

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
HENDERSON COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
JULY 31, 2023

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
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INDEPENDENT AUDITOR'S REPORT

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

Opinions

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, 2023, 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 July 31, 2023, 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
Lake View Management and Development District

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 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
Certified Public Accountants
Houston, Texas

November 14, 2023

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JULY 31, 2023

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, 2023. 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 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, 2023**

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 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") and other supplementary information. 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 \$29,670,333 as of July 31, 2023. 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, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2023	2022	Change Positive (Negative)
Current and Other Assets	\$ 4,756,735	\$ 1,618,146	\$ 3,138,589
Capital Assets (Net of Accumulated Depreciation)	29,232,020	21,953,038	7,278,982
Total Assets	\$ 33,988,755	\$ 23,571,184	\$ 10,417,571
Due to Developer	\$ 18,290,866	\$ 29,023,587	\$ 10,732,721
Long -Term Liabilities	43,603,406	20,162,046	(23,441,360)
Other Liabilities	1,764,816	995,437	(769,379)
Total Liabilities	\$ 63,659,088	\$ 50,181,070	\$ (13,478,018)
Net Position:			
Net Investment in Capital Assets	\$ (32,776,599)	\$ (26,375,645)	\$ (6,400,954)
Restricted	2,574,802	626,913	1,947,889
Unrestricted	531,464	(861,154)	1,392,618
Total Net Position	\$ (29,670,333)	\$ (26,609,886)	\$ (3,060,447)

The following table provides a summary of the District's operations for the years ending July 31, 2023, and July 31, 2022.

	Summary of Changes in the Statement of Activities		
	2023	2022	Change Positive (Negative)
Revenues:			
Property Tax Revenue	\$ 3,662,676	\$ 2,122,591	\$ 1,540,085
Charges for Services	1,405,874	711,958	693,916
Other Revenues	143,310	22,897	120,413
Total Revenues	\$ 5,211,860	\$ 2,857,446	\$ 2,354,414
Expenses for Services	8,272,307	13,117,980	4,845,673
Change in Net Position	\$ (3,060,447)	\$ (10,260,534)	\$ 7,200,087
Net Position, Beginning of Year	(26,609,886)	(16,349,352)	(10,260,534)
Net Position, End of Year	\$ (29,670,333)	\$ (26,609,886)	\$ (3,060,447)

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of July 31, 2023, were \$4,467,629, an increase of \$2,928,707 from the prior year.

The General Fund fund balance increased by \$400,500, primarily due to property tax collections and service revenues exceeding operation costs.

The Debt Service Fund fund balance increased by \$2,519,604, primarily due to the structure of the District's debt and issuance of Series 2022 bonds.

The Capital Projects Fund fund balance increased by \$8,603, primarily due to the issuance of Series 2022 bonds net of developer reimbursements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors amended the budget during the fiscal year to decrease miscellaneous revenues, increase expected professional fees, contracted services, and other costs and decrease repair and maintenance and capital outlay. Actual revenues were \$466,788 more than budgeted revenues and actual expenditures were \$525,345 less than budgeted expenditures.

CAPITAL ASSETS

Capital assets as of July 31, 2023, total \$29,232,020 (net of accumulated depreciation) and include water, wastewater and drainage facilities, equipment, marina and roads. 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			
	2023	2022	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Construction in Progress	\$	\$ 22,200	\$ (22,200)
Capital Assets, Net of Accumulated Depreciation:			
Water System	2,462,289	1,448,187	1,014,102
Wastewater System	3,413,897	2,361,018	1,052,879
Drainage	4,678,938	4,069,616	609,322
Landscaping	4,466,931	3,482,675	984,256
Marina	6,630,387	4,354,361	2,276,026
Roads	7,579,578	6,214,981	1,364,597
Total Net Capital Assets	<u>\$ 29,232,020</u>	<u>\$ 21,953,038</u>	<u>\$ 7,278,982</u>

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2023**

LONG TERM DEBT ACTIVITY

As of July 31, 2023, the District had total bond debt payable of \$44,935,000. The changes in the debt position of the District during the fiscal year ended July 31, 2023, are summarized as follows:

Bond Debt Payable, August 1, 2022	\$ 20,865,000
Add: Bond Sale	24,615,000
Less: Bond Principal Paid	<u>545,000</u>
Bond Debt Payable, July 31, 2023	<u><u>\$ 44,935,000</u></u>

The District's Series 2016, Series 2017, Series 2019 and Series 2022 bonds are not rated. The Series 2022 bonds carry an "AA" rating by virtue of bond insurance issued by Assured Guaranty Municipal. Credit enhanced ratings provided through bond insurance policies are subject to change based on the rating of the bond insurance company.

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, 2023

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 174,386	\$ 25,385
Investments	611,561	3,499,089
Receivables:		
Property Taxes	24,505	55,201
Service Accounts	82,065	
Other	274,411	
Due from Other Funds		4,115
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	<u>\$ 1,166,928</u>	<u>\$ 3,583,790</u>
LIABILITIES		
Accounts Payable	\$ 207,000	\$
Accrued Interest Payable		
Due to Developer		
Due to Other Funds	4,115	8,572
Security Deposits	2,400	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	<u>\$ 213,515</u>	<u>\$ 8,572</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	<u>\$ 24,505</u>	<u>\$ 55,201</u>
FUND BALANCES		
Restricted for Authorized Construction	\$	\$
Restricted for Debt Service		3,520,017
Unassigned	928,908	
TOTAL FUND BALANCES	<u>\$ 928,908</u>	<u>\$ 3,520,017</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,166,928</u>	<u>\$ 3,583,790</u>
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
\$ 10,132	\$ 209,903	\$	\$ 209,903
	4,110,650		4,110,650
	79,706		79,706
	82,065		82,065
	274,411		274,411
8,572	12,687	(12,687)	
		29,232,020	29,232,020
<u>\$ 18,704</u>	<u>\$ 4,769,422</u>	<u>\$ 29,219,333</u>	<u>\$ 33,988,755</u>
\$	\$ 207,000	\$	\$ 207,000
		1,000,416	1,000,416
		18,290,866	18,290,866
	12,687	(12,687)	
	2,400		2,400
		555,000	555,000
		43,603,406	43,603,406
<u>\$ -0-</u>	<u>\$ 222,087</u>	<u>\$ 63,437,001</u>	<u>\$ 63,659,088</u>
<u>\$ -0-</u>	<u>\$ 79,706</u>	<u>\$ (79,706)</u>	<u>\$ -0-</u>
\$ 18,704	\$ 18,704	\$ (18,704)	
	3,520,017	(3,520,017)	
	928,908	(928,908)	
<u>\$ 18,704</u>	<u>\$ 4,467,629</u>	<u>\$ (4,467,629)</u>	<u>\$ - 0 -</u>
<u>\$ 18,704</u>	<u>\$ 4,769,422</u>		
		\$ (32,776,599)	\$ (32,776,599)
		2,574,802	2,574,802
		531,464	531,464
		<u>\$ (29,670,333)</u>	<u>\$ (29,670,333)</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, 2023

Total Fund Balances - Governmental Funds	\$	4,467,629
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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.		29,232,020
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Deferred tax revenues for the 2022 tax levy became part of recognized revenue in the governmental activities of the District.		79,706
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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	\$ (18,290,866)	
Accrued Interest Payable	(1,000,416)	
Bonds Payable Within One Year	(555,000)	
Bonds Payable After One Year	<u>(43,603,406)</u>	<u>(63,449,688)</u>

Total Net Position - Governmental Activities	\$	<u><u>(29,670,333)</u></u>
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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 BALANCES
FOR THE YEAR ENDED JULY 31, 2023

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 1,101,061	\$ 2,488,271
Water Service	105,763	
Wastewater Service	90,016	
Trash Collection Revenue	58,779	
Fire Protection Revenue	359,600	
Tap Connection and Inspection Fees	791,716	
Penalty and Interest	9,817	24,258
Investment Revenues	22,007	86,197
Miscellaneous Revenues	986	
TOTAL REVENUES	<u>\$ 2,539,745</u>	<u>\$ 2,598,726</u>
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 151,071	\$ 4,772
Contracted Services	731,951	36,231
Utilities	20,932	
Repairs and Maintenance	973,250	
Depreciation		
Other	244,054	
Capital Outlay		
Developer Interest		
Debt Service:		
Bond Principal		545,000
Bond Interest		1,021,579
Bond Issuance Costs	17,987	
TOTAL EXPENDITURES/EXPENSES	<u>\$ 2,139,245</u>	<u>\$ 1,607,582</u>
EXCESS (DEFICIENCY) OF REVENUES		
OVER EXPENDITURES/EXPENSES	<u>\$ 400,500</u>	<u>\$ 991,144</u>
OTHER FINANCING SOURCES (USES)		
Long-Term Debt Issued	\$	\$ 1,528,460
Bond Discount		
Bond Premium		
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -0-</u>	<u>\$ 1,528,460</u>
NET CHANGE IN FUND BALANCES	<u>\$ 400,500</u>	<u>\$ 2,519,604</u>
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION -		
AUGUST 1, 2022	<u>528,408</u>	<u>1,000,413</u>
FUND BALANCES/NET POSITION -		
JULY 31, 2023	<u>\$ 928,908</u>	<u>\$ 3,520,017</u>

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 3,589,332	\$ 73,344	\$ 3,662,676
	105,763		105,763
	90,016		90,016
	58,779		58,779
	359,600		359,600
	791,716		791,716
	34,075		34,075
45	108,249		108,249
	986		986
<u>\$ 45</u>	<u>\$ 5,138,516</u>	<u>\$ 73,344</u>	<u>\$ 5,211,860</u>
\$	\$ 155,843	\$	\$ 155,843
	768,182		768,182
	20,932		20,932
	973,250		973,250
		1,289,466	1,289,466
	244,054	540,024	784,078
20,748,553	20,748,553	(20,748,553)	
		907,360	907,360
	545,000	(545,000)	
	1,021,579	644,160	1,665,739
1,689,470	1,707,457		1,707,457
<u>\$ 22,438,023</u>	<u>\$ 26,184,850</u>	<u>\$ (17,912,543)</u>	<u>\$ 8,272,307</u>
<u>\$ (22,437,978)</u>	<u>\$ (21,046,334)</u>	<u>\$ 17,985,887</u>	<u>\$ (3,060,447)</u>
\$ 23,086,540	\$ 24,615,000	\$ (24,615,000)	\$
(711,194)	(711,194)	711,194	
71,235	71,235	(71,235)	
<u>\$ 22,446,581</u>	<u>\$ 23,975,041</u>	<u>\$ (23,975,041)</u>	<u>\$ -0-</u>
\$ 8,603	\$ 2,928,707	\$ (2,928,707)	\$
		(3,060,447)	(3,060,447)
10,101	1,538,922	(28,148,808)	(26,609,886)
<u>\$ 18,704</u>	<u>\$ 4,467,629</u>	<u>\$ (34,137,962)</u>	<u>\$ (29,670,333)</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 STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2023**

Net Change in Fund Balances - Governmental Funds	\$ 2,928,707
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.	73,344
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.	(1,289,466)
Governmental funds do not account for developer costs. However, in the Statement of Activities, costs reimbursable to the developer for creation, organizational, water, wastewater, drainage and road facilities costs and developer interest are expensed.	(1,447,384)
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.	20,748,553
Governmental funds report bond premiums and discounts as other financing sources and uses in the year received or paid. However, in the Statement of Net Position, the 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.	639,959
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.	545,000
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.	(644,160)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.	<u>(24,615,000)</u>
Change in Net Position - Governmental Activities	<u>\$ (3,060,447)</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, 2023

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, 2023

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, 2023

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 Balances.

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, 2023

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. As of July 31, 2023, the General Fund owes the Debt Service Fund \$4,115 for its share of property tax collection costs; and the Debt Service Fund owes the Capital Projects Fund \$8,572 for Series 2022 bond revenues.

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, 2023

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. 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.

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, 2023

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

	Series 2016	Series 2017	Series 2019 Road	Series 2022
Amount Outstanding – July 31, 2023	\$10,165,000	\$4,675,000	\$5,480,000	\$24,615,000
Interest Rates	3.00% - 4.00%	3.00% - 4.00%	3.00% - 3.50%	4.375% - 5.250%
Maturity Dates – Beginning/Ending	February 15, 2024/2046	February 15, 2024/2047	February 15, 2024/2049	February 15, 2025/2052
Interest Payment Dates	February 15/ August 15	February 15/ August 15	February 15/ August 15	February 15/ August 15
Callable Dates	February 15, 2024*	February 15, 2025*	February 15, 2026*	August 15, 2029*

* 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. The Series 2022 term bonds maturing on February 15, 2034, February 15, 2040, February 15, 2042, February 15, 2047 and February 15, 2052 are subject to mandatory redemption beginning on February 15, 2033, February 15, 2035, February 15, 2041, February 15, 2043 and February 15, 2048, respectively.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2023

NOTE 3. LONG-TERM DEBT (Continued)

The following is a summary of transactions regarding bonds payable for the year ended July 31, 2023:

	August 1, 2022	Additions	Retirements	July 31, 2023
Bonds Payable	\$ 20,865,000	\$ 24,615,000	\$ 545,000	\$ 44,935,000
Unamortized Discounts	(157,954)	(711,194)	(22,961)	(846,187)
Unamortized Premiums	<u>71,235</u>	<u>71,235</u>	<u>1,642</u>	<u>69,593</u>
Total Long-Term Liabilities	<u>\$ 20,707,046</u>	<u>\$ 23,975,041</u>	<u>\$ 523,681</u>	<u>\$ 44,158,406</u>
Amount Due Within One Year				\$ 555,000
Amount Due After One Year				<u>43,603,406</u>
Total Long-Term Liabilities				<u>\$ 44,158,406</u>

As of July 31, 2023, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 555,000	\$ 2,000,830	\$ 2,555,830
2025	920,000	1,984,182	2,904,182
2026	915,000	1,949,581	2,864,581
2027	950,000	1,915,633	2,865,633
2028	985,000	1,880,330	2,865,330
2029-2033	5,555,000	8,793,762	14,348,762
2034-2038	6,815,000	7,566,412	14,381,412
2039-2043	8,445,000	5,970,750	14,415,750
2044-2048	10,000,000	3,989,875	13,989,875
2049-2052	<u>9,795,000</u>	<u>1,306,725</u>	<u>11,101,725</u>
	<u>\$ 44,935,000</u>	<u>\$ 37,358,080</u>	<u>\$ 82,293,080</u>

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, Series 2017 and Series 2022 bonds, the District has authorized but unissued utility bonds totaling \$98,366,048. 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, 2023

NOTE 3. LONG-TERM DEBT (Continued)

During the current fiscal year, the District levied an ad valorem debt service tax at the rate of \$0.6585 per \$100 of assessed valuation, which resulted in a tax levy of \$2,546,509 on the taxable valuation of \$386,713,623 for the 2022 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.

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 \$209,903 and the bank balance was \$217,133. As of July 31, 2023, the District was not subject to custodial credit risk.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2023

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits (Continued)

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at July 31, 2023, as listed below:

	<u>Cash</u>
GENERAL FUND	\$ 174,386
DEBT SERVICE FUND	25,385
CAPITAL PROJECTS FUND	<u>10,132</u>
TOTAL DEPOSITS	<u>\$ 209,903</u>

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 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. 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.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2023

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of July 31, 2023, 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	\$ 611,561	\$ 611,561
<u>DEBT SERVICE FUND</u>		
LOGIC	<u>3,499,089</u>	<u>3,499,089</u>
TOTAL INVESTMENTS	<u>\$ 4,110,650</u>	<u>\$ 4,110,650</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At July 31, 2023, 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.

Restrictions

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, 2023

NOTE 6. CAPITAL ASSETS

Capital assets activity for the year ended July 31, 2023:

	August 1, 2022	Increases	Decreases	July 31, 2023
Capital Assets Not Being Depreciated				
Construction in Progress	\$ 22,200	\$ 8,568,448	\$ 8,590,648	\$ - 0 -
Capital Assets Subject to Depreciation				
Water System	\$ 1,596,885	\$ 1,068,829	\$	\$ 2,665,714
Wastewater System	2,438,606	1,131,594		3,570,200
Drainage	4,167,477	717,950		4,885,427
Equipment	50,160			50,160
Landscaping	4,873,637	1,359,361		6,232,998
Marina	5,618,034	2,782,999		8,401,033
Roads	7,129,147	1,529,915		8,659,062
Total Capital Assets Subject to Depreciation	\$ 25,873,946	\$ 8,590,648	\$ - 0 -	\$ 34,464,594
Less Accumulated Depreciation				
Water System	\$ 148,698	\$ 54,727	\$	\$ 203,425
Wastewater System	77,588	78,715		156,303
Drainage	97,861	108,628		206,489
Equipment	50,160			50,160
Landscaping	1,390,962	375,105		1,766,067
Marina	1,263,673	506,973		1,770,646
Roads	914,166	165,318		1,079,484
Total Accumulated Depreciation	\$ 3,943,108	\$ 1,289,466	\$ - 0 -	\$ 5,232,574
Total Depreciable Capital Assets, Net of Accumulated Depreciation	\$ 21,930,838	\$ 7,301,182	\$ - 0 -	\$ 29,232,020
Total Capital Assets, Net of Accumulated Depreciation	\$ 21,953,038	\$ 15,869,630	\$ 8,590,648	\$ 29,232,020

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 \$0.2915 per \$100 of assessed valuation, which resulted in a tax levy of \$1,127,270 on the taxable valuation of \$386,713,623 for the 2022 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, 2023

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, \$18,290,866 has been recorded as a liability for these costs as of July 31, 2023. Reimbursements to the Developer will come from future bond sales or surplus revenues of the District.

Due to Developer, August 1, 2022	\$ 29,023,587
Add: Projects Completed	10,015,832
Less: Reimbursed	<u>20,748,553</u>
Due to Developer, July 31, 2023	<u><u>\$ 18,290,866</u></u>

As of July 31, 2023, the Developer indicated that an additional \$13.5 million had been advanced on behalf of the District in connection with this agreement. Since any reimbursement is contingent upon a future bond sale, these amounts have not been recorded in the financial statements.

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 District 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.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2023

NOTE 11. 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. Subsequent to year-end, on October 18, 2023, the District terminated the contract with ESD 1.

On July 27, 2022, the District executed an agreement with Long Cove Fire Rescue, LLC (“Company”) for the provision of fire protection equipment and related services to persons, buildings and property located within the boundaries of the District. The initial term of the agreement will end on July 27, 2042, however, the term shall renew automatically for two successive five-year periods, unless terminated. Either party may terminate the agreement by written notice no later than 180 days prior to the expiration of the term, but not less than 90-days prior.

The Company will perform these services or subcontract an entity to be named Long Cove Volunteer Fire Department (“Department”), which may be for-profit or non-profit. The Department will be staffed and managed as a volunteer fire department. The Company agrees to train volunteer firefighters.

Within 150 days the Company will make available for Department use in the District a minimum of two fully-equipped fire engines, a brush/wildland truck, an all-terrain vehicle, a fire boat and a vehicle for use by the Fire Chief. These assets will remain the sole property of the Company.

Until the Firehouse is completed, the District will provide at no cost to the Company an office for use by the Fire Chief. Within 150 days the Company will hire gate attendants at the Development, sufficient in number to ensure positions are staffed with firefighting and emergency medical service training as employees or independent contractors. The Company will administer all aspects of the business of the Department, including payroll and benefits.

The Company will be paid a monthly service fee for each water meter for which the District charges fees or services. While fewer than 200 water meters installed, the monthly payment will be \$212.50 per meter; between 201 and 250 water meters installed, the monthly payment will be \$200 per meter; between 251 and 300 water meters installed, the monthly payment will be \$187.50 per meter; between 301 and 350 water meters installed, the monthly payment will be \$175 per meter; when the 351st water meter is installed, the payment will be \$150 per meter. The service fee will be fixed for the initial ten years of the term, and to account for inflation the fee will increase by 7.5% at the end of ten years, and the same amount every five years thereafter.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2023

NOTE 11. FIRE PROTECTION (Continued)

The District intends to dedicate real property within the District for construction of the Firehouse, the cost will be paid by the District. The District will pay all costs of constructing the Firehouse. The District and Company will enter into a lease agreement for a nominal lease payment. The Company will be responsible for the operation of the Firehouse including payment of utilities and non-structural maintenance and repair.

The first payment to the Company was made for December 2022. The District recorded costs of \$325,688 in relation to this agreement during the current fiscal year.

NOTE 12. 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 terminated pursuant to contractual terms. The District may operate, repair, maintain, alter, improve or replace the well at the District's own expense.

NOTE 13. BOND SALE

On November 29, 2022, the District closed on the sale of its \$24,615,000 Unlimited Tax Utility Bonds, Series 2022. Proceeds from the bonds were used to reimburse the Developer for a portion of the costs associated with the water distribution system; sanitary sewer system; storm drainage system; navigational improvements; engineering and design; contract administration; administration, organization and operations; parks and hiking trails; and developer interest. Additional proceeds were used to pay bond issuance costs.

NOTE 14. SUBSEQUENT EVENT - BOND SALE

Subsequent to year-end, on November 15, 2023, the District closed on the sale of its \$8,120,000 Unlimited Tax Utility Bonds, Series 2023. Proceeds from the bonds will be used to reimburse the Developer for a portion of the costs associated with water distribution system; sanitary sewer system; storm drainage system; navigational improvements; contract administration; administration, organization and operations; parks and hiking trails; and developer interest. Additional proceeds will be used to pay bond issuance costs.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

JULY 31, 2023

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, 2023

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Tax Revenue	\$ 1,033,783	\$ 1,033,783	\$ 1,101,061	\$ 67,278
Water Service	99,118	99,118	105,763	6,645
Wastewater Service	97,951	97,951	90,016	(7,935)
Trash Collection Revenue	61,704	61,704	58,779	(2,925)
Fire Protection Revenue	297,000	297,000	359,600	62,600
Tap Connection and Inspection Fees	482,400	482,400	791,716	309,316
Penalty and Interest			9,817	9,817
Miscellaneous Revenues	<u>1,481</u>	<u>1,001</u>	<u>22,993</u>	<u>21,992</u>
TOTAL REVENUES	<u>\$ 2,073,437</u>	<u>\$ 2,072,957</u>	<u>\$ 2,539,745</u>	<u>\$ 466,788</u>
EXPENDITURES				
Service Operations:				
Professional Fees	\$ 164,050	\$ 167,550	\$ 151,071	\$ 16,479
Contracted Services	905,383	929,783	731,951	197,832
Utilities	12,000	12,000	20,932	(8,932)
Repairs and Maintenance	746,300	714,300	973,250	(258,950)
Other	433,197	437,297	244,054	193,243
Capital Outlay	403,700	403,660		403,660
Bond Issuance Costs			<u>17,987</u>	<u>(17,987)</u>
TOTAL EXPENDITURES	<u>\$ 2,664,630</u>	<u>\$ 2,664,590</u>	<u>\$ 2,139,245</u>	<u>\$ 525,345</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (591,193)</u>	<u>\$ (591,633)</u>	<u>\$ 400,500</u>	<u>\$ 992,133</u>
OTHER FINANCING SOURCES(USES)				
Developer Contributions	<u>\$ 591,193</u>	<u>\$ 591,193</u>	<u>\$ -0-</u>	<u>\$ (591,193)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -0-</u>	<u>\$ (440)</u>	<u>\$ 400,500</u>	<u>\$ 400,940</u>
FUND BALANCE - AUGUST 1, 2022	<u>528,408</u>	<u>528,408</u>	<u>528,408</u>	
FUND BALANCE - JULY 31, 2023	<u>\$ 528,408</u>	<u>\$ 527,968</u>	<u>\$ 928,908</u>	<u>\$ 400,940</u>

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

JULY 31, 2023

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2023

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"	<u>1</u>	<u>1</u>	x 1.0	<u>1</u>
1"	<u>212</u>	<u>212</u>	x 2.5	<u>530</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>213</u>	<u>213</u>		<u>531</u>
Total Wastewater Connections	<u>212</u>	<u>212</u>	x 1.0	<u>212</u>

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

Gallons pumped:	12,548,000	Water Accountability Ratio: 83.9 % (Gallons billed and sold/Gallons pumped and purchased)
Gallons billed to customers:	10,534,000	

See accompanying independent auditor's report.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2023

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, 2023

PROFESSIONAL FEES:

Auditing	\$ 16,000
Engineering	56,600
Legal	74,236
Legal-Delinquent Tax	735
Financial Advisor	<u>3,500</u>

TOTAL PROFESSIONAL FEES	<u>\$ 151,071</u>
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CONTRACTED SERVICES:

Appraisal District	\$ 16,503
Bookkeeping	43,053
Fire Protection	325,688
Operations	288,089
Solid Waste Disposal	58,318
Tax Collector	<u>300</u>

TOTAL CONTRACTED SERVICES	<u>\$ 731,951</u>
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TOTAL UTILITIES	<u>\$ 20,932</u>
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REPAIRS AND MAINTENANCE	<u>\$ 973,250</u>
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ADMINISTRATIVE EXPENDITURES:

Director Fees	\$ 3,300
Insurance	18,494
Office Supplies and Postage	1,910
Payroll Taxes	252
Travel and Meetings	469
Other	<u>1,675</u>

TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 26,100</u>
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OTHER EXPENDITURES:

Chemicals	\$ 6,976
Laboratory Fees	5,891
Permit Fees	2,100
Inspection Fees	21,480
Regulatory Assessment	<u>907</u>

TOTAL OTHER EXPENDITURES	<u>\$ 37,354</u>
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REIMBURSE DEVELOPER-Grinder Pumps	<u>\$ 180,600</u>
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BOND ISSUANCE COSTS	<u>\$ 17,987</u>
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TOTAL EXPENDITURES	<u><u>\$ 2,139,245</u></u>
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See accompanying independent auditor's report.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
INVESTMENTS
JULY 31, 2023

<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	\$ 611,561	\$ - 0 -
<u>DEBT SERVICE FUND</u>					
LOGIC Investment Pool	XXXX9002	Varies	Daily	\$ 3,499,089	\$ - 0 -
TOTAL - ALL FUNDS				<u>\$ 4,110,650</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, 2023

	<u>Maintenance Taxes</u>		<u>Debt Service Taxes</u>	
TAXES RECEIVABLE -				
AUGUST 1, 2022	\$	2,287	\$	4,075
Adjustments to Beginning				
Balance		<u>(3,991)</u>		<u>(7,112)</u>
	\$	(1,704)	\$	(3,037)
Original 2022 Tax Levy	\$	1,133,193	\$	2,559,890
Adjustment to 2022 Tax Levy		<u>(5,923)</u>		<u>(13,381)</u>
		1,127,270		2,546,509
TOTAL TO BE				
ACCOUNTED FOR		\$ 1,125,566		\$ 2,543,472
TAX COLLECTIONS:				
Prior Years	\$	(2,029)	\$	(3,616)
Current Year		<u>1,103,090</u>		<u>2,491,887</u>
		1,101,061		2,488,271
TAXES RECEIVABLE -				
JULY 31, 2023		<u>\$ 24,505</u>		<u>\$ 55,201</u>
TAXES RECEIVABLE BY				
YEAR:				
2022	\$	24,180	\$	54,622
2020		<u>325</u>		<u>579</u>
TOTAL		<u>\$ 24,505</u>		<u>\$ 55,201</u>

See accompanying independent auditor's report.

**LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JULY 31, 2023**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 386,713,623</u>	<u>\$ 221,866,536</u>	<u>\$ 171,794,080</u>	<u>\$ 185,198,617</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.6585	\$ 0.6085	\$ 0.6085	\$ 0.6085
Maintenance	<u>0.2915</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>\$ 3,673,779</u>	<u>\$ 2,107,732</u>	<u>\$ 1,632,876</u>	<u>\$ 1,632,044</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>97.86 %</u>	<u>100.00 %</u>	<u>99.94 %</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, 2023

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
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			
2050			
2051			
2052			
	<u>\$ 10,165,000</u>	<u>\$ 5,413,981</u>	<u>\$ 15,578,981</u>

See accompanying independent auditor's report.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2023

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	
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				
2050				
2051				
2052				
	<u>\$ 4,675,000</u>	<u>\$ 2,595,830</u>	<u>\$</u>	<u>7,270,830</u>

See accompanying independent auditor's report.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2023

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	
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
2050				
2051				
2052				
	<u>\$ 5,480,000</u>	<u>\$ 2,874,713</u>	<u>\$</u>	<u>8,354,713</u>

See accompanying independent auditor's report.

LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2023

S E R I E S - 2 0 2 2			
Due During Fiscal Years Ending July 31	Principal Due February 15	Interest Due August 15/ February 15	Total
2024		\$ 1,262,031	\$ 1,262,031
2025	350,000	1,262,031	1,612,031
2026	325,000	1,244,531	1,569,531
2027	340,000	1,228,282	1,568,282
2028	355,000	1,211,281	1,566,281
2029	380,000	1,193,531	1,573,531
2030	395,000	1,174,531	1,569,531
2031	415,000	1,154,782	1,569,782
2032	435,000	1,134,031	1,569,031
2033	455,000	1,115,000	1,570,000
2034	485,000	1,092,250	1,577,250
2035	500,000	1,068,000	1,568,000
2036	530,000	1,043,000	1,573,000
2037	560,000	1,016,500	1,576,500
2038	585,000	988,500	1,573,500
2039	615,000	959,250	1,574,250
2040	650,000	928,500	1,578,500
2041	685,000	896,000	1,581,000
2042	715,000	861,750	1,576,750
2043	755,000	826,000	1,581,000
2044	790,000	787,306	1,577,306
2045	635,000	746,819	1,381,819
2046	800,000	714,275	1,514,275
2047	1,500,000	673,275	2,173,275
2048	1,880,000	596,400	2,476,400
2049	1,980,000	497,700	2,477,700
2050	2,400,000	393,750	2,793,750
2051	2,500,000	267,750	2,767,750
2052	2,600,000	136,500	2,736,500
	<u>\$ 24,615,000</u>	<u>\$ 26,473,556</u>	<u>\$ 51,088,556</u>

See accompanying independent auditor's report.

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LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2023

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending July 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2024	\$ 555,000	\$ 2,000,830	\$ 2,555,830
2025	920,000	1,984,182	2,904,182
2026	915,000	1,949,581	2,864,581
2027	950,000	1,915,633	2,865,633
2028	985,000	1,880,330	2,865,330
2029	1,025,000	1,842,857	2,867,857
2030	1,065,000	1,802,806	2,867,806
2031	1,110,000	1,760,245	2,870,245
2032	1,155,000	1,715,817	2,870,817
2033	1,200,000	1,672,037	2,872,037
2034	1,250,000	1,622,968	2,872,968
2035	1,305,000	1,571,463	2,876,463
2036	1,360,000	1,516,187	2,876,187
2037	1,420,000	1,458,212	2,878,212
2038	1,480,000	1,397,582	2,877,582
2039	1,545,000	1,333,875	2,878,875
2040	1,615,000	1,267,300	2,882,300
2041	1,685,000	1,197,350	2,882,350
2042	1,760,000	1,124,275	2,884,275
2043	1,840,000	1,047,950	2,887,950
2044	1,920,000	967,131	2,887,131
2045	1,805,000	882,769	2,687,769
2046	2,000,000	804,775	2,804,775
2047	2,090,000	717,100	2,807,100
2048	2,185,000	618,100	2,803,100
2049	2,295,000	508,725	2,803,725
2050	2,400,000	393,750	2,793,750
2051	2,500,000	267,750	2,767,750
2052	2,600,000	136,500	2,736,500
	<u>\$ 44,935,000</u>	<u>\$ 37,358,080</u>	<u>\$ 82,293,080</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, 2023

Description	Original Bonds Issued	Bonds Outstanding August 1, 2022
Lake View Management and Development District Unlimited Tax Utility System Bonds - Series 2016	\$ 11,500,000	\$ 10,450,000
Lake View Management and Development District Unlimited Tax Utility System Bonds - Series 2017	5,150,000	4,800,000
Lake View Management and Development District Unlimited Tax Road Bonds - Series 2019	6,030,000	5,615,000
Lake View Management and Development District Unlimited Tax Utility Bonds - Series 2022	<u>24,615,000</u>	
TOTAL	<u>\$ 47,295,000</u>	<u>\$ 20,865,000</u>

Bond Authority:	Utility Tax Bonds	Utility Refunding Bonds	Road Bonds
Amount Authorized by Voters	\$ 139,631,048	\$ 181,520,400	\$ 103,765,662
Amount Issued	<u>41,265,000</u>		<u>6,030,000</u>
Remaining to be Issued	<u>\$ 98,366,048</u>	<u>\$ 181,520,400</u>	<u>\$ 97,735,662</u>

Debt Service Fund cash and investments balances as of July 31, 2023: \$ 3,524,474

Average annual debt service payment (principal and interest) for remaining term
of all debt: \$ 2,837,692

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

See accompanying independent auditor's report.

Current Year Transactions				
Bonds Sold	Retirements		Bonds Outstanding July 31, 2023	Paying Agent
	Principal	Interest		
\$	\$ 285,000	\$ 390,275	\$ 10,165,000	BOKF N.A. Dallas, TX
	125,000	178,481	4,675,000	BOKF N.A. Dallas, TX
	135,000	186,394	5,480,000	BOKF N.A. Dallas, TX
<u>24,615,000</u>		<u>266,429</u>	<u>24,615,000</u>	BOKF N.A. Dallas, TX
<u>\$ 24,615,000</u>	<u>\$ 545,000</u>	<u>\$ 1,021,579</u>	<u>\$ 44,935,000</u>	
Road Refunding Bonds				
\$ 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		
	2023	2022	2021
REVENUES			
Property Tax Revenue	\$ 1,101,061	\$ 765,567	\$ 582,132
Water Service	105,763	88,733	63,724
Wastewater Service	90,016	75,350	64,913
Trash Collection Revenue	58,779	47,198	37,960
Fire Protection Revenue	359,600		
Tap Connection and Inspection Fees	791,716	500,677	194,554
Penalty and Interest	9,817	6,038	4,574
Investment Revenues	22,007	1,555	129
Miscellaneous Revenues	986	954	16,907
TOTAL REVENUES	<u>\$ 2,539,745</u>	<u>\$ 1,486,072</u>	<u>\$ 964,893</u>
EXPENDITURES			
Professional Fees	\$ 151,071	\$ 174,352	\$ 155,492
Contracted Services	731,951	343,838	375,430
Utilities	20,932	14,773	5,128
Repairs and Maintenance	973,250	763,545	648,611
Other	244,054	129,667	298,325
Capital Outlay			75,591
Bond Issuance Costs	17,987		
TOTAL EXPENDITURES	<u>\$ 2,139,245</u>	<u>\$ 1,426,175</u>	<u>\$ 1,558,577</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 400,500</u>	<u>\$ 59,897</u>	<u>\$ (593,684)</u>
OTHER FINANCING SOURCES (USES)			
Transfer Out	\$	\$	\$
Developer Contribution		211,000	880,900
TOTAL OTHER FINANCING SOURCES	<u>\$ -0-</u>	<u>\$ 211,000</u>	<u>\$ 880,900</u>
NET CHANGE IN FUND BALANCE	\$ 400,500	\$ 270,897	\$ 287,216
BEGINNING FUND BALANCE	<u>528,408</u>	<u>257,511</u>	<u>(29,705)</u>
ENDING FUND BALANCE	<u><u>\$ 928,908</u></u>	<u><u>\$ 528,408</u></u>	<u><u>\$ 257,511</u></u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2020	2019	2023	2022	2021	2020	2019
\$ 643,772	\$ 570,744	43.3 %	51.5 %	60.3 %	73.7 %	74.8 %
59,610	44,933	4.2	6.0	6.6	6.8	5.9
53,620	49,260	3.5	5.1	6.7	6.1	6.4
26,690	23,760	2.3	3.2	3.9	3.1	3.1
		14.2				
83,190	64,221	31.2	33.7	20.2	9.5	8.4
	3,403	0.4	0.4	0.5		0.4
1,769	4,769	0.9	0.1		0.2	0.6
5,012	3,085			1.8	0.6	0.4
<u>\$ 873,663</u>	<u>\$ 764,175</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 189,690	\$ 127,121	5.9 %	11.7 %	16.1 %	21.7 %	16.6 %
122,120	100,027	28.9	23.2	38.9	14.0	13.1
4,484	2,684	0.8	1.0	0.5	0.5	0.4
562,950	370,397	38.3	51.4	67.2	64.4	48.5
295,363	225,534	9.6	8.7	30.9	33.8	29.5
	84,566			7.9		11.1
		0.7				
<u>\$ 1,174,607</u>	<u>\$ 910,329</u>	<u>84.2 %</u>	<u>96.0 %</u>	<u>161.5 %</u>	<u>134.4 %</u>	<u>119.2 %</u>
<u>\$ (300,944)</u>	<u>\$ (146,154)</u>	<u>15.8 %</u>	<u>4.0 %</u>	<u>(61.5) %</u>	<u>(34.4) %</u>	<u>(19.2) %</u>
\$	\$ 2,629					
<u>\$ -0-</u>	<u>\$ 2,629</u>					
\$ (300,944)	\$ (143,525)					
<u>271,239</u>	<u>414,764</u>					
<u>\$ (29,705)</u>	<u>\$ 271,239</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		
	2023	2022	2021
REVENUES			
Property Taxes	\$ 2,488,271	\$ 1,364,121	\$ 1,037,285
Investment Revenues	110,455	14,345	14,722
TOTAL REVENUES	<u>\$ 2,598,726</u>	<u>\$ 1,378,466</u>	<u>\$ 1,052,007</u>
EXPENDITURES			
Tax Collection Expenditures	\$ 40,478	\$ 29,994	\$ 46,366
Debt Service Principal	545,000	525,000	505,000
Debt Service Interest and Fees	1,022,104	772,475	787,028
TOTAL EXPENDITURES	<u>\$ 1,607,582</u>	<u>\$ 1,327,469</u>	<u>\$ 1,338,394</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 991,144</u>	<u>\$ 50,997</u>	<u>\$ (286,387)</u>
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	\$ 1,528,460	\$ -0-	\$ -0-
NET CHANGE IN FUND BALANCE	\$ 2,519,604	\$ 50,997	\$ (286,387)
BEGINNING FUND BALANCE	<u>1,000,413</u>	<u>949,416</u>	<u>1,235,803</u>
ENDING FUND BALANCE	<u>\$ 3,520,017</u>	<u>\$ 1,000,413</u>	<u>\$ 949,416</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>213</u>	<u>189</u>	<u>125</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>212</u>	<u>188</u>	<u>125</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2020	2019	2023	2022	2021	2020	2019
\$ 1,136,184	\$ 1,016,978	95.7 %	99.0 %	98.6 %	98.1 %	97.8 %
21,439	23,101	4.3	1.0	1.4	1.9	2.2
<u>\$ 1,157,623</u>	<u>\$ 1,040,079</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0</u>	<u>100.0 %</u>
\$ 31,267	\$ 22,927	1.6 %	2.2 %	4.4 %	2.7 %	2.2 %
535,000	250,000	21.0	38.1	48.0	46.2	24.0
662,505	611,356	39.3	56.0	74.8	57.2	58.8
<u>\$ 1,228,772</u>	<u>\$ 884,283</u>	<u>61.9 %</u>	<u>96.3 %</u>	<u>127.2 %</u>	<u>106.1 %</u>	<u>85.0 %</u>
\$ (71,149)	\$ 155,796	38.1 %	3.7 %	(27.2) %	(6.1) %	15.0 %
\$ -0-	\$ -0-					
\$ (71,149)	\$ 155,796					
1,306,952	1,151,156					
<u>\$ 1,235,803</u>	<u>\$ 1,306,952</u>					
99	76					
<u>99</u>	<u>76</u>					

See accompanying independent auditor's report.

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

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: November 22, 2022

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.

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LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2023

Consultants:	Date Hired	Fees for the year ended July 31, 2023	Title
Winstead PC	11/11/15	\$ 73,796 \$ 625,875	General Counsel Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	08/12/15	\$ 16,000 \$ 35,000	Audit Bond Related
Dye & Toverly, LLC	07/01/13	\$ 41,569	Bookkeeper
Team Phillips, Inc.	12/17/12	\$ 56,600	Engineer
Arcadia Water Management, LLC	09/02/20	\$ 295,776	Operator
Hilltop Securities Inc.	09/12/13	\$ 3,500 \$ 394,875	Financial Advisor Bond Related

See accompanying independent auditor's report.

