

**ROCKWALL COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 7**

**ROCKWALL COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**AUGUST 31, 2022**



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UTILITY DISTRICT NO. 7**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Rockwall County Municipal Utility District No. 7  
Rockwall County, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Rockwall County Municipal Utility District No. 7 (the "District") as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of August 31, 2022, 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.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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





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

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.



Board of Directors  
Rockwall County Municipal Utility  
District No. 7

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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 an 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  
Certified Public Accountants  
Houston, Texas

December 20, 2022



# **ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **FOR THE YEAR ENDED AUGUST 31, 2022**

Management's discussion and analysis of Rockwall County Municipal Utility District No. 7's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended August 31, 2022. 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 Balances. 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 the District's assets, liabilities, and, if applicable, deferred inflows and outflows of resources, 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 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, maintenance tax revenues, costs and general expenditures. 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.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**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 adjustments 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 Balances 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"). The 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 \$1,672,651 as of August 31, 2022.

The following is a comparative analysis of government-wide changes in net position:

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

	Summary of Changes in the Statement of Net Position		
	2022	2021	Change Positive (Negative)
Current Assets	\$ 370,742	\$ 391,581	\$ (20,839)
Intangible Assets (Net of Accumulated Amortization)	5,083,668	5,297,777	(214,109)
Total Assets	\$ 5,454,410	\$ 5,689,358	\$ (234,948)
Due to Developers	\$ 2,834,839	\$ 4,190,283	\$ 1,355,444
Bonds Payable	4,226,082	2,565,470	(1,660,612)
Other Liabilities	66,140	149,215	83,075
Total Liabilities	\$ 7,127,061	\$ 6,904,968	\$ (222,093)
Net Position:			
Net Investment in Capital Assets	\$ (1,928,526)	\$ (1,418,528)	\$ (509,998)
Restricted	173,267	117,715	55,552
Unrestricted	82,608	85,203	(2,595)
Total Net Position	\$ (1,672,651)	\$ (1,215,610)	\$ (457,041)

The following table provides a summary of the District's operations for the year ended August 31, 2022 and August 31, 2021. The District's net position decreased by \$457,041.

	Summary of Changes in the Statement of Activities		
	2022	2021	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 267,943	\$ 210,594	\$ 57,349
Other Revenues	5,056	375	4,681
Total Revenues	\$ 272,999	\$ 210,969	\$ 62,030
Expenses for Services	730,040	403,999	(326,041)
Change in Net Position	\$ (457,041)	\$ (193,030)	\$ (264,011)
Net Position, Beginning of Year	(1,215,610)	(1,022,580)	(193,030)
Net Position, End of Year	\$ (1,672,651)	\$ (1,215,610)	\$ (457,041)

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2022**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS**

The District's combined fund balances as of August 31, 2022, were \$337,689, an increase of \$79,964 from the prior year.

The General Fund fund balance decreased by \$2,696, primarily due to operating costs (which included \$16,000 of future bond costs) exceeding property tax revenues.

The Debt Service Fund fund balance increased by \$73,381, primarily due to the structure of the District's outstanding debt and the receipt of capitalized interest from the sale of the District's Series 2021 road bonds issued in the current fiscal year.

The Capital Projects Fund fund balance increased by \$9,279.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors did not amend the budget during the current fiscal year. Actual revenues were \$3,022 more than budgeted revenues. Actual expenditures were \$20,705 more than budgeted. This resulted in a negative budget variance of \$17,683. See the budget to actual comparison on page 29 for further information.

**INTANGIBLE ASSETS**

The District operates in contractual conjunction with the City of Fate, Texas (the "City"). In this arrangement, the facilities constructed by the District are conveyed to the City. The City maintains the facilities and operates the facilities for the benefit of the residents of the District. During the fiscal year ending August 31, 2022, the District did not record any transfers to the City. As of August 31, 2022, the District has recognized an intangible asset for the costs of the facilities conveyed which has a balance (net of accumulated amortization) of \$5,083,668.

**LONG-TERM DEBT ACTIVITY**

As of August 31, 2022, the District had total debt payable of \$4,240,000. The changes of the debt position of the District during fiscal year ended August 31, 2022, are summarized as follows:

Bond Debt Payable, September 1, 2021	\$ 2,575,000
Add: Bond Sale - Series 2021 Road	1,735,000
Less: Bond Principal Paid	<u>\$ 70,000</u>
Bond Debt Payable, August 31, 2022	<u>\$ 4,240,000</u>

The District's Series 2019 Road Bonds and Series 2021 Road Bonds do not carry an underlying rating or insured rating.



**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2022**

**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 Rockwall County Municipal Utility District No. 7 c/o Winstead PC, 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**AUGUST 31, 2022**

	General Fund	Debt Service Fund
<b>ASSETS</b>		
Cash	\$ 7,134	\$ 3,962
Investments	89,770	206,150
Receivables:		
Property Taxes	5,365	9,634
Due from Other Funds		2,413
Intangible Assets (Net of Accumulated Amotization)		
<b>TOTAL ASSETS</b>	<b>\$ 102,269</b>	<b>\$ 222,159</b>
<b>LIABILITIES</b>		
Accounts Payable	\$ 17,248	\$ 806
Accrued Interest Payable		
Due to Other Funds	2,413	
Due to Developer		
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
<b>TOTAL LIABILITIES</b>	<b>\$ 19,661</b>	<b>\$ 806</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	\$ 5,365	\$ 9,634
<b>FUND BALANCES</b>		
Restricted for Authorized Construction	\$	\$
Restricted for Debt Service		211,719
Unassigned	77,243	
<b>TOTAL FUND BALANCES</b>	<b>\$ 77,243</b>	<b>\$ 211,719</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 102,269</b>	<b>\$ 222,159</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
<b>TOTAL NET POSITION</b>		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 657	\$ 11,753	\$	\$ 11,753
48,070	343,990		343,990
	14,999		14,999
	2,413	(2,413)	
		5,083,668	5,083,668
<u>\$ 48,727</u>	<u>\$ 373,155</u>	<u>\$ 5,081,255</u>	<u>\$ 5,454,410</u>
\$	\$ 18,054	\$	\$ 18,054
		48,086	48,086
	2,413	(2,413)	
		2,834,839	2,834,839
		75,000	75,000
		4,151,082	4,151,082
<u>\$ -0-</u>	<u>\$ 20,467</u>	<u>\$ 7,106,594</u>	<u>\$ 7,127,061</u>
<u>\$ -0-</u>	<u>\$ 14,999</u>	<u>\$ (14,999)</u>	<u>\$ - 0 -</u>
\$ 48,727	\$ 48,727	\$ (48,727)	\$
	211,719	(211,719)	
	77,243	(77,243)	
<u>\$ 48,727</u>	<u>\$ 337,689</u>	<u>\$ (337,689)</u>	<u>\$ - 0 -</u>
<u>\$ 48,727</u>	<u>\$ 373,155</u>		
		\$ (1,928,526)	\$ (1,928,526)
		173,267	173,267
		82,608	82,608
		<u>\$ (1,672,651)</u>	<u>\$ (1,672,651)</u>

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

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**AUGUST 31, 2022**

Total Fund Balances - Governmental Funds \$ 337,689

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

Deferred inflows of resources related to property tax revenues for the 2021 tax levy became part of recognized revenue in the governmental activities of the District. 14,999

Intangible assets are not current financial resources and, therefore, are not reported as assets in the governmental funds. 5,083,668

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	\$ (2,834,839)	
Accrued Interest Payable	(48,086)	
Bonds Payable	<u>(4,226,082)</u>	<u>(7,109,007)</u>

Total Net Position - Governmental Activities \$ (1,672,651)

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

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**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

	General Fund	Debt Service Fund
<b>REVENUES</b>		
Property Taxes	\$ 100,312	\$ 167,816
Penalty and Interest		3,058
Investment Revenues	664	1,065
<b>TOTAL REVENUES</b>	<b>\$ 100,976</b>	<b>\$ 171,939</b>
<b>EXPENDITURES/EXPENSES</b>		
Service Operations:		
Professional Fees	\$ 77,413	\$
Contracted Services	12,546	4,755
Other	13,713	100
Amortization		
Developer Interest		
Capital Outlay		
Debt Service:		
Bond Principal		70,000
Bond Interest		88,698
Bond Issuance Costs		
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ 103,672</b>	<b>\$ 163,553</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (2,696)</b>	<b>\$ 8,386</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Long-Term Debt Issued		64,995
Bond Discount		
Bond Premium		
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -0-</b>	<b>\$ 64,995</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (2,696)</b>	<b>\$ 73,381</b>
<b>CHANGE IN NET POSITION</b>		
<b>FUND BALANCES/NET POSITION - SEPTEMBER 1, 2021</b>	<b>79,939</b>	<b>138,338</b>
<b>FUND BALANCES/NET POSITION - AUGUST 31, 2022</b>	<b>\$ 77,243</b>	<b>\$ 211,719</b>

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

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
\$	\$ 268,128	\$ (185)	\$ 267,943
	3,058		3,058
<u>269</u>	<u>1,998</u>	<u></u>	<u>1,998</u>
\$ 269	\$ 273,184	\$ (185)	\$ 272,999
\$	\$ 77,413	\$	\$ 77,413
	17,301		17,301
	13,813		13,813
		214,109	214,109
143,394	143,394		143,394
1,355,444	1,355,444	(1,355,444)	
	70,000	(70,000)	
	88,698	18,107	106,805
<u>157,205</u>	<u>157,205</u>	<u></u>	<u>157,205</u>
\$ 1,656,043	\$ 1,923,268	\$ (1,193,228)	\$ 730,040
\$ (1,655,774)	\$ (1,650,084)	\$ 1,193,043	\$ (457,041)
1,670,005	1,735,000	(1,735,000)	
(8,035)	(8,035)	8,035	
<u>3,083</u>	<u>3,083</u>	<u>(3,083)</u>	<u></u>
\$ 1,665,053	\$ 1,730,048	\$ (1,730,048)	\$ -0-
\$ 9,279	\$ 79,964	\$ (79,964)	\$
		(457,041)	(457,041)
<u>39,448</u>	<u>257,725</u>	<u>(1,473,335)</u>	<u>(1,215,610)</u>
\$ <u>48,727</u>	\$ <u>337,689</u>	\$ <u>(2,010,340)</u>	\$ <u>(1,672,651)</u>

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

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

Net Change in Fund Balances - Governmental Funds \$ 79,964

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. (185)

Governmental funds report bond premiums and discounts as other financing sources and uses in the year received and paid. However, in the Statement of Net Position, bond premiums and discounts are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities. 4,952

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. 70,000

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. (18,107)

Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position. (1,735,000)

Governmental funds do not account for amortization. However in the Statement of Net Position, intangible assets are amortized and amortization expense is recorded. (214,109)

Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, the amount paid to the Developer is recorded as a reduction to the amount previously recorded as due to developer. 1,355,444

Change in Net Position - Governmental Activities \$ (457,041)

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



**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 1. CREATION OF DISTRICT**

Rockwall County Municipal Utility District No. 7 (the “District”) was created by Senate Bill 1855, passed by the 79<sup>th</sup> Legislature, Regular Session, of the State of Texas, operating pursuant to Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution and by a confirmation election held within the District on November 7, 2006. The District operates under Chapters 49 and 54 of the Texas Water Code and other general laws of the State of Texas applicable to municipal utility districts. The District is vested with all the rights, privileges, authority and functions conferred by the laws of the State of Texas applicable to municipal utility districts, including without limitation those conferred by Chapters 49 and 54, Texas Water Code, as amended. The District is empowered to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water, among other things. The District may also provide solid waste collection and disposal service and operate and maintain recreational facilities. Currently the District’s water and wastewater are provided by contract with the City of Fate, Texas (the “City”) as described under “Special District Agreements,” see Note 6. The District may operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, if approved by the voters and the TCEQ. The District does not operate and/or maintain a fire department. The District is subject to the continuing supervision of the TCEQ and is located exclusively within the corporate limits of the City. The District held its organizational meeting on October 18, 2005, and sold its first series of bonds on December 18, 2019.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic 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 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.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation

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

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.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**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 to obtain net total revenues and expenses 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 Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

Governmental Funds

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, maintenance tax revenues, costs and general expenditures.

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

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Basis of Accounting (Continued)

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. As of August 31, 2022, the General Fund owed the Debt Service Fund \$2,413 for the over-transfer of maintenance tax collections.

Capital and Intangible Assets

Capital assets, which 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 asset 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. Estimated useful lives are as follows:

	Years
Buildings	40
Water System	10-45
Wastewater System	10-45
Drainage System	10-45
All Other Equipment	3-20

To date, all capital assets constructed by the District have been conveyed to the City of Fate, Texas for operations and maintenance. These costs are recorded as an intangible asset and amortized over the term of the applicable service contract.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original budget amounts 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 considered wages subject to federal income tax withholding for payroll tax purposes only.

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. The District does not have any nonspendable fund balances.

*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.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus (Continued)

*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 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.

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>Road Series 2019</u>	<u>Road Series 2021</u>
Amount Outstanding – August 31, 2022	\$ 2,505,000	\$ 1,735,000
Interest Rates	1.90% - 3.25%	1.80% - 3.00%
Maturity Dates – Serially Beginning/Ending	October 1, 2022/2044	October 1, 2023/2046
Interest Payment Dates	October 1/April 1	October 1/April 1
Callable Dates	October 1, 2024*	October 1, 2026*

\* In whole or in part, or any date thereafter at par plus unpaid accrued interest. Series 2019 Road term bonds maturing October 1, 2033, October 1, 2035, October 1, 2037, October 1, 2040, and October 1, 2044 are subject to mandatory redemption beginning October 1, 2032, October 1, 2034, October 1, 2036, October 1, 2038 and October 1, 2041, respectively. Series 2021 Road term bonds maturing October 1, 2039 and October 1, 2046 are subject to mandatory redemption beginning October 1, 2038 and October 1, 2040, respectively.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 3. LONG-TERM DEBT (Continued)**

The following is a summary of transactions regarding bonds payable for the year ended August 31, 2022:

	September 1, 2021	Additions	Retirements	August 31, 2022
Bonds Payable	\$ 2,575,000	\$ 1,735,000	\$ 70,000	\$ 4,240,000
Unamortized Discounts	(9,530)	(8,035)	(661)	(16,904)
Unamortized Premiums		3,083	97	2,986
Bonds Payable, Net	<u>\$ 2,565,470</u>	<u>\$ 1,730,048</u>	<u>\$ 69,436</u>	<u>\$ 4,226,082</u>
			Amount Due Within One Year	\$ 75,000
			Amount Due After One Year	<u>4,151,082</u>
			Bonds Payable, Net	<u>\$ 4,226,082</u>

As of August 31, 2022, the District had authorized but unissued bonds in the amount of \$9,800,000 for water, sanitary sewer and drainage bonds, \$21,010,000 for refunding bonds and \$4,990,000 for road bonds.

As of August 31, 2022, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 75,000	\$ 114,695	\$ 189,695
2024	135,000	112,692	247,692
2025	135,000	110,067	245,067
2026	140,000	107,312	247,312
2027	145,000	104,375	249,375
2028-2032	775,000	471,404	1,246,404
2033-2037	900,000	363,260	1,263,260
2038-2042	1,040,000	221,970	1,261,970
2043-2047	895,000	57,140	952,140
	<u>\$ 4,240,000</u>	<u>\$ 1,662,915</u>	<u>\$ 5,902,915</u>

During the current year, the District levied an ad valorem debt service tax rate of \$0.47 per \$100 of assessed valuation, which resulted in a tax levy of \$167,530 on the adjusted taxable valuation of \$35,644,430 for the 2021 tax year. The bond orders require the District to 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 collection 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.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS**

The bond orders state that the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data with respect to the District to certain information repositories. 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.

For the bonds sold, 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 be rebated to the federal government, within the meaning of Section 148(f) of the Internal Revenue Code.

**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 \$11,753 and the bank balance was \$21,155. The bank balance was fully covered by federal depository insurance.

	Cash
GENERAL FUND	\$ 7,134
DEBT SERVICE FUND	3,962
CAPITAL PROJECTS FUND	657
TOTAL DEPOSITS	\$ 11,753



**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

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.

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 LOGIC (Local Government Investment Cooperative), an external public fund investment pool that is not SEC-registered. LOGIC is organized and existing as a business trust under the laws of the State of Texas with all participant funds and all investment assets held and managed in trust by a Board of Trustees for the benefit of the participants. Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc. serve as co-administrators of the pool. LOGIC measures all of its portfolio assets at amortized cost for financial reporting purposes and, therefore, the District measures its investments in LOGIC at amortized cost. There are no limitations or restrictions on withdrawals from LOGIC.

As of August 31, 2022, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
LOGIC	\$ 89,770	\$ 89,770
<u>DEBT SERVICE FUND</u>		
LOGIC	206,150	206,150
<u>CAPITAL PROJECTS FUND</u>		
LOGIC	48,070	48,070
<b>TOTAL INVESTMENTS</b>	<b>\$ 343,990</b>	<b>\$ 343,990</b>

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. As of August 31, 2022, 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 that the share position can usually be redeemed each day at the discretion of the District unless there has been a significant change in value.

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and cost of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

**NOTE 6. INTANGIBLE ASSETS**

The District operates in contractual conjunction with the City of Fate, Texas (the "City"). In this arrangement, the facilities constructed by the District are conveyed to the City. The City maintains the facilities and operates the facilities for the benefit of the residents of the District. During the fiscal year ending August 31, 2022, the District did not record any transfers to the City. As of August 31, 2022, the District has recognized an intangible asset for the costs of the facilities conveyed which has a balance (net of accumulated amortization) of \$5,083,668.

	September 1, 2021	Increases	Decreases	August 31, 2022
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Intangible Assets Subject to Amortization</b>				
Water, Wastewater and Drainage System	\$ 3,158,994	\$		\$ 3,158,994
Paving and Road	<u>2,880,109</u>			<u>2,880,109</u>
<b>Total Intangible Assets Subject to Amortization</b>	<u>\$ 6,039,103</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 6,039,103</u>
<b>Less Accumulated Amortization</b>				
Water, Wastewater and Drainage System	\$ 373,880	\$ 112,644	\$	\$ 486,524
Paving and Road	<u>367,446</u>	<u>101,465</u>		<u>468,911</u>
<b>Total Accumulated Amortization</b>	<u>\$ 741,326</u>	<u>\$ 214,109</u>	<u>\$ - 0 -</u>	<u>\$ 955,435</u>
<b>Total Intangible Assets, Net of Accumulated Amortization</b>	<u>\$ 5,297,777</u>	<u>\$ (214,109)</u>	<u>\$ - 0 -</u>	<u>\$ 5,083,668</u>

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 7. MAINTENANCE TAX**

On November 7, 2006, the voters of the District approved the levy and collection of a maintenance tax in an unlimited amount per \$100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater systems. During the current fiscal year, the District levied an ad valorem maintenance tax at the rate of \$0.28 per \$100 of assessed valuation, which resulted in a tax levy of \$99,805 on the adjusted taxable valuation of \$35,644,430 for the 2021 tax year.

**NOTE 8. SPECIAL DISTRICT AGREEMENT**

Rockwall County Consolidated Municipal Utility District No. 1 (District No. 1), Rockwall County Consolidated Municipal Utility District No. 2 (District No. 2), the City of Fate, Texas (the "City") and PRA/Fate Development Corp., the Developer within the District, have entered into the Special District Agreement dated December 1, 2003. Pursuant to the terms of the agreement, the City agrees to provide retail water capacity to 1,300 residential units and sewer capacity to 700 residential units within the districts. The City agrees to own, operate and maintain the facilities and charge user fees equal to those charged others within its boundaries. Under the agreement, the Developer agrees to finance and construct on behalf of the districts the internal water, sewer and drainage facilities.

On May 17, 2006, the District, District No. 1, Rockwall County Municipal Utility District's No. 6, 8 and 9 (District's No. 6, 8 and 9), the City, and PRA/Fate Development Corp. entered into the Special District Agreement No. 2. This agreement noted that District No. 2 has become dormant and that the District and District's No. 6, 8 and 9 have been created over land comprising of District No. 2 and are now party to the original agreement in the place of District No. 2. It was also noted that the newly created districts have certain road powers that the District does not have and that the construction and acquisition of roads will be subject to the same rights and obligations as the water, sewer and drainage facilities referenced in the original agreement. Pursuant to the terms of the agreement, the City agrees to provide additional retail water capacity to 1,000 residential units and sewer capacity to 500 residential units with the districts.

Pursuant to the Capacity Allocation Agreement between the District, District No. 1 and District's No. 6, 8 and 9 approved on September 19, 2006, the districts have agreed that all the water and sewer capacity mentioned in the Special District Agreement and the Special District Agreement No. 2 will be allocated to District No. 1. The districts will cooperate with the Developer and the City for any additional water and sewer capacity that will be needed by any of the districts. PRA/Fate Development Corp., the original developer, has assigned the agreements to Southstar Woodcreek Developer, LLC.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 9. UNREIMBURSED COSTS**

The District has executed development financing agreements with Developers within the District. These agreements call for the Developers to fund costs associated with water, sewer and drainage facilities and to advance monies to fund operations until such time as the District can sell bonds to reimburse the Developers. As reflected in the Statement of Net Position, \$2,834,839 has been recorded as a liability for completed facilities financed by Developers and for developer advances. Reimbursement to the Developers will come from future bond sales.

Due to Developers, September 1, 2021	\$ 4,190,283
Current Year Reimbursements	<u>(1,355,444)</u>
Due to Developers, August 31, 2022	<u><u>\$ 2,834,839</u></u>

**NOTE 10. 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 for 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 11 WATER AND WASTEWATER CAPACITY**

On June 24, 2003, the City and PRA/Fate Development Corp (“PRA/Fate”) entered into an agreement for certain off-site water and sewer improvements to serve the District (the “2003 Agreement”). PRA/Fate agreed to pay the entire cost for the design and construction of the improvements and, as consideration for the construction of the improvements, the City shall provide access, capacity and rights to water and sewer services for PRA/Fate to be used on the property provided by the improvements.

In order to adequately serve the property with sewer service, the City has become a member of the Sabine Creek Wastewater System, which is owned and operated by North Texas Municipal Water District (“NTMWD”). The City’s capacity contracts with NTMWD require annual debt service payments from the City to NTMWD. Any shortfall between the City’s sewer revenue and the debt service payment to NTMWD related to District No. 1 would be paid by PRA/Fate pursuant to the 2003 Agreement.

On November 15, 2010, the 2003 Agreement was amended. On September 24, 2013, PRA/Fate assigned the reimbursement rights to Southstar Woodcreek Developer, LLC (“the Developer”). The City will remain obligated to fully reimburse the Developer for remaining unreimbursed project costs. In consideration for the Developer funding the project costs and project improvements, the City agrees to provide the Developer, and in turn District No. 1, with 2,300 residential units of water capacity and 1,200 residential units of wastewater capacity.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 11 WATER AND WASTEWATER CAPACITY (Continued)**

In consideration for the provisions of wastewater service to District No. 1 and reservation of wastewater capacity for District No. 1 the Developer had made and shall make annual payments to the City according to the following schedule; \$400,000, 200,000, and \$152,525 due on November 30, 2010, September 30, 2011 and September 30, 2012 respectively, for the debt service payments to NTMWD. District No. 1 paid these amounts to the City, in lieu of Developer payment or as reimbursement to the Developer for prior payments which are of benefit to District No. 1, in a prior fiscal year. After payment of these amounts, the Developer and District No. 1 have no other obligation to pay such shortfall amounts to the City. The term of the agreement is the earlier of 20 years or satisfaction of all terms and conditions by the parties to the agreement.

**NOTE 12. BOND SALE**

On November 18, 2021, the District closed on the sale of its Unlimited Tax Road Bonds, Series 2021 in the amount of \$1,735,000. The District used proceeds of the bonds to reimburse the Developer for construction and engineering costs of roads, road improvements and other related costs to serve Reserve at Chamberlain Crossing, Phases 1, 2 & 3. Additional proceeds were used to pay for capitalized interest and issuance costs of the bonds.

**NOTE 13. SUBSEQUENT EVENT – PENDING BOND SALE**

Subsequent to the report date, the District anticipates closing on the sale of its Unlimited Tax Bonds, Series 2023 in the amount of \$2,285,000. Proceeds from the bonds will be used to reimburse Developers for construction and engineering costs for water, wastewater and drainage facilities to serve Reserve at Chamberlain Crossing, Phases 1, 2, 3 and 4. Additional proceeds will be used to pay for capitalized interest, developer interest and issuance costs of the bonds. Delivery of the bonds is expected in the first quarter of 2023.

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**ROCKWALL COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 7**

**REQUIRED SUPPLEMENTARY INFORMATION**

**AUGUST 31, 2022**





**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 97,808	\$ 100,312	\$ 2,504
Investment Revenues	146	664	518
<b>TOTAL REVENUES</b>	<b>\$ 97,954</b>	<b>\$ 100,976</b>	<b>\$ 3,022</b>
<b>EXPENDITURES</b>			
Service Operations:			
Professional Fees	\$ 57,500	\$ 77,413	\$ (19,913)
Contracted Services	14,350	12,546	1,804
Other	11,117	13,713	(2,596)
<b>TOTAL EXPENDITURES</b>	<b>\$ 82,967</b>	<b>\$ 103,672</b>	<b>\$ (20,705)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 14,987</b>	<b>\$ (2,696)</b>	<b>\$ (17,683)</b>
<b>FUND BALANCE - SEPTEMBER 1, 2021</b>	<b>79,939</b>	<b>79,939</b>	<b>_____</b>
<b>FUND BALANCE - AUGUST 31, 2022</b>	<b>\$ 94,926</b>	<b>\$ 77,243</b>	<b>\$ (17,683)</b>

See accompanying independent auditor's report.

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**ROCKWALL COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 7**

**SUPPLEMENTARY INFORMATION REQUIRED BY THE  
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**

**AUGUST 31, 2022**





**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**5. LOCATION OF DISTRICT:** (Continued)

City in which District is located:

City of Fate, Texas

Are Board Members appointed by an office outside the District?

Yes                                No      X  

See accompanying independent auditor's report.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**GENERAL FUND EXPENDITURES**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

PROFESSIONAL FEES:	
Auditing	\$ 12,200
Engineering	23,239
Legal	<u>41,974</u>
TOTAL PROFESSIONAL FEES	<u>\$ 77,413</u>
CONTRACTED SERVICES:	
Bookkeeping	<u>\$ 12,546</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 6,600
Insurance	4,219
Payroll Taxes	505
Travel and Meetings	2,242
Other	<u>147</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 13,713</u>
TOTAL EXPENDITURES	<u>\$ 103,672</u>

See accompanying independent auditor’s report.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**INVESTMENTS**  
**AUGUST 31, 2022**

<u>Funds</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	XXXX0001	Varies	Daily	\$ 89,770	\$ - 0 -
<u>DEBT SERVICE FUND</u>					
LOGIC	XXXX0003	Varies	Daily	\$ 206,150	\$ - 0 -
<u>CAPITAL PROJECTS FUND</u>					
LOGIC	XXXX0002	Varies	Daily	\$ 48,070	\$ - 0 -
TOTAL - ALL FUNDS				<u>\$ 343,990</u>	<u>\$ - 0 -</u>

See accompanying independent auditor's report.



**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
SEPTEMBER 1, 2021	\$ 5,264		\$ 9,920	
Adjustments to Beginning				
Balance	<u>608</u>	\$ 5,872	<u>          </u>	\$ 9,920
Original 2021 Tax Levy	\$ 99,805		\$ 167,530	
Adjustment to 2021 Tax Levy	<u>          </u>	<u>99,805</u>	<u>          </u>	<u>167,530</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 105,677		\$ 177,450
 TAX COLLECTIONS:				
Prior Years	\$ 2,820		\$ 4,169	
Current Year	<u>97,492</u>	<u>100,312</u>	<u>163,647</u>	<u>167,816</u>
 TAXES RECEIVABLE -				
AUGUST 31, 2022		<u>\$ 5,365</u>		<u>\$ 9,634</u>
 TAXES RECEIVABLE BY				
YEAR:				
2021		\$ 2,313		\$ 3,883
2020		<u>3,052</u>		<u>5,751</u>
TOTAL		<u>\$ 5,365</u>		<u>\$ 9,634</u>

See accompanying independent auditor's report.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

	2021	2020	2019	2018
<b>PROPERTY VALUATIONS:</b>				
Land	\$ 15,349,119	\$ 11,280,089	\$ 9,537,060	\$ 7,291,610
Improvements	22,828,819	19,850,978	11,920,449	4,007,082
Personal Property	247,840	22,480	18,490	5,830
Exemptions	(2,781,348)	(2,934,276)	(3,859,998)	(3,493,010)
<b>TOTAL PROPERTY VALUATIONS</b>	<b>\$ 35,644,430</b>	<b>\$ 28,219,271</b>	<b>\$ 17,616,001</b>	<b>\$ 7,811,512</b>
<b>TAX RATES PER \$100 VALUATION:</b>				
Debt Service	\$ 0.47	\$ 0.49	\$ 0.00	\$ 0.00
Maintenance	0.28	0.26	0.75	0.75
<b>TOTAL TAX RATES PER \$100 VALUATION</b>	<b>\$ 0.75</b>	<b>\$ 0.75</b>	<b>\$ 0.75</b>	<b>\$ 0.75</b>
<b>ADJUSTED TAX LEVY*</b>	<b>\$ 267,335</b>	<b>\$ 211,644</b>	<b>\$ 132,123</b>	<b>\$ 42,705</b>
<b>PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED</b>	<b>97.68 %</b>	<b>95.84 %</b>	<b>100.00 %</b>	<b>100.00 %</b>

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

Maintenance Tax – Maximum tax rate of unlimited amount per \$100 of assessed valuation approved by voters on November 7, 2006.

See accompanying independent auditor's report.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**AUGUST 31, 2022**

SERIES - 2019 ROAD

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2023	\$ 75,000	\$ 71,365	\$ 146,365
2024	75,000	69,902	144,902
2025	80,000	68,312	148,312
2026	80,000	66,592	146,592
2027	85,000	64,735	149,735
2028	85,000	62,738	147,738
2029	90,000	60,593	150,593
2030	90,000	58,298	148,298
2031	95,000	55,845	150,845
2032	100,000	53,162	153,162
2033	100,000	50,262	150,262
2034	105,000	47,187	152,187
2035	110,000	43,962	153,962
2036	115,000	40,587	155,587
2037	120,000	36,987	156,987
2038	120,000	33,237	153,237
2039	125,000	29,409	154,409
2040	130,000	25,425	155,425
2041	135,000	21,285	156,285
2042	140,000	16,901	156,901
2043	145,000	12,270	157,270
2044	150,000	7,476	157,476
2045	155,000	2,519	157,519
2046			
2047			
	<u>\$ 2,505,000</u>	<u>\$ 999,049</u>	<u>\$ 3,504,049</u>

See accompanying independent auditor's report.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**AUGUST 31, 2022**

SERIES - 2021 ROAD

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2023	\$	\$ 43,330	\$ 43,330
2024	60,000	42,790	102,790
2025	55,000	41,755	96,755
2026	60,000	40,720	100,720
2027	60,000	39,640	99,640
2028	60,000	38,560	98,560
2029	60,000	37,450	97,450
2030	65,000	36,230	101,230
2031	65,000	34,930	99,930
2032	65,000	33,598	98,598
2033	70,000	32,145	102,145
2034	70,000	30,570	100,570
2035	70,000	28,925	98,925
2036	70,000	27,210	97,210
2037	70,000	25,425	95,425
2038	75,000	23,503	98,503
2039	75,000	21,440	96,440
2040	80,000	19,270	99,270
2041	80,000	16,950	96,950
2042	80,000	14,550	94,550
2043	80,000	12,150	92,150
2044	85,000	9,675	94,675
2045	85,000	7,125	92,125
2046	95,000	4,425	99,425
2047	100,000	1,500	101,500
	<u>\$ 1,735,000</u>	<u>\$ 663,866</u>	<u>\$ 2,398,866</u>

See accompanying independent auditor's report.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**AUGUST 31, 2022**

ANNUAL REQUIREMENTS  
FOR ALL SERIES

Due During Fiscal Years Ending August 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2023	\$ 75,000	\$ 114,695	\$ 189,695
2024	135,000	112,692	247,692
2025	135,000	110,067	245,067
2026	140,000	107,312	247,312
2027	145,000	104,375	249,375
2028	145,000	101,298	246,298
2029	150,000	98,043	248,043
2030	155,000	94,528	249,528
2031	160,000	90,775	250,775
2032	165,000	86,760	251,760
2033	170,000	82,407	252,407
2034	175,000	77,757	252,757
2035	180,000	72,887	252,887
2036	185,000	67,797	252,797
2037	190,000	62,412	252,412
2038	195,000	56,740	251,740
2039	200,000	50,849	250,849
2040	210,000	44,695	254,695
2041	215,000	38,235	253,235
2042	220,000	31,451	251,451
2043	225,000	24,420	249,420
2044	235,000	17,151	252,151
2045	240,000	9,644	249,644
2046	95,000	4,425	99,425
2047	100,000	1,500	101,500
	<u>\$ 4,240,000</u>	<u>\$ 1,662,915</u>	<u>\$ 5,902,915</u>

See accompanying independent auditor's report.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**CHANGES IN LONG-TERM BOND DEBT**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

Description	Original Bonds Issued	Bonds Outstanding September 1, 2021
Rockwall County Municipal Utility No. 7 Unlimited Tax Road Bonds - Series 2019	\$ 2,575,000	\$ 2,575,000
Rockwall County Municipal Utility No. 7 Unlimited Tax Road Bonds - Series 2021	<u>1,735,000</u>	<u>                    </u>
TOTAL	<u>\$ 4,310,000</u>	<u>\$ 2,575,000</u>
Bond Authority:	<u>Water, Sewer and Drainage Bonds</u>	<u>Refunding Bonds*</u>
Amount Authorized by Voters	\$ 9,800,000	\$ 21,010,000
Amount Issued	<u>                    </u>	<u>                    </u>
Remaining to be Issued	<u>\$ 9,800,000</u>	<u>\$ 21,010,000</u>
Debt Service Fund cash, investments and cash with paying agent balances as of August 31, 2022:		<u>\$ 210,112</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:		<u>\$ 236,117</u>

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

See accompanying independent auditor's report.

Current Year Transactions				Bonds Outstanding August 31, 2022	Paying Agent
Bonds Sold	Retirements				
	Principal	Interest			
\$	\$ 70,000	\$ 72,690	\$ 2,505,000		Regions Bank Houston, TX
<u>1,735,000</u>		<u>16,008</u>	<u>1,735,000</u>		Regions Bank Houston, TX
<u>\$ 1,735,000</u>	<u>\$ 70,000</u>	<u>\$ 88,698</u>	<u>\$ 4,240,000</u>		

Road Bonds
\$ 9,300,000
<u>4,310,000</u>
<u>\$ 4,990,000</u>

See accompanying independent auditor's report.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND - FIVE YEARS**

	Amounts		
	2022	2021	2020
<b>REVENUES</b>			
Property Taxes	\$ 100,312	\$ 67,744	\$ 132,123
Penalty and Interest			
Investment Revenues	664	99	477
Miscellaneous Revenues			1,082
<b>TOTAL REVENUES</b>	<u>\$ 100,976</u>	<u>\$ 67,843</u>	<u>\$ 133,682</u>
<b>EXPENDITURES</b>			
Professional Fees	\$ 77,413	\$ 38,825	\$ 65,341
Contracted Services	12,546	9,171	11,808
Other	13,713	12,995	13,128
<b>TOTAL EXPENDITURES</b>	<u>\$ 103,672</u>	<u>\$ 60,991</u>	<u>\$ 90,277</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (2,696)</u>	<u>\$ 6,852</u>	<u>\$ 43,405</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In(Out)	\$	\$	\$ 109
Developer Advances			24,535
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 24,644</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ (2,696)	\$ 6,852	\$ 68,049
<b>BEGINNING FUND BALANCE</b>	<u>79,939</u>	<u>73,087</u>	<u>5,038</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 77,243</u>	<u>\$ 79,939</u>	<u>\$ 73,087</u>

\* First audit was for the fiscal year ended August 31, 2019

See accompanying independent auditor's report.



		Percentage of Total Revenues				
2019*	2018	2022	2021	2020	2019*	2018
\$ 42,705	\$	99.2 %	99.8 %	98.7 %	98.0 %	%
219					0.5	
626		0.8	0.2	0.5	1.5	
				0.8		
\$ 43,550	\$	100.0 %	100.0 %	100.0 %	100.0 %	%
\$ 33,573	\$	76.7 %	57.2 %	48.9 %	77.1 %	%
8,209		12.4	13.5	8.8	18.8	
9,052		13.6	19.2	9.8	20.8	
\$ 50,834	\$	102.7 %	89.9 %	67.5 %	116.7 %	%
\$ (7,284)	\$	(2.7) %	10.1 %	32.5 %	(16.7) %	N/A %
\$ 8,703	\$					
\$ 8,703	\$					
\$ 1,419	\$					
3,619						
\$ 5,038	N/A					

See accompanying independent auditor's report.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**DEBT SERVICE FUND - FIVE YEARS**

	Amounts		
	2022	2021	2020
<b>REVENUES</b>			
Property Taxes	\$ 167,816	\$ 127,666	\$
Penalty and Interest	3,058		
Investment Revenues	1,065	93	300
<b>TOTAL REVENUES</b>	<b>\$ 171,939</b>	<b>\$ 127,759</b>	<b>\$ 300</b>
<b>EXPENDITURES</b>			
Tax Collection Expenditures	\$ 3,242	\$ 3,193	\$ 1,400
Debt Service Principal	70,000		
Debt Service Interest and Fees	90,311	74,109	20,973
<b>TOTAL EXPENDITURES</b>	<b>\$ 163,553</b>	<b>\$ 77,302</b>	<b>\$ 22,373</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 8,386</b>	<b>\$ 50,457</b>	<b>\$ (22,073)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-Term Debt Issued	\$ 64,995	\$ -0-	\$ 109,954
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 73,381</b>	<b>\$ 50,457</b>	<b>\$ 87,881</b>
<b>BEGINNING FUND BALANCE</b>	138,338	87,881	
<b>ENDING FUND BALANCE</b>	<b>\$ 211,719</b>	<b>\$ 138,338</b>	<b>\$ 87,881</b>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	N/A	N/A	N/A
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	N/A	N/A	N/A

\* First audit was for the fiscal year ended August 31, 2019

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2019*	2018	2022	2021	2020	2019*	2018
\$	\$	97.6 %	99.9 %	%	%	%
		1.8				
		0.6	0.1	100.0		
\$	\$	100.0 %	100.0 %	100.0 %	%	%
\$	\$	1.9 %	2.5 %	466.7 %	%	%
		40.7				
		52.5	58.0	6,991.0		
\$	\$	95.1 %	60.5 %	7,457.7 %	%	%
\$	\$	4.9 %	39.5 %	(7,357.7) %	N/A %	N/A %
\$	\$					
\$	\$					
<u>N/A</u>	<u>N/A</u>					
<u>N/A</u>	<u>N/A</u>					
<u>N/A</u>	<u>N/A</u>					

See accompanying independent auditor's report.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**AUGUST 31, 2022**

District Mailing Address - Rockwall County Municipal Utility District No. 7  
c/o Winstead PC  
2728 N. Harwood Street, Suite 500  
Dallas, TX 75201

District Telephone Number - (214) 745-5400

<b>Board Members:</b>	Term of Office (Elected or Appointed)	Fees of Office for the year ended August 31, 2022	Expense Reimbursements for the year ended August 31, 2022	Title
Larry Christensen	05/2022 05/2026 (Elected)	\$ 1,200	\$ 326	President
Sandy Sinks	05/2022 05/2026 (Elected)	\$ 900	\$ 69	Vice President
Michael W. Skinner	05/2020 05/2024 (Elected)	\$ 1,650	\$ 308	Secretary
Terry Jones	05/2020 05/2024 (Elected)	\$ 1,350	\$ 52	Treasurer/ Assistant Secretary
Martha Ann Cook	05/2022 05/2026 (Elected)	\$ 1,500	\$ 287	Assistant Secretary

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: August 25, 2022

The limit on Fees of Office that a Director may receive during a fiscal year is \$3,500 as set by Board Resolution on October 18, 2005. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**AUGUST 31, 2022**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees / Compensation for the year ended August 31, 2022</u>	<u>Title</u>
Winstead PC	09/22/15	\$ 40,224 \$ 46,110	General Counsel Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	10/22/19	\$ 12,250 \$ 7,000	Auditor Bond Related
Dye & Toverly, LLC	02/26/08	\$ 12,559	Bookkeeper
LJA Engineering, Inc.	02/19/19	\$ 40,739	Engineer
Rockwall Central Appraisal District	08/16/16	\$ 2,721	Tax Assessor/ Collector
Robert W. Baird & Co. Incorporated	08/25/15	\$ 39,487	Financial Advisor
Kathi Dye	02/26/08	\$ -0-	Investment Officer

See accompanying independent auditor's report.

