| 2022 | \$ 120,000 | \$ 182,081 | \$ 302,081 |
| 2023 | 125,000 | 178,482 | 303,482 |
| 2024 | 125,000 | 174,731 | 299,731 |
| 2025 | 130,000 | 170,982 | 300,982 |
| 2026 | 135,000 | 167,081 | 302,081 |
| 2027 | 140,000 | 163,032 | 303,032 |
| 2028 | 145,000 | 158,831 | 303,831 |
| 2029 | 145,000 | 154,482 | 299,482 |
| 2030 | 150,000 | 150,131 | 300,131 |
| 2031 | 160,000 | 144,694 | 304,694 |
| 2032 | 165,000 | 138,893 | 303,893 |
| 2033 | 170,000 | 132,912 | 302,912 |
| 2034 | 175,000 | 126,537 | 301,537 |
| 2035 | 185,000 | 119,975 | 304,975 |
| 2036 | 190,000 | 113,037 | 303,037 |
| 2037 | 195,000 | 105,912 | 300,912 |
| 2038 | 205,000 | 98,600 | 303,600 |
| 2039 | 215,000 | 90,400 | 305,400 |
| 2040 | 220,000 | 81,800 | 301,800 |
| 2041 | 230,000 | 73,000 | 303,000 |
| 2042 | 240,000 | 63,800 | 303,800 |
| 2043 | 250,000 | 54,200 | 304,200 |
| 2044 | 260,000 | 44,200 | 304,200 |
| 2045 | 270,000 | 33,800 | 303,800 |
| 2046 | 280,000 | 23,000 | 303,000 |
| 2047 | 295,000 | 11,800 | 306,800 |
| 2048 | | | |
| 2049 | | | |
| | \$ 4,920,000 | \$ 2,956,393 | \$ 7,876,393 |

See accompanying independent auditor's report.

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021**

| S E R I E S - 2 0 1 9 R O A D | | | |
|--|---------------------------------|---|--------------|
| Due During Fiscal Years Ending July 31 | Principal Due February 15 | Interest Due August 15/ February 15 | Total |
| 2022 | \$ 130,000 | \$ 190,294 | \$ 320,294 |
| 2023 | 135,000 | 186,394 | 321,394 |
| 2024 | 140,000 | 182,343 | 322,343 |
| 2025 | 140,000 | 178,144 | 318,144 |
| 2026 | 145,000 | 173,944 | 318,944 |
| 2027 | 150,000 | 169,594 | 319,594 |
| 2028 | 155,000 | 165,093 | 320,093 |
| 2029 | 160,000 | 160,444 | 320,444 |
| 2030 | 165,000 | 155,644 | 320,644 |
| 2031 | 170,000 | 150,694 | 320,694 |
| 2032 | 175,000 | 145,593 | 320,593 |
| 2033 | 180,000 | 140,125 | 320,125 |
| 2034 | 185,000 | 134,500 | 319,500 |
| 2035 | 195,000 | 128,488 | 323,488 |
| 2036 | 200,000 | 122,150 | 322,150 |
| 2037 | 205,000 | 115,400 | 320,400 |
| 2038 | 215,000 | 108,482 | 323,482 |
| 2039 | 220,000 | 101,225 | 321,225 |
| 2040 | 230,000 | 93,800 | 323,800 |
| 2041 | 235,000 | 85,750 | 320,750 |
| 2042 | 245,000 | 77,525 | 322,525 |
| 2043 | 255,000 | 68,950 | 323,950 |
| 2044 | 265,000 | 60,025 | 325,025 |
| 2045 | 270,000 | 50,750 | 320,750 |
| 2046 | 265,000 | 41,300 | 306,300 |
| 2047 | 295,000 | 32,025 | 327,025 |
| 2048 | 305,000 | 21,700 | 326,700 |
| 2049 | 315,000 | 11,025 | 326,025 |
| | \$ 5,745,000 | \$ 3,251,401 | \$ 8,996,401 |

See accompanying independent auditor's report.

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021**

ANNUAL REQUIREMENTS
FOR ALL SERIES

| Due During Fiscal Years Ending July 31 | Total Principal Due | Total Interest Due | Total Principal and Interest Due |
|--|------------------------|-----------------------|--|
| 2022 | \$ 525,000 | \$ 770,900 | \$ 1,295,900 |
| 2023 | 545,000 | 755,151 | 1,300,151 |
| 2024 | 555,000 | 738,799 | 1,293,799 |
| 2025 | 570,000 | 722,151 | 1,292,151 |
| 2026 | 590,000 | 705,050 | 1,295,050 |
| 2027 | 610,000 | 687,351 | 1,297,351 |
| 2028 | 630,000 | 669,049 | 1,299,049 |
| 2029 | 645,000 | 649,326 | 1,294,326 |
| 2030 | 670,000 | 628,275 | 1,298,275 |
| 2031 | 695,000 | 605,463 | 1,300,463 |
| 2032 | 720,000 | 581,786 | 1,301,786 |
| 2033 | 745,000 | 557,037 | 1,302,037 |
| 2034 | 765,000 | 530,718 | 1,295,718 |
| 2035 | 805,000 | 503,463 | 1,308,463 |
| 2036 | 830,000 | 473,187 | 1,303,187 |
| 2037 | 860,000 | 441,712 | 1,301,712 |
| 2038 | 895,000 | 409,082 | 1,304,082 |
| 2039 | 930,000 | 374,625 | 1,304,625 |
| 2040 | 965,000 | 338,800 | 1,303,800 |
| 2041 | 1,000,000 | 301,350 | 1,301,350 |
| 2042 | 1,045,000 | 262,525 | 1,307,525 |
| 2043 | 1,085,000 | 221,950 | 1,306,950 |
| 2044 | 1,130,000 | 179,825 | 1,309,825 |
| 2045 | 1,170,000 | 135,950 | 1,305,950 |
| 2046 | 1,200,000 | 90,500 | 1,290,500 |
| 2047 | 590,000 | 43,825 | 633,825 |
| 2048 | 305,000 | 21,700 | 326,700 |
| 2049 | 315,000 | 11,025 | 326,025 |
| | <u>\$ 21,390,000</u> | <u>\$ 12,410,575</u> | <u>\$ 33,800,575</u> |

See accompanying independent auditor's report.

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JULY 31, 2021**

| Description | Original Bonds Issued | Bonds Outstanding August 1, 2020 |
|---|--------------------------|--|
| Lake View Management and Development District Unlimited Tax Utility System Bonds - Series 2016 | \$ 11,500,000 | \$ 10,990,000 |
| Lake View Management and Development District Unlimited Tax Utility System Bonds - Series 2017 | 5,150,000 | 5,035,000 |
| Lake View Management and Development District Unlimited Tax Road Bonds - Series 2019 | <u>6,030,000</u> | <u>5,870,000</u> |
| TOTAL | <u>\$ 22,680,000</u> | <u>\$ 21,895,000</u> |

| Bond Authority: | <u>Utility Tax Bonds</u> | <u>Utility Refunding Bonds</u> | <u>Road Bonds</u> |
|-----------------------------|------------------------------|------------------------------------|----------------------|
| Amount Authorized by Voters | \$ 139,631,048 | \$ 181,520,400 | \$ 103,765,662 |
| Amount Issued | <u>16,650,000</u> | <u> </u> | <u>6,030,000</u> |
| Remaining to be Issued | <u>\$ 122,981,048</u> | <u>\$ 181,520,400</u> | <u>\$ 97,735,662</u> |

Debt Service Fund cash and investments balances as of July 31, 2021: \$ 939,460

Average annual debt service payment (principal and interest) for remaining term
of all debt: \$ 1,207,163

See Note 3 for interest rate, interest payment dates and maturity dates.

See accompanying independent auditor's report.

| <u>Current Year Transactions</u> | | | | |
|----------------------------------|--------------------|-------------------|--|-------------------------|
| <u>Bonds Sold</u> | <u>Retirements</u> | | <u>Bonds Outstanding July 31, 2021</u> | <u>Paying Agent</u> |
| | <u>Principal</u> | <u>Interest</u> | | |
| \$ - 0 - | \$ 265,000 | \$ 406,475 | \$ 10,725,000 | BOKF N.A. Dallas, TX |
| | 115,000 | 185,531 | 4,920,000 | BOKF N.A. Dallas, TX |
| | <u>125,000</u> | <u>194,044</u> | <u>5,745,000</u> | BOKF N.A. Dallas, TX |
| <u>\$ - 0 -</u> | <u>\$ 505,000</u> | <u>\$ 786,050</u> | <u>\$ 21,390,000</u> | |
| <u>Road Refunding Bonds</u> | | | | |
| \$ 134,895,400 | | | | |
| <u>\$ 134,895,400</u> | | | | |

See accompanying independent auditor's report.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

| | Amounts | | |
|--|---------------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 |
| REVENUES | | | |
| Property Tax Revenue | \$ 582,132 | \$ 643,772 | \$ 570,744 |
| Water Service | 63,724 | 59,610 | 44,933 |
| Wastewater Service | 64,913 | 53,620 | 49,260 |
| Trash Collection Revenue | 37,960 | 26,690 | 23,760 |
| Tap Connection and Inspection Fees | 194,554 | 83,190 | 64,221 |
| Penalty and Interest | 4,574 | | 3,403 |
| Investment Revenues | 129 | 1,769 | 4,769 |
| Miscellaneous Revenues | 16,907 | 5,012 | 3,085 |
| TOTAL REVENUES | <u>\$ 964,893</u> | <u>\$ 873,663</u> | <u>\$ 764,175</u> |
| EXPENDITURES | | | |
| Professional Fees | \$ 155,492 | \$ 189,690 | \$ 127,121 |
| Contracted Services | 375,430 | 122,120 | 100,027 |
| Utilities | 5,128 | 4,484 | 2,684 |
| Repairs and Maintenance | 648,611 | 562,950 | 370,397 |
| Other | 298,325 | 295,363 | 225,534 |
| Capital Outlay | 75,591 | | 84,566 |
| TOTAL EXPENDITURES | <u>\$ 1,558,577</u> | <u>\$ 1,174,607</u> | <u>\$ 910,329</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ (593,684)</u> | <u>\$ (300,944)</u> | <u>\$ (146,154)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfer Out | \$ | \$ | \$ 2,629 |
| Developer Contribution | 880,900 | | |
| TOTAL OTHER FINANCING SOURCES | <u>\$ 880,900</u> | <u>\$ -0-</u> | <u>\$ 2,629</u> |
| NET CHANGE IN FUND BALANCE | \$ 287,216 | \$ (300,944) | \$ (143,525) |
| BEGINNING FUND BALANCE | <u>(29,705)</u> | <u>271,239</u> | <u>414,764</u> |
| ENDING FUND BALANCE | <u>\$ 257,511</u> | <u>\$ (29,705)</u> | <u>\$ 271,239</u> |

See accompanying independent auditor's report.

| | | Percentage of Total Revenues | | | | |
|---------------------|-------------------|------------------------------|-----------------|-----------------|-----------------|----------------|
| 2018 | 2017 | 2021 | 2020 | 2019 | 2018 | 2017 |
| \$ 367,632 | \$ 715,611 | 60.3 % | 73.7 % | 74.8 % | 63.3 % | 81.7 % |
| 40,518 | 33,827 | 6.6 | 6.8 | 5.9 | 7.0 | 3.9 |
| 41,340 | 33,900 | 6.7 | 6.1 | 6.4 | 7.1 | 3.9 |
| 20,340 | 16,800 | 3.9 | 3.1 | 3.1 | 3.5 | 1.9 |
| 98,680 | 68,117 | 20.2 | 9.5 | 8.4 | 17.0 | 7.8 |
| 3,077 | 3,918 | 0.5 | | 0.4 | 0.5 | 0.5 |
| 6,246 | 510 | | 0.2 | 0.6 | 1.1 | |
| 2,800 | 3,000 | 1.8 | 0.6 | 0.4 | 0.5 | 0.3 |
| <u>\$ 580,633</u> | <u>\$ 875,683</u> | <u>100.0 %</u> | <u>100.0 %</u> | <u>100.0 %</u> | <u>100.0 %</u> | <u>100.0 %</u> |
| \$ 202,638 | \$ 131,156 | 16.1 % | 21.7 % | 16.6 % | 34.9 % | 15.0 % |
| 125,559 | 108,312 | 38.9 | 14.0 | 13.1 | 21.6 | 12.4 |
| | | 0.5 | 0.5 | 0.4 | | |
| 196,308 | 74,823 | 67.2 | 64.4 | 48.5 | 33.8 | 8.5 |
| 184,854 | 168,354 | 30.9 | 33.8 | 29.5 | 31.8 | 19.2 |
| | 10,980 | 7.9 | | 11.1 | | 1.3 |
| <u>\$ 709,359</u> | <u>\$ 493,625</u> | <u>161.5 %</u> | <u>134.4 %</u> | <u>119.2 %</u> | <u>122.1 %</u> | <u>56.4 %</u> |
| <u>\$ (128,726)</u> | <u>\$ 382,058</u> | <u>(61.5) %</u> | <u>(34.4) %</u> | <u>(19.2) %</u> | <u>(22.1) %</u> | <u>43.6 %</u> |
| \$ | \$ | | | | | |
| | 135,000 | | | | | |
| <u>\$ -0-</u> | <u>\$ 135,000</u> | | | | | |
| \$ (128,726) | \$ 517,058 | | | | | |
| 543,490 | 26,432 | | | | | |
| <u>\$ 414,764</u> | <u>\$ 543,490</u> | | | | | |

See accompanying independent auditor's report.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

| | Amounts | | |
|--|---------------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 |
| REVENUES | | | |
| Property Taxes | \$ 1,037,285 | \$ 1,136,184 | \$ 1,016,978 |
| Investment Revenues | <u>14,722</u> | <u>21,439</u> | <u>23,101</u> |
| TOTAL REVENUES | <u>\$ 1,052,007</u> | <u>\$ 1,157,623</u> | <u>\$ 1,040,079</u> |
| EXPENDITURES | | | |
| Tax Collection Expenditures | \$ 46,366 | \$ 31,267 | \$ 22,927 |
| Debt Service Principal | 505,000 | 535,000 | 250,000 |
| Debt Service Interest and Fees | <u>787,028</u> | <u>662,505</u> | <u>611,356</u> |
| TOTAL EXPENDITURES | <u>\$ 1,338,394</u> | <u>\$ 1,228,772</u> | <u>\$ 884,283</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ (286,387)</u> | <u>\$ (71,149)</u> | <u>\$ 155,796</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Long-Term Debt Issued | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |
| NET CHANGE IN FUND BALANCE | \$ (286,387) | \$ (71,149) | \$ 155,796 |
| BEGINNING FUND BALANCE | <u>1,235,803</u> | <u>1,306,952</u> | <u>1,151,156</u> |
| ENDING FUND BALANCE | <u>\$ 949,416</u> | <u>\$ 1,235,803</u> | <u>\$ 1,306,952</u> |
| TOTAL ACTIVE RETAIL WATER CONNECTIONS | <u>125</u> | <u>99</u> | <u>76</u> |
| TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS | <u>125</u> | <u>99</u> | <u>76</u> |

See accompanying independent auditor's report.

| | | Percentage of Total Revenues | | | | |
|----------------|---------------|------------------------------|----------------|----------------|---------------|---------------------|
| 2018 | 2017 | 2021 | 2020 | 2019 | 2018 | 2017 |
| \$ 655,063 | \$ | 98.6 % | 98.1 % | 97.8 % | 99.7 | % |
| <u>2,152</u> | <u>223</u> | <u>1.4</u> | <u>1.9</u> | <u>2.2</u> | <u>0.3</u> | <u>100.0</u> |
| \$ 657,215 | \$ 223 | <u>100.0 %</u> | <u>100.0 %</u> | <u>100.0 %</u> | <u>100.0</u> | <u>100.0 %</u> |
| \$ | \$ | 4.4 % | 2.7 % | 2.2 % | % | % |
| <u>462,371</u> | <u>88,336</u> | <u>48.0</u> | <u>46.2</u> | <u>24.0</u> | <u>70.4</u> | <u>39,612.6</u> |
| \$ 462,371 | \$ 88,336 | <u>127.2 %</u> | <u>106.1 %</u> | <u>85.0 %</u> | <u>70.4 %</u> | <u>39,612.6 %</u> |
| \$ 194,844 | \$ (88,113) | <u>(27.2) %</u> | <u>(6.1) %</u> | <u>15.0 %</u> | <u>29.6 %</u> | <u>(39,512.6) %</u> |
| \$ 323,893 | \$ 720,532 | | | | | |
| \$ 518,737 | \$ 632,419 | | | | | |
| <u>632,419</u> | | | | | | |
| \$ 1,151,156 | \$ 632,419 | | | | | |
| <u>73</u> | <u>57</u> | | | | | |
| <u>73</u> | <u>57</u> | | | | | |

See accompanying independent auditor's report.

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2021**

District Mailing Address - Lake View Management and Development District
c/o Winstead PC
2728 N. Harwood, Suite 500
Dallas, TX 75201

District Telephone Number - (214) 745-5353

| Board Members | Term of Office (Elected or Appointed) | Fees of Office for the year ended <u>July 31, 2021</u> | Expense Reimbursements for year ended <u>July 31, 2021</u> | <u>Title</u> |
|----------------------|--|--|--|---------------------|
| Tom Burlison | 05/18 05/22 (Elected) | \$ 1,350 | \$ -0- | President |
| Neal Sleeper | 05/18 05/22 (Elected) | \$ 1,050 | \$ -0- | Vice President |
| Alan Naul | 05/20 05/24 (Elected) | \$ 1,200 | \$ -0- | Secretary |
| Christopher Kelsey | 05/20 05/24 (Elected) | \$ 900 | \$ -0- | Assistant Secretary |
| Gary Reaves | 05/20 05/24 (Elected) | \$ 1,050 | \$ -0- | Director |

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

Submission date of most recent District Registration Form: December 9, 2019

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 (TWC Section 49.060). Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2021

| Consultants: | <u>Date Hired</u> | <u>Fees for the year ended July 31, 2021</u> | <u>Title</u> |
|--|-------------------|--|---------------------------------|
| Winstead PC | 11/11/15 | \$ 79,254 \$ -0- | General Counsel Bond Counsel |
| McCall Gibson Swedlund Barfoot PLLC | 08/12/15 | \$ 13,750 \$ -0- | Audit Bond Related |
| Dye & Toverly, LLC | 07/01/13 | \$ 45,485 | Bookkeeper |
| Team Phillips, Inc. | 12/17/12 | \$ 63,948 | Engineer and Prior Operator |
| Arcadia Water Management, LLC | 09/02/20 | \$ 320,983 | Operator |
| Hilltop Securities Inc. | 09/12/13 | \$ 3,500 | Financial Advisor |

See accompanying independent auditor's report.

