

**ROCKWALL COUNTY MUNICIPAL
UTILITY DISTRICT NO. 8**

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. 8
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. 8 (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.

Member of
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Texas Society of Certified Public Accountants

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. 8

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. 8

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED AUGUST 31, 2024

Management's discussion and analysis of Rockwall County Municipal Utility District No. 8'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 the District's assets, liabilities, and, if applicable, deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

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

FUND FINANCIAL STATEMENTS

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

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
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 \$7,066,142 as of August 31, 2024.

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

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
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 Assets	\$ 1,655,479	\$ 1,811,149	\$ (155,670)
Capital Assets (Net of Accumulated Depreciation)	<u>23,674,118</u>	<u>22,847,238</u>	<u>826,880</u>
Total Assets	<u>\$ 25,329,597</u>	<u>\$ 24,658,387</u>	<u>\$ 671,210</u>
Due to Developer	\$ 5,590,639	\$ 7,930,167	\$ 2,339,528
Bonds Payable	26,317,584	22,375,071	(3,942,513)
Other Liabilities	<u>487,516</u>	<u>339,701</u>	<u>(147,815)</u>
Total Liabilities	<u>\$ 32,395,739</u>	<u>\$ 30,644,939</u>	<u>\$ (1,750,800)</u>
Net Position:			
Net Investment in Capital Assets	\$ (7,978,087)	\$ (6,792,026)	\$ (1,186,061)
Restricted	953,722	940,918	12,804
Unrestricted	<u>(41,777)</u>	<u>(135,444)</u>	<u>93,667</u>
Total Net Position	<u>\$ (7,066,142)</u>	<u>\$ (5,986,552)</u>	<u>\$ (1,079,590)</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 decreased by \$1,079,590.

	Summary of Changes in the Statement of Activities		
	2024	2023	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 1,471,311	\$ 989,544	\$ 481,767
Other Revenues	<u>96,111</u>	<u>69,221</u>	<u>26,890</u>
Total Revenues	<u>\$ 1,567,422</u>	<u>\$ 1,058,765</u>	<u>\$ 508,657</u>
Expenses for Services	<u>2,647,012</u>	<u>5,004,317</u>	<u>2,357,305</u>
Change in Net Position	\$ (1,079,590)	\$ (3,945,552)	\$ 2,865,962
Net Position, Beginning of Year	<u>(5,986,552)</u>	<u>(2,041,000)</u>	<u>(3,945,552)</u>
Net Position, End of Year	<u>\$ (7,066,142)</u>	<u>\$ (5,986,552)</u>	<u>\$ (1,079,590)</u>

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
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 \$1,624,676, a decrease of \$136,074 from the prior year.

The General Fund fund balance decreased by \$31,338, primarily due to operating costs exceeding property tax revenues.

The Debt Service Fund fund balance increased by \$180,993, primarily due to the structure of the District's long-term debt and the receipt of capitalized interest from current year bond sales.

The Capital Projects Fund fund balance decreased by \$285,729, primarily due to developer reimbursements and bond issuance costs exceeding bond proceeds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the current fiscal year. Actual revenues were \$4,304 more than budgeted revenues. Actual expenditures were \$9,312 more than budgeted. Actual transfers out were \$17,937 more than budgeted. This resulted in a negative budget variance of \$22,945. See the budget to actual comparison on page 31 for further information.

CAPITAL AND INTANGIBLE ASSETS

Capital assets as of August 31, 2024 total \$23,674,118 (net of accumulated depreciation) and include water, wastewater and drainage systems and paving.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 2,470,099	\$ 2,470,099	\$
Capital Assets, Net of Accumulated Depreciation:			
Water	3,917,845	3,535,725	382,120
Sanitary	3,893,514	3,637,401	256,113
Storm Drainage	3,898,338	3,478,921	419,417
Paving	9,494,322	9,725,092	(230,770)
Total Net Capital Assets	\$ 23,674,118	\$ 22,847,238	\$ 826,880

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
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 \$25,935,000. 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		\$ 22,090,000
Add: Bond Sales		4,200,000
Less: Bond Principal Paid		<u>355,000</u>
Bond Debt Payable, August 31, 2024		<u>\$ 25,935,000</u>

The District’s Series 2020 Utility and Series 2021 Road Bonds do not carry an underlying rating. The Series 2022 Utility, Series 2022 Road, Series 2023 Road and Series 2023 Utility Bonds carry an underlying rating of “Baa3” from Moody’s. The 2021 Road, Series 2022 Utility, Series 2022 Road and Series 2023 Road Bonds carry an insured rating of “AA” based on bond insurance issued by Build America Mutual Assurance Corporation. The 2023 Utility Bond carry an insured rating of “AA/A1” based on bond insurance 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. 8 c/o Winstead PC, 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
AUGUST 31, 2024

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 7,051	\$ 14,214
Investments	201,454	364,862
Cash with Fiscal Agent		1,030,128
Receivables:		
Property Taxes	1,138	13,089
Due from Other Funds	7,500	4,732
Prepaid Costs	3,324	
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	\$ 220,467	\$ 1,427,025
LIABILITIES		
Accounts Payable	\$ 14,213	\$ 2,363
Accrued Interest Payable		
Due to Other Funds	4,732	
Due to Developer		
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	\$ 18,945	\$ 2,363
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 1,138	\$ 13,089
FUND BALANCES		
Nonspendable: Prepaid Costs	\$ 3,324	\$
Restricted for Authorized Construction		
Restricted for Debt Service		1,411,573
Assigned to 2025 Budget Deficit	77,465	
Unassigned	119,595	
TOTAL FUND BALANCES	\$ 200,384	\$ 1,411,573
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 220,467	\$ 1,427,025
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
\$ 414	\$ 21,679	\$	\$ 21,679
19,805	586,121		586,121
	1,030,128		1,030,128
	14,227		14,227
	12,232	(12,232)	
	3,324		3,324
		2,470,099	2,470,099
		21,204,019	21,204,019
<u>\$ 20,219</u>	<u>\$ 1,667,711</u>	<u>\$ 23,661,886</u>	<u>\$ 25,329,597</u>
\$	\$ 16,576	\$	\$ 16,576
		470,940	470,940
7,500	12,232	(12,232)	
		5,590,639	5,590,639
		465,000	465,000
		25,852,584	25,852,584
<u>\$ 7,500</u>	<u>\$ 28,808</u>	<u>\$ 32,366,931</u>	<u>\$ 32,395,739</u>
<u>\$ -0-</u>	<u>\$ 14,227</u>	<u>\$ (14,227)</u>	<u>\$ - 0 -</u>
\$	\$ 3,324	\$ (3,324)	\$
12,719	12,719	(12,719)	
	1,411,573	(1,411,573)	
	77,465	(77,465)	
	119,595	(119,595)	
<u>\$ 12,719</u>	<u>\$ 1,624,676</u>	<u>\$ (1,624,676)</u>	<u>\$ - 0 -</u>
<u>\$ 20,219</u>	<u>\$ 1,667,711</u>		
		\$ (7,978,087)	\$ (7,978,087)
		953,722	953,722
		(41,777)	(41,777)
		<u>\$ (7,066,142)</u>	<u>\$ (7,066,142)</u>

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

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2024

Total Fund Balances - Governmental Funds \$ 1,624,676

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

Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2023 and prior tax levies became part of recognized revenue in the governmental activities of the District. 14,227

Capital assets are not current financial resources and, therefore, are not reported as assets in the governmental funds. 23,674,118

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	\$ (5,590,639)	
Accrued Interest Payable	(470,940)	
Bonds Payable	<u>(26,317,584)</u>	<u>(32,379,163)</u>

Total Net Position - Governmental Activities \$ (7,066,142)

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

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ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
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	\$ 116,609	\$ 1,343,475
Penalty and Interest	6,279	
Investment Revenues	10,567	57,290
Miscellaneous Revenues		14,100
	<u>\$ 133,455</u>	<u>\$ 1,414,865</u>
TOTAL REVENUES		
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 99,559	\$
Contracted Services	17,843	25,171
Other	29,454	2,175
Depreciation		
Developer Interest		
Capital Outlay		
Debt Service:		
Bond Principal		355,000
Bond Interest		951,276
Bond Issuance Costs		
	<u>\$ 146,856</u>	<u>\$ 1,333,622</u>
TOTAL EXPENDITURES/EXPENSES		
EXCESS (DEFICIENCY) OF REVENUES		
OVER EXPENDITURES/EXPENSES	<u>\$ (13,401)</u>	<u>\$ 81,243</u>
OTHER FINANCING SOURCES (USES)		
Transfers In(Out)	\$ (17,937)	\$
Long-Term Debt Issued		99,750
Bond Discount		
Bond Premium		
	<u>\$ (17,937)</u>	<u>\$ 99,750</u>
TOTAL OTHER FINANCING SOURCES (USES)		
NET CHANGE IN FUND BALANCES	<u>\$ (31,338)</u>	<u>\$ 180,993</u>
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION -		
SEPTEMBER 1, 2023, AS REPORTED	231,722	1,230,580
CHANGE DUE TO NEW ACCOUNTING GUIDANCE		
SEPTEMBER 1, 2023, AS RESTATED	<u>231,722</u>	<u>1,230,580</u>
FUND BALANCES/NET POSITION -		
AUGUST 31, 2024	<u>\$ 200,384</u>	<u>\$ 1,411,573</u>

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 1,460,084	\$ 11,227	\$ 1,471,311
	6,279		6,279
7,875	75,732		75,732
	14,100		14,100
<u>\$ 7,875</u>	<u>\$ 1,556,195</u>	<u>\$ 11,227</u>	<u>\$ 1,567,422</u>
\$ 54,923	\$ 154,482	\$	\$ 154,482
	43,014		43,014
	31,629		31,629
		510,572	510,572
404,062	404,062		404,062
3,676,980	3,676,980	(3,676,980)	
	355,000	(355,000)	
	951,276	163,855	1,115,131
388,122	388,122		388,122
<u>\$ 4,524,087</u>	<u>\$ 6,004,565</u>	<u>\$ (3,357,553)</u>	<u>\$ 2,647,012</u>
<u>\$ (4,516,212)</u>	<u>\$ (4,448,370)</u>	<u>\$ 3,368,780</u>	<u>\$ (1,079,590)</u>
\$ 17,937	\$	\$	\$
4,100,250	4,200,000	(4,200,000)	
(86,283)	(86,283)	86,283	
198,579	198,579	(198,579)	
<u>\$ 4,230,483</u>	<u>\$ 4,312,296</u>	<u>\$ (4,312,296)</u>	<u>\$ -0-</u>
\$ (285,729)	\$ (136,074)	\$ 136,074	\$
		(1,079,590)	(1,079,590)
298,448	1,760,750	(9,202,500)	(7,441,750)
		1,455,198	1,455,198
<u>298,448</u>	<u>1,760,750</u>	<u>(7,747,302)</u>	<u>(5,986,552)</u>
<u>\$ 12,719</u>	<u>\$ 1,624,676</u>	<u>\$ (8,690,818)</u>	<u>\$ (7,066,142)</u>

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

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
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 \$ (136,074)

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. 11,227

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, 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. (112,296)

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. 355,000

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. (163,855)

Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position. A portion of the proceeds from bonds sold in the current year retired the bond anticipation note issued in the prior year. (4,200,000)

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. (510,572)

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. 3,676,980

Change in Net Position - Governmental Activities \$ (1,079,590)

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

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 1. CREATION OF DISTRICT

Rockwall County Municipal Utility District No. 8 (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 October 27, 2020.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
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. 8
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 a Statement of Revenues, Expenditures and Changes in Fund Balances.

Governmental Funds

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

General Fund - To account for resources not required to be accounted for in another fund, maintenance tax revenues, costs and general expenditures.

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

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

Basis of Accounting

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

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
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 General Fund owed the Debt Service Fund \$4,732 for debt service tax collections and the Capital Projects Fund owed the General Fund \$7,500 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 and roads. 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 \$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 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. 8
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 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. 8
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (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. At year end, the District assigned \$77,465 of its General Fund fund balance to cover a budgeted deficit for the 2025 fiscal year.

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>Series 2020</u>	<u>Road Series 2021</u>	<u>Series 2022</u>
Amount Outstanding – August 31, 2024	\$ 4,835,000	\$ 2,245,000	\$ 5,155,000
Interest Rates	2.00% - 3.00%	2.375% - 4.875%	4.75% - 7.25%
Maturity Dates – Serially Beginning/Ending	October 1, 2024/2045	October 1, 2024/2046	October 1, 2024/2047
Interest Payment Dates	October 1/April 1	October 1/April 1	October 1/April 1
Callable Dates	October 1, 2025*	October 1, 2025*	October 1, 2029*

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

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 3. LONG-TERM DEBT (Continued)

	Road Series 2022	Road Series 2023	Series 2023
Amount Outstanding – August 31, 2024	\$ 4,540,000	\$ 4,960,000	\$ 4,200,000
Interest Rates	4.75% - 7.25%	4.00% - 6.50%	4.25% - 6.75%
Maturity Dates – Serially Beginning/Ending	October 1, 2024/2047	October 1, 2025/2048	October 1, 2026/2048
Interest Payment Dates	October 1/April 1	October 1/April 1	October 1/April 1
Callable Dates	October 1, 2029*	May 1, 2029*	December 1, 2029*

* Series 2022 Road term bonds maturing October 1, 2035, October 1, 2037, October 1, 2039, October 1, 2041, October 1, 2043, and October 1, 2047 are subject to mandatory redemption beginning October 1, 2034, October 1, 2036, October 1, 2038, October 1, 2040, October 1, 2042, and October 1, 2044, respectively. Series 2023 Road term bonds maturing October 1, 2036, October 1, 2038, and October 1, 2048 are subject to mandatory redemption beginning October 1, 2035, October 1, 2037, and October 1, 2047, respectively. Series 2023 term bonds maturing October 1, 2033, October 1, 2035, October 1, 2037, October 1, 2039, October 1, 2041, October 1, 2044 and October 1, 2048 are subject to mandatory redemption beginning October 1, 2032, October 1, 2034, October 1, 2036, October 1, 2038, October 1, 2040, October 1, 2042 and October 1, 2045, respectively.

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	\$ 22,090,000	\$ 4,200,000	\$ 355,000	\$ 25,935,000
Unamortized Discounts	(40,819)	(86,283)	(4,233)	(122,869)
Unamortized Premiums	325,890	198,579	19,016	505,453
Bonds Payable, Net	<u>\$ 22,375,071</u>	<u>\$ 4,312,296</u>	<u>\$ 369,783</u>	<u>\$ 26,317,584</u>
		Amount Due Within One Year		\$ 465,000
		Amount Due After One Year		<u>25,852,584</u>
		Bonds Payable, Net		<u>\$ 26,317,584</u>

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 3. LONG-TERM DEBT (Continued)

As of August 31, 2024, the District had authorized but unissued bonds in the amount of \$4,220,000 for water, sanitary sewer and drainage bonds, \$48,100,000 for refunding bonds and \$6,490,000 for road bonds.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 465,000	\$ 1,118,432	\$ 1,583,432
2026	600,000	1,090,620	1,690,620
2027	715,000	1,055,651	1,770,651
2028	740,000	1,016,945	1,756,945
2029	775,000	976,521	1,751,521
2030-2034	4,395,000	4,263,035	8,658,035
2035-2039	5,395,000	3,190,624	8,585,624
2040-2044	6,620,000	1,989,483	8,609,483
2045-2049	6,230,000	576,538	6,806,538
	<u>\$ 25,935,000</u>	<u>\$ 15,277,849</u>	<u>\$ 41,212,849</u>

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 current fiscal year ended August 31, 2024, the District levied an ad valorem debt service tax rate of \$0.69 per 100 of assessed valuation (\$0.31 for Utility and \$0.38 for Roads), which resulted in a levy of \$1,358,848 on the adjusted taxable valuation of \$196,934,348 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 the 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.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

The bond orders state that the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data with respect to the District to certain information repositories. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

For the bonds sold, the District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds be rebated to the federal government, within the meaning of Section 148(f) of the Internal Revenue Code.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District’s deposits was \$21,679 and the bank balance was \$68,151. The bank balance was fully covered by federal depository insurance.

	Cash
GENERAL FUND	\$ 7,051
DEBT SERVICE FUND	14,214
CAPITAL PROJECTS FUND	414
TOTAL DEPOSITS	\$ 21,679

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments

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

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

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

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of August 31, 2024, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
LOGIC	\$ 201,454	\$ 201,454
<u>DEBT SERVICE FUND</u>		
LOGIC	364,862	364,862
<u>CAPITAL PROJECTS FUND</u>		
LOGIC	19,805	19,805
TOTAL INVESTMENTS	\$ 586,121	\$ 586,121

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.

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.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

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	\$ 2,470,099	\$ - 0 -	\$ - 0 -	\$ 2,470,099
Capital Assets Subject to Depreciation				
Water	\$ 3,781,196	\$ 475,526	\$	\$ 4,256,722
Sanitary	3,939,174	350,594		4,289,768
Storm Drainage	3,733,234	511,332		4,244,566
Paving	10,356,263			10,356,263
Total Capital Assets Subject to Depreciation	<u>\$ 21,809,867</u>	<u>\$ 1,337,452</u>	<u>\$ - 0 -</u>	<u>\$ 23,147,319</u>
Less Accumulated Amortization				
Water	\$ 245,471	\$ 93,406	\$	\$ 338,877
Sanitary	301,773	94,481		396,254
Storm Drainage	254,313	91,915		346,228
Paving	631,171	230,770		861,941
Total Accumulated Depreciation	<u>\$ 1,432,728</u>	<u>\$ 510,572</u>	<u>\$ - 0 -</u>	<u>\$ 1,943,300</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 20,377,139</u>	<u>\$ 826,880</u>	<u>\$ - 0 -</u>	<u>\$ 21,204,019</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 22,847,238</u>	<u>\$ 826,880</u>	<u>\$ - 0 -</u>	<u>\$ 23,674,118</u>

* 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 \$1,455,198.

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 \$0.06 per \$100 of assessed valuation, which resulted in a tax levy of \$118,161 on the adjusted taxable valuation of \$196,934,348 for the 2023 tax year.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 8. SPECIAL DISTRICT AGREEMENT

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

On May 17, 2006, the District, District No. 1, Rockwall County Municipal Utility District’s No. 6, 7 and 9 (District’s No. 6, 7 and 9), the City, and PRA/Fate Development Corp. entered into the Special District Agreement No. 2. This agreement noted that District No. 2 has become dormant and that the District and District’s No. 6, 7 and 9 have been created over land comprising of District No. 2 and are now party to the original agreement in the place of District No. 2. It was also noted that the newly created districts have certain road powers that the District does not have and that the construction and acquisition of roads will be subject to the same rights and obligations as the water, sewer and drainage facilities referenced in the original agreement. Pursuant to the terms of the agreement, the City agrees to provide additional retail water capacity to 1,000 residential units and sewer capacity to 500 residential units with the districts.

Pursuant to the Capacity Allocation Agreement between the District, District No. 1 and District’s No. 6, 7 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.

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, \$5,590,639 has been recorded as a liability for completed facilities financed by Developers and for developer advances. Reimbursement to the Developers will come from future bond sales.

Due to Developers, September 1, 2023	\$ 7,930,167
Current Year Reimbursements	<u>(2,339,528)</u>
Due to Developers, August 31, 2024	<u>\$ 5,590,639</u>

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 10. RISK MANAGEMENT

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

NOTE 11. WATER AND WASTEWATER CAPACITY

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

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

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

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.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 12. BOND SALE

On December 21, 2023, the District closed on the sale of \$4,200,000 of Unlimited Tax Utility Bonds, Series 2023. Proceeds from the bonds were used to reimburse Developers for construction and engineering costs for water, wastewater and drainage facilities to serve Woodcreek, Phases 5C, 8C and 8D and to reimburse wastewater impact fees; and to pay for capitalized interest, Developer interest and issuance costs of the bonds.

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**ROCKWALL COUNTY MUNICIPAL
UTILITY DISTRICT NO. 8**

REQUIRED SUPPLEMENTARY INFORMATION

AUGUST 31, 2024

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 113,234	\$ 116,609	\$ 3,375
Penalty and Interest		6,279	6,279
Investment Revenues	15,917	10,567	(5,350)
TOTAL REVENUES	\$ 129,151	\$ 133,455	\$ 4,304
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 95,500	\$ 99,559	\$ (4,059)
Contracted Services	24,000	17,843	6,157
Other	18,044	29,454	(11,410)
TOTAL EXPENDITURES	\$ 137,544	\$ 146,856	\$ (9,312)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (8,393)	\$ (13,401)	\$ (5,008)
OTHER FINANCING SOURCES(USES)			
Transfers Out	\$ -0-	\$ (17,937)	\$ (17,937)
NET CHANGE IN FUND BALANCE	\$ (8,393)	\$ (31,338)	\$ (22,945)
FUND BALANCE - SEPTEMBER 1, 2023	231,722	231,722	
FUND BALANCE - AUGUST 31, 2024	\$ 223,329	\$ 200,384	\$ (22,945)

See accompanying independent auditor's report.

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**ROCKWALL COUNTY MUNICIPAL
UTILITY DISTRICT NO. 8**

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

AUGUST 31, 2024

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
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. 8
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED AUGUST 31, 2024

PROFESSIONAL FEES:	
Auditing	\$ 14,250
Engineering	26,619
Legal	<u>58,690</u>
TOTAL PROFESSIONAL FEES	<u>\$ 99,559</u>
CONTRACTED SERVICES:	
Bookkeeping	<u>\$ 17,843</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 10,608
Insurance	3,369
Payroll Taxes	805
Travel and Meetings	2,421
Other	<u>12,251</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 29,454</u>
TOTAL EXPENDITURES	<u>\$ 146,856</u>

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
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	XXXX0003	Varies	Daily	\$ 201,454	\$ - 0 -
<u>DEBT SERVICE FUND</u>					
LOGIC	XXXX0002	Varies	Daily	\$ 364,862	\$ - 0 -
<u>CAPITAL PROJECTS FUND</u>					
LOGIC	XXXX0001	Varies	Daily	\$ 19,805	\$ - 0 -
TOTAL - ALL FUNDS				<u>\$ 586,121</u>	<u>\$ - 0 -</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2024

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
SEPTEMBER 1, 2023	\$	360	\$	2,640
Adjustments to Beginning				
Balance		<u>(774)</u>	\$	<u>(4,924)</u>
		\$	(414)	\$
			<u>(4,924)</u>	<u>(2,284)</u>
Original 2023 Tax Levy	\$	121,202	\$	1,393,822
Adjustment to 2023 Tax Levy		<u>(3,041)</u>	<u>118,161</u>	<u>(34,974)</u>
TOTAL TO BE				
ACCOUNTED FOR		\$	117,747	\$
				1,356,564
TAX COLLECTIONS:				
Prior Years	\$	(414)	\$	(2,284)
Current Year		<u>117,023</u>	<u>116,609</u>	<u>1,345,759</u>
				<u>1,343,475</u>
TAXES RECEIVABLE -				
AUGUST 31, 2024		<u>\$</u>	<u>1,138</u>	<u>\$</u>
				<u>13,089</u>
TAXES RECEIVABLE BY				
YEAR:				
2023		<u>\$</u>	<u>1,138</u>	<u>\$</u>
				<u>13,089</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2024

	2023	2022	2021	2020
PROPERTY VALUATIONS:				
Land	\$ 65,357,373	\$ 49,785,860	\$ 21,674,890	\$ 19,048,600
Improvements	157,203,863	99,147,317	48,334,495	21,095,645
Personal Property	900,350	732,820	476,030	4,080
Exemptions	<u>(26,527,238)</u>	<u>(17,726,855)</u>	<u>(3,351,807)</u>	<u>(1,692,751)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 196,934,348</u>	<u>\$ 131,939,142</u>	<u>\$ 67,133,608</u>	<u>\$ 38,455,574</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.69	\$ 0.66	\$ 0.54	\$ 0.00
Maintenance	<u>0.06</u>	<u>0.09</u>	<u>0.21</u>	<u>0.75</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.75</u>	<u>\$ 0.75</u>	<u>\$ 0.75</u>	<u>\$ 0.75</u>
ADJUSTED TAX LEVY*	<u>\$ 1,477,009</u>	<u>\$ 989,544</u>	<u>\$ 503,503</u>	<u>\$ 288,417</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>99.04 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

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

Maintenance Tax – 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. 8
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	\$ 160,000	\$ 125,587	\$ 285,587
2026	165,000	122,338	287,338
2027	170,000	118,988	288,988
2028	175,000	115,538	290,538
2029	180,000	111,988	291,988
2030	185,000	108,222	293,222
2031	190,000	104,119	294,119
2032	195,000	99,666	294,666
2033	200,000	94,850	294,850
2034	205,000	89,787	294,787
2035	210,000	84,469	294,469
2036	220,000	78,687	298,687
2037	225,000	72,568	297,568
2038	230,000	66,313	296,313
2039	240,000	59,850	299,850
2040	245,000	52,875	297,875
2041	255,000	45,375	300,375
2042	260,000	37,650	297,650
2043	270,000	29,700	299,700
2044	275,000	21,525	296,525
2045	285,000	13,125	298,125
2046	295,000	4,425	299,425
2047			
2048			
2049			
	<u>\$ 4,835,000</u>	<u>\$ 1,657,645</u>	<u>\$ 6,492,645</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

SERIES - 2021 ROAD

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$ 70,000	\$ 55,600	\$ 125,600
2026	70,000	52,188	122,188
2027	75,000	49,544	124,544
2028	75,000	47,669	122,669
2029	80,000	45,732	125,732
2030	80,000	43,732	123,732
2031	80,000	41,732	121,732
2032	85,000	39,722	124,722
2033	85,000	37,703	122,703
2034	90,000	35,625	125,625
2035	95,000	33,428	128,428
2036	95,000	31,172	126,172
2037	100,000	28,856	128,856
2038	100,000	26,481	126,481
2039	105,000	24,047	129,047
2040	110,000	21,494	131,494
2041	110,000	18,881	128,881
2042	115,000	16,209	131,209
2043	120,000	13,419	133,419
2044	120,000	10,569	130,569
2045	125,000	7,659	132,659
2046	130,000	4,631	134,631
2047	130,000	1,544	131,544
2048			
2049			
	<u>\$ 2,245,000</u>	<u>\$ 687,637</u>	<u>\$ 2,932,637</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

S E R I E S - 2 0 2 2

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$ 125,000	\$ 262,419	\$ 387,419
2026	130,000	253,175	383,175
2027	135,000	243,569	378,569
2028	140,000	233,600	373,600
2029	145,000	223,269	368,269
2030	155,000	212,394	367,394
2031	160,000	202,975	362,975
2032	170,000	195,138	365,138
2033	175,000	186,944	361,944
2034	185,000	178,394	363,394
2035	190,000	169,488	359,488
2036	200,000	160,225	360,225
2037	210,000	150,488	360,488
2038	220,000	140,275	360,275
2039	230,000	129,588	359,588
2040	240,000	118,425	358,425
2041	250,000	106,631	356,631
2042	260,000	94,200	354,200
2043	275,000	81,159	356,159
2044	285,000	67,509	352,509
2045	300,000	53,438	353,438
2046	310,000	38,950	348,950
2047	325,000	23,869	348,869
2048	340,000	8,075	348,075
2049			
	<u>\$ 5,155,000</u>	<u>\$ 3,534,197</u>	<u>\$ 8,689,197</u>

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
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	\$ 110,000	\$ 230,038	\$ 340,038
2026	115,000	221,881	336,881
2027	120,000	213,363	333,363
2028	125,000	204,481	329,481
2029	130,000	195,238	325,238
2030	135,000	185,631	320,631
2031	140,000	177,413	317,413
2032	150,000	170,525	320,525
2033	155,000	163,281	318,281
2034	160,000	155,800	315,800
2035	170,000	147,963	317,963
2036	175,000	139,769	314,769
2037	185,000	131,219	316,219
2038	195,000	122,194	317,194
2039	200,000	112,813	312,813
2040	210,000	103,075	313,075
2041	220,000	92,863	312,863
2042	230,000	82,175	312,175
2043	240,000	71,013	311,013
2044	250,000	59,375	309,375
2045	265,000	47,144	312,144
2046	275,000	34,319	309,319
2047	285,000	21,019	306,019
2048	300,000	7,125	307,125
2049			
	<u>\$ 4,540,000</u>	<u>\$ 3,089,717</u>	<u>\$ 7,629,717</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

S E R I E S - 2 0 2 3 R O A D

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025		\$ 233,438	\$ 233,438
2026	120,000	229,688	349,688
2027	125,000	221,875	346,875
2028	130,000	213,588	343,588
2029	135,000	204,975	339,975
2030	140,000	196,038	336,038
2031	150,000	186,613	336,613
2032	155,000	176,700	331,700
2033	160,000	166,463	326,463
2034	170,000	156,269	326,269
2035	175,000	146,900	321,900
2036	185,000	138,825	323,825
2037	195,000	131,225	326,225
2038	200,000	123,325	323,325
2039	210,000	115,125	325,125
2040	220,000	106,525	326,525
2041	230,000	97,525	327,525
2042	240,000	88,125	328,125
2043	250,000	78,169	328,169
2044	265,000	67,547	332,547
2045	275,000	56,409	331,409
2046	285,000	44,859	329,859
2047	300,000	32,794	332,794
2048	315,000	20,109	335,109
2049	330,000	6,806	336,806
	<u>\$ 4,960,000</u>	<u>\$ 3,239,915</u>	<u>\$ 8,199,915</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

S E R I E S - 2 0 2 3

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025		211,350	211,350
2026		211,350	211,350
2027	90,000	208,312	298,312
2028	95,000	202,069	297,069
2029	105,000	195,319	300,319
2030	110,000	188,062	298,062
2031	120,000	180,300	300,300
2032	130,000	171,862	301,862
2033	135,000	163,087	298,087
2034	145,000	153,988	298,988
2035	150,000	144,212	294,212
2036	160,000	133,750	293,750
2037	165,000	124,225	289,225
2038	175,000	115,725	290,725
2039	185,000	107,419	292,419
2040	195,000	99,344	294,344
2041	205,000	90,844	295,844
2042	215,000	81,919	296,919
2043	225,000	72,569	297,569
2044	235,000	62,794	297,794
2045	245,000	52,594	297,594
2046	260,000	41,863	301,863
2047	270,000	30,600	300,600
2048	285,000	18,806	303,806
2049	300,000	6,375	306,375
	<u>\$ 4,200,000</u>	<u>\$ 3,068,738</u>	<u>\$ 7,268,738</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
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	\$ 465,000	\$ 1,118,432	\$ 1,583,432
2026	600,000	1,090,620	1,690,620
2027	715,000	1,055,651	1,770,651
2028	740,000	1,016,945	1,756,945
2029	775,000	976,521	1,751,521
2030	805,000	934,079	1,739,079
2031	840,000	893,152	1,733,152
2032	885,000	853,613	1,738,613
2033	910,000	812,328	1,722,328
2034	955,000	769,863	1,724,863
2035	990,000	726,460	1,716,460
2036	1,035,000	682,428	1,717,428
2037	1,080,000	638,581	1,718,581
2038	1,120,000	594,313	1,714,313
2039	1,170,000	548,842	1,718,842
2040	1,220,000	501,738	1,721,738
2041	1,270,000	452,119	1,722,119
2042	1,320,000	400,278	1,720,278
2043	1,380,000	346,029	1,726,029
2044	1,430,000	289,319	1,719,319
2045	1,495,000	230,369	1,725,369
2046	1,555,000	169,047	1,724,047
2047	1,310,000	109,826	1,419,826
2048	1,240,000	54,115	1,294,115
2049	630,000	13,181	643,181
	<u>\$ 25,935,000</u>	<u>\$ 15,277,849</u>	<u>\$ 41,212,849</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
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. 8 Unlimited Tax Utility Bonds - Series 2020	\$ 4,990,000	\$ 4,990,000
Rockwall County Municipal Utility No. 8 Unlimited Tax Road Bonds - Series 2021	2,310,000	2,310,000
Rockwall County Municipal Utility No. 8 Unlimited Tax Utility Bonds - Series 2022	5,290,000	5,290,000
Rockwall County Municipal Utility No. 8 Unlimited Tax Road Bonds - Series 2022	4,540,000	4,540,000
Rockwall County Municipal Utility No. 8 Unlimited Tax Road Bonds - Series 2023	4,960,000	4,960,000
Rockwall County Municipal Utility No. 8 Unlimited Tax Utility Bonds - Series 2023	<u>4,200,000</u>	<u> </u>
TOTAL	<u>\$ 26,290,000</u>	<u>\$ 22,090,000</u>
Bond Authority:	<u>Water, Sewer and Drainage Bonds</u>	<u>Refunding Bonds*</u>
Amount Authorized by Voters	\$ 18,700,000	\$ 48,100,000
Amount Issued	<u>14,480,000</u>	<u> </u>
Remaining to be Issued	<u>\$ 4,220,000</u>	<u>\$ 48,100,000</u>
Debt Service Fund cash, investments and cash with paying agent balances as of August 31, 2024:		<u>\$ 1,409,204</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:		<u>\$ 1,648,514</u>

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

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				<u>Bonds Outstanding August 31, 2024</u>	<u>Paying Agent</u>
<u>Bonds Sold</u>	<u>Retirements</u>				
	<u>Principal</u>	<u>Interest</u>			
\$	\$ 155,000	\$ 128,738	\$ 4,835,000	Regions Bank Houston, TX	
	65,000	58,891	2,245,000	Regions Bank Houston, TX	
		234,025	5,290,000	Regions Bank Houston, TX	
	135,000	271,844	4,405,000	Regions Bank Houston, TX	
		199,070	4,960,000	Regions Bank Houston, TX	
<u>4,200,000</u>		<u>58,708</u>	<u>4,200,000</u>	Regions Bank Houston, TX	
<u>\$ 4,200,000</u>	<u>\$ 355,000</u>	<u>\$ 951,276</u>	<u>\$ 25,935,000</u>		
 <u>Road Bonds</u>					
\$ 18,300,000					
<u>11,810,000</u>					
<u>\$ 6,490,000</u>					

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 116,609	\$ 120,158	\$ 139,730
Penalty and Interest	6,279	6,695	5,353
Investment Revenues	10,567	10,813	1,443
Miscellaneous Revenues			
TOTAL REVENUES	<u>\$ 133,455</u>	<u>\$ 137,666</u>	<u>\$ 146,526</u>
EXPENDITURES			
Professional Fees	\$ 99,559	\$ 110,535	\$ 67,169
Contracted Services	17,843	27,184	15,146
Other	29,454	41,768	9,993
TOTAL EXPENDITURES	<u>\$ 146,856</u>	<u>\$ 179,487</u>	<u>\$ 92,308</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (13,401)</u>	<u>\$ (41,821)</u>	<u>\$ 54,218</u>
OTHER FINANCING SOURCES (USES)			
Transfers In(Out)	\$ (17,937)	\$	\$
Developer Advances			
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (17,937)</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
NET CHANGE IN FUND BALANCE	\$ (31,338)	\$ (41,821)	\$ 54,218
BEGINNING FUND BALANCE (DEFICIT)	<u>231,722</u>	<u>273,543</u>	<u>219,325</u>
ENDING FUND BALANCE (DEFICIT)	<u>\$ 200,384</u>	<u>\$ 231,722</u>	<u>\$ 273,543</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 304,670	\$ 23,870	87.4 %	87.2 %	95.3 %	98.3 %	99.9 %
92	10	4.7	4.9	3.7		
5,017		7.9	7.9	1.0	0.1	0.1
<u>309,779</u>	<u>23,880</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 73,579	\$ 203,591	74.6 %	80.3 %	45.8 %	23.8 %	852.6 %
22,191	16,844	13.4	19.7	10.3	7.2	70.5
16,713	14,187	22.1	30.3	6.8	5.4	59.4
<u>112,483</u>	<u>234,622</u>	<u>110.1 %</u>	<u>130.3 %</u>	<u>62.9 %</u>	<u>36.4 %</u>	<u>982.5 %</u>
\$ 197,296	\$ (210,742)	(10.1) %	(30.3) %	37.1 %	63.6 %	(882.5) %
\$ 61,190	\$					
58,327	120,451					
<u>119,517</u>	<u>120,451</u>					
\$ 316,813	\$ (90,291)					
(97,488)	(7,197)					
<u>219,325</u>	<u>(97,488)</u>					

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 1,343,475	\$ 872,718	\$ 357,963
Investment Revenues	57,290	34,971	1,726
Miscellaneous Revenues	14,100		
TOTAL REVENUES	\$ 1,414,865	\$ 907,689	\$ 359,689
EXPENDITURES			
Tax Collection Expenditures	\$ 21,008	\$ 16,868	\$ 7,527
Debt Service Principal	355,000		
Debt Service Interest and Fees	957,614	412,980	177,536
TOTAL EXPENDITURES	\$ 1,333,622	\$ 429,848	\$ 185,063
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 81,243	\$ 477,841	\$ 174,626
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	\$ 99,750	\$ 351,119	\$ - 0 -
NET CHANGE IN FUND BALANCE	\$ 180,993	\$ 828,960	\$ 174,626
BEGINNING FUND BALANCE	1,230,580	401,620	226,994
ENDING FUND BALANCE	\$ 1,411,573	\$ 1,230,580	\$ 401,620
TOTAL ACTIVE RETAIL WATER CONNECTIONS	N/A	N/A	N/A
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	N/A	N/A	N/A

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 86	\$	95.0 %	96.1 %	99.5 %	%	%
		4.0	3.9	0.5	100.0	
		1.0				
\$ 86	\$	100.0 %	100.0 %	100.0 %	100.0 %	%
\$ 3,502	\$	1.5 %	1.9 %	2.1 %	4,072.1 %	%
55,734		25.1				
		67.7	45.5	49.4	64,807.0	
\$ 59,236	\$	94.3 %	47.4 %	51.5 %	68,879.1 %	%
\$ (59,150)	\$	5.7 %	52.6 %	48.5 %	(68,779.1) %	N/A %
\$ 286,144	\$					
\$ 226,994	\$					
\$ 226,994	\$ N/A					
N/A	N/A					
N/A	N/A					

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 8
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
AUGUST 31, 2024

District Mailing Address - Rockwall County Municipal Utility District No. 8
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
Linda Nelson	05/2022 05/2026 (Elected)	\$ 2,431	\$ 398	President
Connie Christensen	08/2022 05/2026 (Appointed)	\$ 2,210	\$ 280	Vice President
Ginger Bramlett	05/2024 05/2028 (Elected)	\$ 2,210	\$ 358	Secretary
Karen Parker	08/2022 05/2026 (Appointed)	\$ 1,989	\$ 268	Treasurer/ Assistant Secretary
Rene Espinoza	05/2024 05/2028 (Elected)	\$ 1,768	\$ 116	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. 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. 8
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	\$ 56,040 \$ 110,200	General Counsel Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	10/11/19	\$ 14,250 \$ 12,500	Auditor Bond Related
Dye & Toverly, LLC	07/26/19	\$ 17,887	Bookkeeper
Kimley-Horn and Associates, Inc.	05/29/20	\$ 41,541	Engineer
Rockwall Central Appraisal District	10/01/14	\$ 18,832	Tax Assessor/ Collector
Robert W. Baird & Co. Incorporated	06/30/15	\$ 88,860	Financial Advisor
Kathi Dye	02/26/08	\$ -0-	Investment Officer

See accompanying independent auditor’s report.

