

**ROCKWALL COUNTY MUNICIPAL
UTILITY DISTRICT NO. 6**

ROCKWALL COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

AUGUST 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rockwall County Municipal Utility District No. 6
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. 6 (the "District") as of and for the year ended August 31, 2024, 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, 2024, 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.

Change in Accounting Principle

As described in Note 6 to the financial statements, the District's government-wide financial statements as of and for the year ended August 31, 2023 have been restated for certain accounting changes. Our opinions are not modified with respect to these matters.

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. 6

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 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 17, 2024

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2024**

Management’s discussion and analysis of Rockwall County Municipal Utility District No. 6’s (the “District”) financial performance provides an overview of the District’s financial activities for the fiscal year ended August 31, 2024. 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, liabilities and 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 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 type. 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. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2024

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") and other supplementary information. 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 \$11,215,813 as of August 31, 2024.

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

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2024	2023	Change Positive (Negative)
Current and Other Assets	\$ 3,630,023	\$ 3,067,112	\$ 562,911
Capital Assets (Net of Accumulated Depreciation)	<u>26,348,399</u>	<u>22,754,569</u>	<u>3,593,830</u>
Total Assets	<u>\$ 29,978,422</u>	<u>\$ 25,821,681</u>	<u>\$ 4,156,741</u>
Due to Developers	\$ 7,936,198	\$ 6,770,861	\$ (1,165,337)
Long - Term Liabilities	32,063,803	29,579,486	(2,484,317)
Other Liabilities	<u>1,194,234</u>	<u>1,110,663</u>	<u>(83,571)</u>
Total Liabilities	<u>\$ 41,194,235</u>	<u>\$ 37,461,010</u>	<u>\$ (3,733,225)</u>
Net Position:			
Net Investment in Capital Assets	\$ (13,819,881)	\$ (13,796,239)	\$ (23,642)
Restricted	1,669,398	1,522,095	147,303
Unrestricted	<u>934,670</u>	<u>634,815</u>	<u>299,855</u>
Total Net Position	<u>\$ (11,215,813)</u>	<u>\$ (11,639,329)</u>	<u>\$ 423,516</u>

The following table provides a summary of the District's operations for the year ended August 31, 2024 and August 31, 2023. The District's net position increased by \$423,516.

	Summary of Changes in the Statement of Activities		
	2024	2023	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 2,154,983	\$ 1,998,120	\$ 156,863
Other Revenues	<u>159,406</u>	<u>101,777</u>	<u>57,629</u>
Total Revenues	\$ 2,314,389	\$ 2,099,897	\$ 214,492
Expenses for Services	<u>1,890,873</u>	<u>2,548,785</u>	<u>657,912</u>
Change in Net Position	\$ 423,516	\$ (448,888)	\$ 872,404
Net Position, Beginning of Year	<u>(11,639,329)</u>	<u>(11,190,441)</u>	<u>(448,888)</u>
Net Position, End of Year	<u>\$ (11,215,813)</u>	<u>\$ (11,639,329)</u>	<u>\$ 423,516</u>

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of August 31, 2024, were \$3,585,124, an increase of \$545,258 from the prior year.

The General Fund fund balance increased by \$299,822, primarily due to property tax revenues exceeding operating costs.

The Debt Service Fund fund balance increased by \$153,254, primarily due to the structure of the District's outstanding debt.

The Capital Projects Fund fund balance increased by \$92,182, primarily due to Series 2024 road bond proceeds and investment revenues exceeding current year capital costs and bond issuance costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the current fiscal. Actual revenues were \$52,479 more than budgeted revenues, actual expenditures were \$50,077 more than budgeted which resulted in a positive variance of \$2,402. See budget versus actual comparison for more information.

CAPITAL ASSETS

Capital assets as of August 31, 2024, total \$26,348,399 (net of accumulated depreciation) and include the water, wastewater, landscaping, paving and drainage systems.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 95,043	\$ 95,043	\$
Capital Assets, Net of Accumulated Depreciation:			
Water	3,756,210	3,284,867	471,343
Sanitary	4,478,798	3,987,030	491,768
Storm Drainage	4,338,169	3,008,869	1,329,300
Landscaping	694,887	363,843	331,044
Paving	12,985,292	12,014,917	970,375
Total Net Capital Assets	<u>\$ 26,348,399</u>	<u>\$ 22,754,569</u>	<u>\$ 3,593,830</u>

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2024**

CAPITAL ASSETS (Continued)

Certain water and wastewater facilities are conveyed to other entities for the purpose of providing water service and wastewater service to District residents. The District is entitled to significant residual interest in the facilities conveyed and continues to record these facilities as District assets and records depreciation on these facilities in accordance with GASB Statement No. 94.

LONG-TERM DEBT ACTIVITY

As of August 31, 2024, the District had total debt payable of \$32,775,000. The changes of the debt position of the District during fiscal year ended August 31, 2024, are summarized as follows:

Bond Debt Payable, September 1, 2023	\$ 30,220,000
Add: Bond Sales	3,255,000
Less: Bond Principal Paid	<u>700,000</u>
Bond Debt Payable, August 31, 2024	<u>\$ 32,775,000</u>

The District’s Series 2016 Road, Series 2017 Utility, 2017 Road, Series 2018 Road and 2018 Utility Bonds do not carry an underlying rating. The Series 2019 Road, Series 2020 Utility, 2020 Road, 2021 Utility Bonds, 2022 Road and Series 2024 Road carry an underlying rating of “Baa2”. The Series 2018 Road, 2018 Utility, 2019 Road, 2021 Utility, 2022 Road and Series 2024 Road Bonds carry an insured rating of “AA” based on a policy issued by Build America Mutual Assurance Corporation. The Series 2020 Utility and Series 2020 Road Bonds carry an insured rating of “AA/A1” based on a policy issued by Assured Guaranty Municipal Corp.

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. 6, c/o Winstead PC, 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
AUGUST 31, 2024

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 5,583	\$ 836
Investments	931,388	846,562
Cash with Fiscal Agent		1,224,261
Receivables:		
Property Taxes	2,193	13,013
Due from Other Funds	19,927	
Prepaid Costs	4,466	
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	\$ 963,557	\$ 2,084,672
LIABILITIES		
Accounts Payable	\$ 28,887	\$ 806
Accrued Interest Payable		
Due to Other Funds		9,927
Due to Developer		
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	\$ 28,887	\$ 10,733
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 2,193	\$ 13,013
FUND BALANCES		
Nonspendable:		
Prepaid Costs	\$ 4,466	\$
Restricted for Authorized Construction		
Restricted for Debt Service		2,060,926
Unassigned	928,011	
TOTAL FUND BALANCES	\$ 932,477	\$ 2,060,926
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 963,557	\$ 2,084,672
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
\$ 29	\$ 6,448	\$	\$ 6,448
601,692	2,379,642		2,379,642
	1,224,261		1,224,261
	15,206		15,206
	19,927	(19,927)	
	4,466		4,466
		95,043	95,043
		26,253,356	26,253,356
<u>\$ 601,721</u>	<u>\$ 3,649,950</u>	<u>\$ 26,328,472</u>	<u>\$ 29,978,422</u>
\$	\$ 29,693	\$	\$ 29,693
		404,541	404,541
10,000	19,927	(19,927)	
		7,936,198	7,936,198
		760,000	760,000
		32,063,803	32,063,803
<u>\$ 10,000</u>	<u>\$ 49,620</u>	<u>\$ 41,144,615</u>	<u>\$ 41,194,235</u>
<u>\$ -0-</u>	<u>\$ 15,206</u>	<u>\$ (15,206)</u>	<u>\$ -0-</u>
\$	\$ 4,466	\$ (4,466)	\$
591,721	591,721	(591,721)	
	2,060,926	(2,060,926)	
	928,011	(928,011)	
<u>\$ 591,721</u>	<u>\$ 3,585,124</u>	<u>\$ (3,585,124)</u>	<u>\$ - 0 -</u>
<u>\$ 601,721</u>	<u>\$ 3,649,950</u>		
		\$ (13,819,881)	\$ (13,819,881)
		1,669,398	1,669,398
		934,670	934,670
		<u>\$ (11,215,813)</u>	<u>\$ (11,215,813)</u>

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

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2024

Total Fund Balances - Governmental Funds \$ 3,585,124

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 2023 and prior tax levies became part of recognized revenue in the governmental activities of the District. 15,206

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 26,348,399

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	\$ (7,936,198)	
Accrued Interest Payable	(404,541)	
Bonds Payable Within One Year	(760,000)	
Bonds Payable After One Year	<u>(32,063,803)</u>	<u>(41,164,542)</u>

Total Net Position - Governmental Activities \$ (11,215,813)

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

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ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED AUGUST 31, 2024

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 400,331	\$ 1,758,602
Penalty and Interest	4,494	
Investment Revenues	45,409	80,885
TOTAL REVENUES	\$ 450,234	\$ 1,839,487
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 112,365	\$
Contracted Services	17,885	35,793
Other	20,162	7,394
Depreciation		
Capital Outlay		
Developer Interest		
Debt Service:		
Bond Principal		700,000
Bond Interest		943,046
Bond Issuance Costs		
TOTAL EXPENDITURES/EXPENSES	\$ 150,412	\$ 1,686,233
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	\$ 299,822	\$ 153,254
OTHER FINANCING SOURCES (USES)		
Long-Term Debt Issued	\$	\$
Bond Discount		
Bond Premium		
TOTAL OTHER FINANCING SOURCES (USES)	\$ -0-	\$ -0-
NET CHANGE IN FUND BALANCES	\$ 299,822	\$ 153,254
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - SEPTEMBER 1, 2023, AS REPORTED	632,655	1,907,672
CHANGE DUE TO NEW ACCOUNTING GUIDANCE		
SEPTEMBER 1, 2023, AS RESTATED	\$ 632,655	\$ 1,907,672
FUND BALANCES/NET POSITION - AUGUST 31, 2024	\$ 932,477	\$ 2,060,926

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>
\$	\$ 2,158,933	\$ (3,950)	\$ 2,154,983
	4,494		4,494
<u>28,618</u>	<u>154,912</u>	<u></u>	<u>154,912</u>
\$ <u>28,618</u>	\$ <u>2,318,339</u>	\$ <u>(3,950)</u>	\$ <u>2,314,389</u>
\$	\$ 112,365	\$	\$ 112,365
	53,678		53,678
	27,556		27,556
		363,905	363,905
2,792,398	2,792,398	(2,792,398)	
84,787	84,787		84,787
	700,000	(700,000)	
	943,046	(400)	942,646
<u>305,936</u>	<u>305,936</u>	<u></u>	<u>305,936</u>
\$ <u>3,183,121</u>	\$ <u>5,019,766</u>	\$ <u>(3,128,893)</u>	\$ <u>1,890,873</u>
\$ <u>(3,154,503)</u>	\$ <u>(2,701,427)</u>	\$ <u>3,124,943</u>	\$ <u>423,516</u>
\$ 3,255,000	\$ 3,255,000	\$ (3,255,000)	\$
(43,180)	(43,180)	43,180	
<u>34,865</u>	<u>34,865</u>	<u>(34,865)</u>	<u></u>
\$ <u>3,246,685</u>	\$ <u>3,246,685</u>	\$ <u>(3,246,685)</u>	\$ <u>-0-</u>
\$ 92,182	\$ 545,258	\$ (545,258)	\$
		423,516	423,516
499,539	3,039,866	(16,247,211)	(13,207,345)
		1,568,016	1,568,016
<u>499,539</u>	<u>3,039,866</u>	<u>(14,679,195)</u>	<u>(11,639,329)</u>
\$ <u>591,721</u>	\$ <u>3,585,124</u>	\$ <u>(14,800,937)</u>	\$ <u>(11,215,813)</u>

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

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
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, 2024

Net Change in Fund Balances - Governmental Funds \$ 545,258

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. (3,950)

Governmental funds report bond premiums and bond discounts as other financing sources and uses in the year received or paid. However, in the Statement of Net Position, bond premiums and bond discounts are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities. 8,315

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. 700,000

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. 400

Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position. (3,255,000)

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. (363,905)

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. 2,792,398

Change in Net Position - Governmental Activities \$ 423,516

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

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 1. CREATION OF DISTRICT

Rockwall County Municipal Utility District No. 6 (the “District”) was created by Senate Bill 1855, passed by the 79th 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 May 13, 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 8. 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 21, 2016.

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 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.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

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. 6
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

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 Statement of Revenues, Expenditures and Changes in Fund Balances.

Governmental Funds

The District has three governmental fund 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. 6
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

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, 2024, the Debt Service Fund owed the General Fund \$9,927 for the over-transfer of debt service tax collections and the Capital Projects Fund owed the General Fund \$10,000 for bond issuance costs.

Capital Assets

Capital assets are reported in the government-wide Statement of Net Position and include land and improvements, utility systems, roads and landscaping. 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 acquisition 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 \$10,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation over periods ranging from 10 to 45 years.

Certain water and wastewater facilities are conveyed to other entities for the purpose of providing water service and wastewater service to District residents. The District is entitled to significant residual interest in the facilities conveyed and continues to record these facilities as District assets and records depreciation on these facilities in accordance with GASB Statement No. 94 (see Notes 6 and 8).

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

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 to be 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.

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. 6
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

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 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.

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 2016</u>	<u>Series 2017</u>	<u>Road Series 2017</u>
Amount Outstanding – August 31, 2024	\$ 2,040,000	\$ 2,135,000	\$ 1,310,000
Interest Rates	3.20% - 4.25%	2.75% - 4.00%	2.625% - 3.75%
Maturity Dates – Serially Beginning/Ending	October 1, 2024/2042	October 1, 2024/2042	October 1, 2024/2042
Interest Payment Dates	October 1/April 1	October 1/April 1	October 1/April 1
Callable Dates	October 1, 2024*	October 1, 2025*	October 1, 2025*

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 3. LONG-TERM DEBT (Continued)

	<u>Series 2018</u>	<u>Road Series 2018</u>	<u>Road Series 2019</u>
Amount Outstanding – August 31, 2024	\$ 3,520,000	\$ 1,790,000	\$ 2,510,000
Interest Rates	3.50% - 6.00%	3.50% - 5.75%	3.00% - 4.00%
Maturity Dates – Serially Beginning/Ending	October 1, 2024/2043	October 1, 2024/2043	October 1, 2024/2044
Interest Payment Dates	October 1/April 1	October 1/April 1	October 1/April 1
Callable Dates	October 1, 2023*	October 1, 2023*	October 1, 2024*
	<u>Series 2020</u>	<u>Road Series 2020</u>	<u>Series 2021</u>
Amount Outstanding – August 31, 2024	\$ 2,830,000	\$ 6,050,000	\$ 5,415,000
Interest Rates	2.00% - 4.00%	2.00% - 4.50%	2.00% - 4.00%
Maturity Dates – Serially Beginning/Ending	October 1, 2024/2045	October 1, 2024/2050	October 1, 2024/2050
Interest Payment Dates	October 1/April 1	October 1/April 1	October 1/April 1
Callable Dates	October 1, 2024*	October 1, 2026*	October 1, 2026*
	<u>Road Series 2022</u>	<u>Road Series 2024</u>	
Amount Outstanding – August 31, 2024	\$ 1,920,000	\$ 3,255,000	
Interest Rates	4.50% - 6.00%	4.00% - 5.00%	
Maturity Dates – Serially Beginning/Ending	October 1, 2024/2050	October 1, 2025/2049	
Interest Payment Dates	October 1/April 1	October 1/April 1	
Callable Dates	October 1, 2029*	July 1, 2030*	

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 3. LONG-TERM DEBT (Continued)

- * In whole or in part, or any date thereafter at par plus unpaid accrued interest. Series 2016 Road term bonds maturing October 1, 2032, October 1, 2036, October 1, 2039, and October 1, 2042 are subject to mandatory redemption beginning October 1, 2030, October 1, 2033, October 1, 2037, and October 1, 2040, respectively. Series 2017 Utility term bonds maturing October 1, 2042 are subject to mandatory redemption beginning October 1, 2037. Series 2017 Road term bonds maturing October 1, 2032 and October 1, 2042 are subject to mandatory redemption beginning October 1, 2028 and October 1, 2033, respectively. Series 2018 Utility term bonds maturing October 1, 2034, October 1, 2036, October 1, 2038, October 1, 2040, and October 1, 2043 are subject to mandatory redemption beginning October 1, 2033, October 1, 2035, October 1, 2037, October 1, 2039 and October 1, 2041, respectively. Series 2018 Road term bonds maturing on October 1, 2032, October 1, 2034, October 1, 2036, October 1, 2038, October 1, 2040 and October 1, 2043 are subject to mandatory redemption beginning October 1, 2031, October 1, 2033, October 1, 2035, October 1, 2037, October 1, 2039 and October 1, 2041, respectively. Series 2019 Road term bonds maturing on October 1, 2031, October 1, 2033, October 1, 2035, October 1, 2037, October 1, 2039 and October 1, 2044 are subject to mandatory redemption beginning October 1, 2030, October 1, 2032, October 1, 2034, October 1, 2036, October 1, 2038 and October 1, 2040, respectively. Series 2020 Utility term bonds maturing on October 1, 2032, October 1, 2034, October 1, 2036, October 1, 2038, October 1, 2040 and October 1, 2045 are subject to mandatory redemption beginning October 1, 2031, October 1, 2033, October 1, 2035, October 1, 2037, October 1, 2039 and October 1, 2041, respectively. Series 2020 Road term bonds maturing on October 1, 2030, October 1, 2036, and October 1, 2050 are subject to mandatory redemption beginning October 1, 2027, October 1, 2031, and October 1, 2037, respectively. Series 2021 Utility term bonds maturing on October 1, 2037, October 1, 2039, October 1, 2041, October 1, 2043, October 1, 2045, October 1, 2047, and October 1, 2050 are subject to mandatory redemption beginning on October 1, 2036, October 1, 2038, October 1, 2040, October 1, 2042, October 1, 2044, October 1, 2046, and October 1, 2048, respectively. Series 2022 Road term bonds maturing on October 1, 2032, October 1, 2035, October 1, 2039, October 1, 2042, October 1, 2046 and October 1, 2050 are subject to mandatory redemption beginning on October 1, 2030, October 1, 2033, October 1, 2036, October 1, 2040, October 1, 2043, and October 1, 2047, respectively. Series 2024 Road term bonds maturing on October 1, 2037, October 1, 2039, October 1, 2041, and October 1, 2043 are subject to mandatory redemption beginning on October 1, 2036, October 1, 2038, October 1, 2040, and October 1, 2042, respectively.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 3. LONG-TERM DEBT (Continued)

The following is a summary of transactions regarding bonds payable for the year ended August 31, 2024:

	September 1, 2023	Additions	Retirements	August 31, 2024
Bonds Payable	\$ 30,220,000	\$ 3,255,000	\$ 700,000	\$ 32,775,000
Unamortized Discounts	(166,755)	(43,180)	(6,843)	(203,092)
Unamortized Premiums	226,241	34,865	9,211	251,895
Bonds Payable, Net	\$ 30,279,486	\$ 3,246,685	\$ 702,368	\$ 32,823,803
		Amount Due Within One Year		\$ 760,000
		Amount Due After One Year		32,063,803
		Bonds Payable, Net		\$ 32,823,803

As of August 31, 2024, the District had authorized but unissued bonds in the amount of \$12,185,000 for water, sanitary sewer and drainage bonds, \$68,185,000 for refunding bonds and \$5,350,000 for road bonds.

As of August 31, 2024, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 760,000	\$ 1,007,773	\$ 1,767,773
2026	845,000	1,017,002	1,862,002
2027	900,000	985,802	1,885,802
2028	920,000	953,927	1,873,927
2029	955,000	922,939	1,877,939
2030-2034	5,275,000	4,119,020	9,394,020
2035-2039	6,235,000	3,168,919	9,403,919
2040-2044	7,435,000	1,995,328	9,430,328
2045-2049	7,020,000	816,591	7,836,591
2050-2051	2,430,000	65,484	2,495,484
	\$ 32,775,000	\$ 15,052,785	\$ 47,827,785

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 3. LONG-TERM DEBT (Continued)

The bonds are payable from the proceeds of an ad valorem tax upon all property subject to taxation within the District, without limitation as to rate or amount.

During the year ended August 31, 2024, the District levied an ad valorem debt service tax rate of \$0.57 per \$100 of assessed valuation, which resulted in a tax levy of \$1,757,299 on the adjusted taxable valuation of \$308,298,157 for the 2023 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 collecting taxes. See Note 7 for the 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 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.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

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 \$6,448 and the bank balance was \$40,400. The bank balance was fully covered by federal depository insurance.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at August 31, 2024, as listed below:

	Cash
GENERAL FUND	\$ 5,583
DEBT SERVICE FUND	836
CAPITAL PROJECTS FUND	29
TOTAL DEPOSITS	\$ 6,448

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.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

The District invests in 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, 2024, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities in Years		
		Less Than 1	1-5	6-10
<u>GENERAL FUND</u>				
LOGIC	\$ 931,388	\$ 931,388	\$	\$
<u>DEBT SERVICE FUND</u>				
LOGIC	846,562	846,562		
<u>CAPITAL PROJECTS FUND</u>				
LOGIC	601,692	601,692		
TOTAL INVESTMENTS	<u>\$ 2,379,642</u>	<u>\$ 2,379,642</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

Credit risk is the risk that the issuer of other counterparty to an investment will not fulfill its obligations. As of August 31, 2024, the District’s investment in LOGIC was rated AAA 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 is a significant change in value.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

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. CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2024:

	September 1, 2023*	Increases	Decreases	August 31, 2024
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 95,043	\$ - 0 -	\$ - 0 -	\$ 95,043
Capital Assets Subject to Depreciation				
Water	\$ 3,789,349	\$ 562,286	\$	\$ 4,351,635
Sanitary	4,680,930	603,050		5,283,980
Storm Drainage	3,526,858	1,424,366		4,951,224
Landscaping	922,648	76,362		999,010
Paving	13,984,718	1,291,671		15,276,389
Total Capital Assets Subject to Depreciation	\$ 26,904,503	\$ 3,957,735	\$ - 0 -	\$ 30,862,238
Less Accumulated Depreciation				
Water	\$ 504,482	\$ 90,943	\$	\$ 595,425
Sanitary	693,900	111,282		805,182
Storm Drainage	517,989	95,066		613,055
Landscaping	558,805	(254,682)		304,123
Paving	1,969,801	321,296		2,291,097
Total Accumulated Depreciation	\$ 4,244,977	\$ 363,905	\$ - 0 -	\$ 4,608,882
Total Depreciable Capital Assets, Net of Accumulated Depreciation	\$ 22,659,526	\$ 3,593,830	\$ - 0 -	\$ 26,253,356
Total Capital Assets, Net of Accumulated Depreciation	\$ 22,754,569	\$ 3,593,830	\$ - 0 -	\$ 26,348,399

* As Restated

Certain water and wastewater facilities are conveyed to other entities for the purpose of providing water service and wastewater service to District residents. The District is entitled to significant residual interest in the facilities conveyed and continues to record these facilities as District assets and records depreciation on these facilities in accordance with GASB Statement No. 94. The reclassification of these assets from intangible to capital resulted in an adjustment to prior year accumulated depreciation of \$1,568,016.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 7. MAINTENANCE TAX

On May 13, 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 \$0.13 per \$100 of assessed valuation, which resulted in a tax levy of \$400,788 on the adjusted taxable valuation of \$308,298,157 for the 2023 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. 7, 8 and 9 (District's No. 7, 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. 7, 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. 7, 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. 6
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

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, \$7,936,198 has been recorded as a liability for completed facilities financed by Developers. Reimbursement to the Developers will come from future bond sales.

Due to Developers, September 1, 2023	\$ 6,770,861
Current Year Additions	1,165,337
Current Year Reimbursements	<u>-0-</u>
Due to Developers, August 31, 2024	<u>\$ 7,936,198</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.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 11. WATER AND WASTEWATER CAPACITY (Continued)

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.

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 July 17, 2024, the District issued its Unlimited Tax Road Bonds, Series 2024 in the amount of \$3,255,000. Proceeds were used to reimburse the Developer for construction and engineering costs related to Woodcreek Road and Woodcreek, Phase 6L. Proceeds were also used to pay developer interest and bond issuance costs.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 13. PENDING BOND SALE

During the first quarter of 2025, the District anticipates closing on the sale of \$1,445,000 of Unlimited Tax Utility Bonds, Series 2025 in the amount of \$1,445,000.

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**ROCKWALL COUNTY MUNICIPAL
UTILITY DISTRICT NO. 6**

REQUIRED SUPPLEMENTARY INFORMATION

AUGUST 31, 2024

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property Taxes	\$ 375,555	\$ 400,331	\$ 24,776
Penalty and Interest		4,494	4,494
Investment Revenues	<u>22,200</u>	<u>45,409</u>	<u>23,209</u>
TOTAL REVENUES	<u>\$ 397,755</u>	<u>\$ 450,234</u>	<u>\$ 52,479</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 68,800	\$ 112,365	\$ (43,565)
Contracted Services	19,000	17,885	1,115
Other	<u>12,535</u>	<u>20,162</u>	<u>(7,627)</u>
TOTAL EXPENDITURES	<u>\$ 100,335</u>	<u>\$ 150,412</u>	<u>\$ (50,077)</u>
NET CHANGE IN FUND BALANCE	\$ 297,420	\$ 299,822	\$ 2,402
FUND BALANCE - SEPTEMBER 1, 2023	<u>632,655</u>	<u>632,655</u>	<u> </u>
FUND BALANCE - AUGUST 31, 2024	<u>\$ 930,075</u>	<u>\$ 932,477</u>	<u>\$ 2,402</u>

See accompanying independent auditor's report.

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**ROCKWALL COUNTY MUNICIPAL
UTILITY DISTRICT NO. 6**

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

AUGUST 31, 2024

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
SERVICES AND RATES
FOR THE YEAR ENDED AUGUST 31, 2024

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. 6
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED AUGUST 31, 2024

PROFESSIONAL FEES:	
Auditing	\$ 24,250
Engineering	15,505
Legal	<u>72,610</u>
TOTAL PROFESSIONAL FEES	<u>\$ 112,365</u>
CONTRACTED SERVICES:	
Bookkeeping	<u>\$ 17,885</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 12,376
Insurance	4,027
Payroll Taxes	947
Travel and Meetings	1,601
Other	<u>1,211</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 20,162</u>
TOTAL EXPENDITURES	<u>\$ 150,412</u>

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
INVESTMENTS
AUGUST 31, 2024

<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	XXXX7001	Varies	Daily	\$ 931,388	\$ - 0 -
<u>DEBT SERVICE FUND</u>					
LOGIC	XXXX7002	Varies	Daily	\$ 846,562	\$
<u>CAPITAL PROJECTS FUND</u>					
LOGIC	XXXX7003	Varies	Daily	\$ 601,692	\$ - 0 -
TOTAL - ALL FUNDS				<u>\$ 2,379,642</u>	<u>\$ - 0 -</u>

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2024

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
SEPTEMBER 1, 2023	\$	2,160		\$ 16,996
Adjustments to Beginning				
Balance		<u>(424)</u>	\$ 1,736	<u>(2,680)</u> \$ 14,316
Original 2023 Tax Levy	\$	401,960		\$ 1,762,438
Adjustment to 2023 Tax Levy		<u>(1,172)</u>	<u>400,788</u>	<u>(5,139)</u> <u>1,757,299</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 402,524		\$ 1,771,615
TAX COLLECTIONS:				
Prior Years	\$	906		\$ 7,276
Current Year		<u>399,425</u>	<u>400,331</u>	<u>1,751,326</u> <u>1,758,602</u>
TAXES RECEIVABLE -				
AUGUST 31, 2024		<u>\$ 2,193</u>		<u>\$ 13,013</u>
TAXES RECEIVABLE BY				
YEAR:				
2023		\$ 1,363		\$ 5,973
2022		329		2,038
2021		283		3,582
2020		<u>218</u>		<u>1,420</u>
TOTAL		<u>\$ 2,193</u>		<u>\$ 13,013</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2024

	2023	2022	2021	2020
PROPERTY VALUATIONS:				
Land	\$ 125,100,656	\$ 103,520,240	\$ 75,344,740	\$ 56,193,589
Improvements	250,279,424	241,416,071	178,331,937	140,503,893
Personal Property	1,248,569	1,169,790	1,134,580	79,480
Exemptions	(68,330,492)	(68,409,598)	(22,843,914)	(18,632,449)
TOTAL PROPERTY VALUATIONS	\$ 308,298,157	\$ 277,696,503	\$ 231,967,343	\$ 178,144,513
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.57	\$ 0.62	\$ 0.695	\$ 0.65
Maintenance	0.13	\$ 0.10	\$ 0.055	0.10
TOTAL TAX RATES PER \$100 VALUATION	\$ 0.70	\$ 0.72	\$ 0.750	\$ 0.75
ADJUSTED TAX LEVY*	\$ 2,158,087	\$ 1,999,755	\$ 1,739,753	\$ 1,336,086
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	99.66 %	99.88 %	99.78 %	99.88 %

* 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 May 13, 2006.

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

SERIES - 2016 ROAD

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$ 70,000	\$ 81,496	\$ 151,496
2026	75,000	78,876	153,876
2027	80,000	75,776	155,776
2028	80,000	72,575	152,575
2029	85,000	69,275	154,275
2030	90,000	65,775	155,775
2031	90,000	62,175	152,175
2032	95,000	58,474	153,474
2033	100,000	54,574	154,574
2034	105,000	50,475	155,475
2035	110,000	46,175	156,175
2036	115,000	41,675	156,675
2037	120,000	36,975	156,975
2038	125,000	31,996	156,996
2039	130,000	26,737	156,737
2040	135,000	21,272	156,272
2041	140,000	15,513	155,513
2042	145,000	9,457	154,457
2043	150,000	3,188	153,188
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
	<u>\$ 2,040,000</u>	<u>\$ 902,459</u>	<u>\$ 2,942,459</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

S E R I E S - 2 0 1 7

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$ 75,000	\$ 77,381	\$ 152,381
2026	80,000	75,150	155,150
2027	85,000	72,675	157,675
2028	85,000	70,072	155,072
2029	90,000	67,281	157,281
2030	95,000	64,215	159,215
2031	95,000	60,950	155,950
2032	100,000	57,538	157,538
2033	105,000	53,885	158,885
2034	110,000	49,919	159,919
2035	115,000	45,700	160,700
2036	120,000	41,294	161,294
2037	125,000	36,622	161,622
2038	130,000	31,600	161,600
2039	135,000	26,300	161,300
2040	140,000	20,800	160,800
2041	145,000	15,100	160,100
2042	150,000	9,200	159,200
2043	155,000	3,100	158,100
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
	<u>\$ 2,135,000</u>	<u>\$ 878,782</u>	<u>\$ 3,013,782</u>

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

SERIES - 2017 ROAD

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$ 45,000	\$ 46,553	\$ 91,553
2026	50,000	45,212	95,212
2027	50,000	43,712	93,712
2028	55,000	42,103	97,103
2029	55,000	40,247	95,247
2030	60,000	38,163	98,163
2031	60,000	35,988	95,988
2032	65,000	33,722	98,722
2033	65,000	31,366	96,366
2034	65,000	28,969	93,969
2035	70,000	26,438	96,438
2036	75,000	23,719	98,719
2037	75,000	20,906	95,906
2038	80,000	18,000	98,000
2039	80,000	15,000	95,000
2040	85,000	11,906	96,906
2041	90,000	8,625	98,625
2042	90,000	5,250	95,250
2043	95,000	1,781	96,781
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
	<u>\$ 1,310,000</u>	<u>\$ 517,660</u>	<u>\$ 1,827,660</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

S E R I E S - 2 0 1 8

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$ 115,000	\$ 135,650	\$ 250,650
2026	120,000	129,950	249,950
2027	120,000	125,600	245,600
2028	130,000	121,225	251,225
2029	130,000	116,675	246,675
2030	135,000	112,037	247,037
2031	145,000	106,957	251,957
2032	150,000	101,425	251,425
2033	155,000	95,706	250,706
2034	160,000	89,600	249,600
2035	165,000	83,100	248,100
2036	170,000	76,400	246,400
2037	180,000	69,400	249,400
2038	185,000	62,100	247,100
2039	195,000	54,500	249,500
2040	200,000	46,600	246,600
2041	210,000	38,400	248,400
2042	220,000	29,800	249,800
2043	230,000	20,800	250,800
2044	405,000	8,100	413,100
2045			
2046			
2047			
2048			
2049			
2050			
2051			
	<u>\$ 3,520,000</u>	<u>\$ 1,624,025</u>	<u>\$ 5,144,025</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

S E R I E S - 2 0 1 8 R O A D

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$ 60,000	\$ 69,313	\$ 129,313
2026	60,000	66,388	126,388
2027	65,000	63,888	128,888
2028	65,000	61,450	126,450
2029	70,000	59,087	129,087
2030	70,000	56,637	126,637
2031	75,000	54,006	129,006
2032	80,000	51,100	131,100
2033	80,000	48,100	128,100
2034	85,000	44,900	129,900
2035	90,000	41,400	131,400
2036	90,000	37,800	127,800
2037	95,000	34,100	129,100
2038	100,000	30,200	130,200
2039	105,000	26,100	131,100
2040	110,000	21,800	131,800
2041	115,000	17,300	132,300
2042	120,000	12,600	132,600
2043	125,000	7,700	132,700
2044	130,000	2,600	132,600
2045			
2046			
2047			
2048			
2049			
2050			
2051			
	<u>\$ 1,790,000</u>	<u>\$ 806,469</u>	<u>\$ 2,596,469</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

SERIES - 2019 ROAD

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$ 95,000	\$ 75,281	\$ 170,281
2026	95,000	71,956	166,956
2027	95,000	69,106	164,106
2028	100,000	66,181	166,181
2029	100,000	63,181	163,181
2030	100,000	60,181	160,181
2031	105,000	57,106	162,106
2032	105,000	53,956	158,956
2033	110,000	50,731	160,731
2034	115,000	47,356	162,356
2035	115,000	43,906	158,906
2036	120,000	40,382	160,382
2037	120,000	36,782	156,782
2038	125,000	33,107	158,107
2039	130,000	29,282	159,282
2040	135,000	25,307	160,307
2041	135,000	21,172	156,172
2042	145,000	16,797	161,797
2043	150,000	12,188	162,188
2044	155,000	7,422	162,422
2045	160,000	2,500	162,500
2046			
2047			
2048			
2049			
2050			
2051			
	<u>\$ 2,510,000</u>	<u>\$ 883,880</u>	<u>\$ 3,393,880</u>

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

S E R I E S - 2 0 2 0

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$ 95,000	\$ 61,337	\$ 156,337
2026	100,000	58,437	158,437
2027	100,000	56,438	156,438
2028	105,000	54,388	159,388
2029	105,000	52,288	157,288
2030	110,000	50,138	160,138
2031	110,000	47,938	157,938
2032	115,000	45,688	160,688
2033	120,000	43,338	163,338
2034	120,000	40,938	160,938
2035	125,000	38,488	163,488
2036	130,000	35,856	165,856
2037	130,000	33,094	163,094
2038	135,000	30,193	165,193
2039	140,000	27,099	167,099
2040	145,000	23,893	168,893
2041	145,000	20,631	165,631
2042	150,000	17,219	167,219
2043	155,000	13,597	168,597
2044	160,000	9,856	169,856
2045	165,000	5,997	170,997
2046	170,000	2,019	172,019
2047			
2048			
2049			
2050			
2051			
	<u>\$ 2,830,000</u>	<u>\$ 768,870</u>	<u>\$ 3,598,870</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

SERIES - 2020 ROAD

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$ 45,000	\$ 150,287	\$ 195,287
2026	50,000	148,151	198,151
2027	50,000	145,901	195,901
2028	50,000	144,276	194,276
2029	50,000	143,274	193,274
2030	55,000	142,225	197,225
2031	55,000	141,125	196,125
2032	55,000	140,024	195,024
2033	60,000	138,875	198,875
2034	60,000	137,675	197,675
2035	60,000	136,475	196,475
2036	60,000	135,275	195,275
2037	65,000	134,025	199,025
2038	60,000	132,624	192,624
2039	65,000	131,063	196,063
2040	65,000	129,437	194,437
2041	65,000	127,813	192,813
2042	65,000	126,187	191,187
2043	70,000	124,500	194,500
2044	325,000	119,563	444,563
2045	470,000	109,625	579,625
2046	645,000	95,687	740,687
2047	665,000	79,313	744,313
2048	680,000	62,500	742,500
2049	700,000	45,250	745,250
2050	720,000	27,500	747,500
2051	740,000	9,250	749,250
	<u>\$ 6,050,000</u>	<u>\$ 3,157,900</u>	<u>\$ 9,207,900</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

S E R I E S - 2 0 2 1

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$ 125,000	\$ 121,969	\$ 246,969
2026	130,000	118,144	248,144
2027	135,000	113,494	248,494
2028	130,000	108,844	238,844
2029	140,000	105,494	245,494
2030	140,000	102,694	242,694
2031	140,000	99,894	239,894
2032	140,000	97,094	237,094
2033	140,000	94,294	234,294
2034	145,000	91,444	236,444
2035	145,000	88,544	233,544
2036	150,000	85,594	235,594
2037	150,000	82,594	232,594
2038	155,000	79,544	234,544
2039	155,000	76,444	231,444
2040	160,000	73,294	233,294
2041	165,000	69,941	234,941
2042	170,000	66,381	236,381
2043	170,000	62,662	232,662
2044	170,000	58,837	228,837
2045	595,000	50,231	645,231
2046	605,000	36,730	641,730
2047	240,000	27,074	267,074
2048	245,000	21,315	266,315
2049	250,000	15,437	265,437
2050	260,000	9,381	269,381
2051	265,000	3,147	268,147
	<u>\$ 5,415,000</u>	<u>\$ 1,960,515</u>	<u>\$ 7,375,515</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

SERIES - 2022 ROAD

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$ 35,000	\$ 93,600	\$ 128,600
2026	40,000	91,350	131,350
2027	40,000	88,950	128,950
2028	40,000	86,550	126,550
2029	45,000	84,000	129,000
2030	45,000	81,300	126,300
2031	50,000	78,700	128,700
2032	50,000	76,200	126,200
2033	55,000	73,575	128,575
2034	55,000	70,962	125,962
2035	60,000	68,375	128,375
2036	60,000	65,675	125,675
2037	65,000	62,862	127,862
2038	65,000	59,937	124,937
2039	70,000	56,900	126,900
2040	75,000	53,638	128,638
2041	75,000	50,169	125,169
2042	80,000	46,488	126,488
2043	85,000	42,569	127,569
2044	90,000	38,412	128,412
2045	95,000	34,019	129,019
2046	95,000	29,507	124,507
2047	100,000	24,875	124,875
2048	105,000	19,875	124,875
2049	110,000	14,500	124,500
2050	115,000	8,875	123,875
2051	120,000	3,000	123,000
	<u>\$ 1,920,000</u>	<u>\$ 1,504,863</u>	<u>\$ 3,424,863</u>

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

S E R I E S - 2 0 2 4 R O A D

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$	\$ 94,906	\$ 94,906
2026	45,000	133,388	178,388
2027	80,000	130,262	210,262
2028	80,000	126,263	206,263
2029	85,000	122,137	207,137
2030	90,000	117,763	207,763
2031	95,000	113,612	208,612
2032	95,000	109,813	204,813
2033	100,000	105,912	205,912
2034	105,000	101,813	206,813
2035	110,000	97,512	207,512
2036	115,000	93,013	208,013
2037	120,000	88,312	208,312
2038	125,000	83,413	208,413
2039	130,000	78,312	208,312
2040	135,000	73,013	208,013
2041	145,000	67,412	212,412
2042	150,000	61,513	211,513
2043	155,000	55,412	210,412
2044	160,000	49,113	209,113
2045	170,000	42,512	212,512
2046	175,000	35,613	210,613
2047	185,000	28,412	213,412
2048	195,000	20,813	215,813
2049	200,000	12,787	212,787
2050	210,000	4,331	214,331
2051			
	<u>\$ 3,255,000</u>	<u>\$ 2,047,362</u>	<u>\$ 5,302,362</u>

See accompanying independent auditor's report.

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ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending August 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2025	\$ 760,000	\$ 1,007,773	\$ 1,767,773
2026	845,000	1,017,002	1,862,002
2027	900,000	985,802	1,885,802
2028	920,000	953,927	1,873,927
2029	955,000	922,939	1,877,939
2030	990,000	891,128	1,881,128
2031	1,020,000	858,451	1,878,451
2032	1,050,000	825,034	1,875,034
2033	1,090,000	790,356	1,880,356
2034	1,125,000	754,051	1,879,051
2035	1,165,000	716,113	1,881,113
2036	1,205,000	676,683	1,881,683
2037	1,245,000	635,672	1,880,672
2038	1,285,000	592,714	1,877,714
2039	1,335,000	547,737	1,882,737
2040	1,385,000	500,960	1,885,960
2041	1,430,000	452,076	1,882,076
2042	1,485,000	400,892	1,885,892
2043	1,540,000	347,497	1,887,497
2044	1,595,000	293,903	1,888,903
2045	1,655,000	244,884	1,899,884
2046	1,690,000	199,556	1,889,556
2047	1,190,000	159,674	1,349,674
2048	1,225,000	124,503	1,349,503
2049	1,260,000	87,974	1,347,974
2050	1,305,000	50,087	1,355,087
2051	1,125,000	15,397	1,140,397
	<u>\$ 32,775,000</u>	<u>\$ 15,052,785</u>	<u>\$ 47,827,785</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED AUGUST 31, 2024

Description	Original Bonds Issued	Bonds Outstanding September 1, 2023
Rockwall County Municipal Utility No. 6 Unlimited Tax Road Bonds - Series 2016	\$ 2,360,000	\$ 2,110,000
Rockwall County Municipal Utility No. 6 Unlimited Tax Utility Bonds - Series 2017	2,415,000	2,210,000
Rockwall County Municipal Utility No. 6 Unlimited Tax Road Bonds - Series 2017	1,480,000	1,355,000
Rockwall County Municipal Utility No. 6 Unlimited Tax Utility Bonds - Series 2018	3,945,000	3,630,000
Rockwall County Municipal Utility No. 6 Unlimited Tax Road Bonds - Series 2018	2,000,000	1,845,000
Rockwall County Municipal Utility No. 6 Unlimited Tax Road Bonds - Series 2019	2,755,000	2,595,000
Rockwall County Municipal Utility No. 6 Unlimited Tax Utility Bonds - Series 2020	3,105,000	2,925,000
Rockwall County Municipal Utility No. 6 Unlimited Tax Road Bonds - Series 2020	6,150,000	6,100,000
Rockwall County Municipal Utility No. 6 Unlimited Tax Utility Bonds - Series 2021	5,530,000	5,530,000
Rockwall County Municipal Utility No. 6 Unlimited Tax Road Bonds - Series 2022	1,920,000	1,920,000
Rockwall County Municipal Utility No. 6 Unlimited Tax Road Bonds - Series 2024	3,255,000	
TOTAL	\$ 34,915,000	\$ 30,220,000

See accompanying independent auditor's report.

<u>Current Year Transactions</u>					
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding August 31, 2024</u>		<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>			
\$	\$ 70,000	\$ 83,665	\$ 2,040,000		Regions Bank Houston, TX
	75,000	79,350	2,135,000		Regions Bank Houston, TX
	45,000	47,706	1,310,000		Regions Bank Houston, TX
	110,000	142,400	3,520,000		Regions Bank Houston, TX
	55,000	72,688	1,790,000		Regions Bank Houston, TX
	85,000	78,881	2,510,000		Regions Bank Houston, TX
	95,000	65,137	2,830,000		Regions Bank Houston, TX
	50,000	152,425	6,050,000		Regions Bank Houston, TX
	115,000	126,144	5,415,000		Regions Bank Houston, TX
		94,650	1,920,000		Regions Bank Houston, TX
<u>3,255,000</u>			<u>3,255,000</u>		Regions Bank Houston, TX
<u>\$ 3,255,000</u>	<u>\$ 700,000</u>	<u>\$ 943,046</u>	<u>\$ 32,775,000</u>		

See accompanying independent auditor's report.

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ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED AUGUST 31, 2024

Bond Authority:	Water, Sewer and Drainage Bonds	Refunding Bonds	Road Bonds
Amount Authorized by Voters	\$ 27,180,000	\$ 68,185,000	\$ 25,270,000
Amount Issued	14,995,000		19,920,000
Remaining to be Issued	\$ 12,185,000	\$ 68,185,000	\$ 5,350,000

Debt Service Fund cash, investments and cash with paying agent balances as of August 31, 2024:	\$ 2,071,659
Average annual debt service payment (principal and interest) for remaining term of all debt:	\$ 1,771,399

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

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 400,331	\$ 276,528	\$ 128,131
Penalty and Interest	4,494	2,175	14,372
Investment Revenues	45,409	24,074	2,634
TOTAL REVENUES	<u>\$ 450,234</u>	<u>\$ 302,777</u>	<u>\$ 145,137</u>
EXPENDITURES			
Professional Fees	\$ 112,365	\$ 55,121	\$ 91,121
Contracted Services	17,885	17,914	14,897
Other	20,162	10,149	14,683
TOTAL EXPENDITURES	<u>\$ 150,412</u>	<u>\$ 83,184</u>	<u>\$ 120,701</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 299,822</u>	<u>\$ 219,593</u>	<u>\$ 24,436</u>
OTHER FINANCING SOURCES (USES)			
Transfers In(Out)	<u>\$ - 0 -</u>	<u>\$ 4,500</u>	<u>\$ - 0 -</u>
NET CHANGE IN FUND BALANCE	\$ 299,822	\$ 224,093	\$ 24,436
BEGINNING FUND BALANCE	<u>632,655</u>	<u>408,562</u>	<u>384,126</u>
ENDING FUND BALANCE	<u><u>\$ 932,477</u></u>	<u><u>\$ 632,655</u></u>	<u><u>\$ 408,562</u></u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 177,680	\$ 153,778	88.9 %	91.2 %	88.2 %	99.1 %	97.1 %
1,053	806	1.0	0.7	9.9	0.6	0.5
462	3,753	10.1	8.1	1.9	0.3	2.4
<u>\$ 179,195</u>	<u>\$ 158,337</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 51,877	\$ 68,368	25.0 %	18.2 %	62.8 %	29.0 %	43.2 %
18,951	15,977	4.0	5.9	10.3	10.6	10.1
15,677	13,210	4.5	3.4	10.1	8.7	8.3
<u>\$ 86,505</u>	<u>\$ 97,555</u>	<u>33.5 %</u>	<u>27.5 %</u>	<u>83.2 %</u>	<u>48.3 %</u>	<u>61.6 %</u>
\$ 92,690	\$ 60,782	66.5 %	72.5 %	16.8 %	51.7 %	38.4 %
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>					
\$ 92,690	\$ 60,782					
291,436	230,654					
<u>\$ 384,126</u>	<u>\$ 291,436</u>					

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 1,758,602	\$ 1,714,932	\$ 1,609,493
Penalty and Interest			
Investment Revenues	<u>80,885</u>	<u>53,726</u>	<u>7,691</u>
TOTAL REVENUES	<u>\$ 1,839,487</u>	<u>\$ 1,768,658</u>	<u>\$ 1,617,184</u>
EXPENDITURES			
Tax Collection Expenditures	\$ 34,356	\$ 27,430	\$ 23,766
Debt Service Principal	700,000	565,000	500,000
Debt Service Interest and Fees	<u>951,877</u>	<u>923,380</u>	<u>852,119</u>
TOTAL EXPENDITURES	<u>\$ 1,686,233</u>	<u>\$ 1,515,810</u>	<u>\$ 1,375,885</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 153,254</u>	<u>\$ 252,848</u>	<u>\$ 241,299</u>
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	<u>\$ - 0 -</u>	<u>\$ 94,650</u>	<u>\$ - 0 -</u>
NET CHANGE IN FUND BALANCE	\$ 153,254	\$ 347,498	\$ 241,299
BEGINNING FUND BALANCE	<u>1,907,672</u>	<u>1,560,174</u>	<u>1,318,875</u>
ENDING FUND BALANCE	<u>\$ 2,060,926</u>	<u>\$ 1,907,672</u>	<u>\$ 1,560,174</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 1,153,946	\$ 803,801	95.6 %	97.0 %	99.5 %	99.5 %	98.4 %
2,227	3,140				0.2	0.4
<u>3,950</u>	<u>10,182</u>	<u>4.4</u>	<u>3.0</u>	<u>0.5</u>	<u>0.3</u>	<u>1.2</u>
\$ <u>1,160,123</u>	\$ <u>817,123</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 18,416	\$ 12,014	1.9 %	1.6 %	1.5 %	1.6 %	1.5 %
315,000	60,000	38.1	31.9	30.9	27.2	7.3
<u>701,042</u>	<u>538,224</u>	<u>51.7</u>	<u>52.2</u>	<u>52.7</u>	<u>60.4</u>	<u>65.9</u>
\$ <u>1,034,458</u>	\$ <u>610,238</u>	<u>91.7 %</u>	<u>85.7 %</u>	<u>85.1 %</u>	<u>89.2 %</u>	<u>74.7 %</u>
\$ <u>125,665</u>	\$ <u>206,885</u>	<u>8.3 %</u>	<u>14.3 %</u>	<u>14.9 %</u>	<u>10.8 %</u>	<u>25.3 %</u>
\$ <u>155,800</u>	\$ <u>74,237</u>					
\$ 281,465	\$ 281,122					
<u>1,037,410</u>	<u>756,288</u>					
\$ <u>1,318,875</u>	\$ <u>1,037,410</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. 6
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
AUGUST 31, 2024

District Mailing Address - Rockwall County Municipal Utility District No. 6
c/o Winstead PC
2728 N. Harwood Street, Suite 500
Dallas, TX 75201

District Telephone Number - (214) 745-5400

Board Members:	Term of Office (Elected or Appointed)	Fees of Office for the year ended August 31, 2024	Expense Reimbursements for the year ended August 31, 2024	Title
Jill Thrasher	05/2024 05/2028 (Elected)	\$ 2,210	\$ 469	President
Sherry Kent Skinner	05/2022 05/2026 (Elected)	\$ 2,873	\$ 384	Vice President
Bobbie Hubbard	03/2022 05/2026 (Elected)	\$ 2,873	\$ 96	Secretary
Grady J. Smith	05/2024 05/2028 (Elected)	\$ 2,873	\$ 314	Treasurer/ Assistant Secretary
Bobby L. Jackson	05/2024 05/2026 (Appointed)	\$ 1,547	\$ 338	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: November 13, 2024

The limit on Fees of Office that a Director may receive during a fiscal year is \$3,500 as set by Board Resolution on August 15, 2023. 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. 6
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
AUGUST 31, 2024

Consultants:	<u>Date Hired</u>	<u>Fees / Compensation for the year ended August 31, 2024</u>	<u>Title</u>
Winstead PC	09/22/15	\$ 70,310 \$ 85,630	General Counsel Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	09/27/16	\$ 14,250 \$ 10,000	Auditor Bond Related
Dye & Toverly, LLC	05/28/19	\$ 17,897	Bookkeeper
LJA Engineering, Inc.	01/22/19	\$ 34,255	Engineer
Rockwall County Central Appraisal District	08/25/15	\$ 26,963	Tax Assessor/ Collector
Robert W. Baird & Co.	01/27/15	\$ 69,922	Financial Advisor
Kathi Dye	02/26/08	\$ -0-	Investment Officer

See accompanying independent auditor's report.

