

**ROCKWALL COUNTY MUNICIPAL
UTILITY DISTRICT NO. 9**

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. 9
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. 9 (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.

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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. 9

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. 9 MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED AUGUST 31, 2024

Management's discussion and analysis of Rockwall County Municipal Utility District No. 9'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. 9
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 Fund 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 \$6,216,438 as of August 31, 2024.

A comparative analysis of government-wide changes in net position is presented below:

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
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	\$ 2,918,906	\$ 2,322,882	\$ 596,024
Capital and Intangible Assets (Net of Accumulated Depreciation and Amortization)	<u>21,904,237</u>	<u>22,413,873</u>	<u>(509,636)</u>
Total Assets	<u>\$ 24,823,143</u>	<u>\$ 24,736,755</u>	<u>\$ 86,388</u>
Due to Developers	\$ 392,026	\$ 392,026	\$
Bonds Payable	30,173,829	30,525,792	351,963
Other Liabilities	<u>473,726</u>	<u>379,144</u>	<u>(94,582)</u>
Total Liabilities	<u>\$ 31,039,581</u>	<u>\$ 31,296,962</u>	<u>\$ 257,381</u>
Net Position:			
Net Investment in Capital Assets	\$ (8,231,044)	\$ (8,095,553)	\$ (135,491)
Restricted for Debt Service	1,676,242	1,294,416	381,826
Unrestricted	<u>338,364</u>	<u>240,930</u>	<u>97,434</u>
Total Net Position	<u>\$ (6,216,438)</u>	<u>\$ (6,560,207)</u>	<u>\$ 343,769</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 \$343,769.

	Summary of Changes in the Statement of Activities		
	2024	2023	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 1,970,912	\$ 1,508,559	\$ 462,353
Other Revenues	<u>144,779</u>	<u>80,434</u>	<u>64,345</u>
Total Revenues	\$ 2,115,691	\$ 1,588,993	\$ 526,698
Expenses for Services	<u>1,771,922</u>	<u>4,450,313</u>	<u>2,678,391</u>
Change in Net Position	\$ 343,769	\$ (2,861,320)	\$ 3,205,089
Net Position, Beginning of Year	<u>(6,560,207)</u>	<u>(3,698,887)</u>	<u>(2,861,320)</u>
Net Position, End of Year	<u>\$ (6,216,438)</u>	<u>\$ (6,560,207)</u>	<u>\$ 343,769</u>

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
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 \$2,876,169, an increase of \$635,153 from the prior year.

The General Fund fund balance increased by \$99,514, primarily due to property tax revenues exceeding operating costs.

The Debt Service Fund fund balance increased by \$513,456, primarily due to the structure of the District's outstanding debt.

The Capital Projects Fund fund balance increased by \$22,183 primarily due to investment revenues.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the current fiscal year. Actual revenues were \$42,445 more than budgeted revenues. Actual expenditures were \$46,976 less than budgeted. This resulted in a positive budget variance of \$89,421. See the budget to actual comparison on page 31 for further information.

CAPITAL ASSETS

Capital assets as of August 31, 2024, total \$21,904,237 (net of accumulated depreciation) and include 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	\$ 1,685,339	\$ 1,685,339	\$
Capital Assets, Net of Accumulated Depreciation:			
Water	2,723,861	2,791,883	(68,022)
Sanitary	3,125,134	3,202,344	(77,210)
Storm Drainage	4,405,016	4,514,815	(109,799)
Landscaping	1,326,656	1,359,213	(32,557)
Paving	8,638,231	8,860,279	(222,048)
Total Net Capital Assets	\$ 21,904,237	\$ 22,413,873	\$ (509,636)

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
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 \$30,125,000. 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		\$ 30,475,000
Less: Bond Principal Paid		<u>350,000</u>
Bond Debt Payable, August 31, 2024		<u>\$ 30,125,000</u>

The District’s Series 2018 Road, Series 2019 Utility and Series 2019 Road Bonds are not rated. The Series 2021 Road, Series 2021A Road, Series 2021 Utility, Series 2022 Utility and Series 2023 Road Bonds carry an underlying rating of “Baa2”. The Series 2020 Utility, Series 2021 Road, Series 2021 Utility and Series 2021A Road Bonds carry an insured rating of “AA” by virtue of a policy issued by Build America Mutual Assurance Corporation. The Series 2022 Utility and Series 2023 Road Bonds carry an insured rating of “AA” by virtue of 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. 9, c/o Winstead PC, 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
AUGUST 31, 2024

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 3,928	\$ 239
Investments	321,747	890,139
Cash with Fiscal Agent		1,255,184
Receivables:		
Property Taxes	2,429	25,068
Due from Other Funds	31,796	
Prepaid Costs	4,236	
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	\$ 364,136	\$ 2,170,630
LIABILITIES		
Accounts Payable	\$ 11,134	\$ 4,106
Accrued Interest Payable		
Due to Other Funds	283	31,796
Due to Developer		
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	\$ 11,417	\$ 35,902
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 2,429	\$ 25,068
FUND BALANCES		
Nonspendable: Prepaid Costs	\$ 4,236	\$
Restricted for Authorized Construction		
Restricted for Debt Service		2,109,660
Unassigned	346,054	
TOTAL FUND BALANCES	\$ 350,290	\$ 2,109,660
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 364,136	\$ 2,170,630
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
\$ 482	\$ 4,649	\$	\$ 4,649
415,454	1,627,340		1,627,340
	1,255,184		1,255,184
	27,497		27,497
283	32,079	(32,079)	
	4,236		4,236
		1,685,339	1,685,339
		20,218,898	20,218,898
<u>\$ 416,219</u>	<u>\$ 2,950,985</u>	<u>\$ 21,872,158</u>	<u>\$ 24,823,143</u>
\$	\$ 15,240	\$	\$ 15,240
		458,486	458,486
	32,079	(32,079)	
		392,026	392,026
		705,000	705,000
		29,468,829	29,468,829
<u>\$ -0-</u>	<u>\$ 47,319</u>	<u>\$ 30,992,262</u>	<u>\$ 31,039,581</u>
<u>\$ -0-</u>	<u>\$ 27,497</u>	<u>\$ (27,497)</u>	<u>\$ - 0 -</u>
\$	\$ 4,236	\$ (4,236)	\$
416,219	416,219	(416,219)	
	2,109,660	(2,109,660)	
	346,054	(346,054)	
<u>\$ 416,219</u>	<u>\$ 2,876,169</u>	<u>\$ (2,876,169)</u>	<u>\$ - 0 -</u>
<u>\$ 416,219</u>	<u>\$ 2,950,985</u>		
		\$ (8,231,044)	\$ (8,231,044)
		1,676,242	1,676,242
		338,364	338,364
		<u>\$ (6,216,438)</u>	<u>\$ (6,216,438)</u>

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

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2024

Total Fund Balances - Governmental Funds \$ 2,876,169

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 tax levy became part of recognized revenue in the governmental activities of the District. 27,497

Capital assets are not current financial resources and, therefore, are not reported as assets in the governmental funds. 21,904,237

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	\$ (392,026)	
Accrued Interest Payable	(458,486)	
Bonds Payable	<u>(30,173,829)</u>	<u>(31,024,341)</u>
Total Net Position - Governmental Activities		<u>\$ (6,216,438)</u>

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

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ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
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	\$ 133,462	\$ 1,861,215
Penalty and Interest	13,338	
Investment Revenues	17,053	83,206
Miscellaneous Revenues	8,999	
	<u>172,852</u>	<u>1,944,421</u>
TOTAL REVENUES	\$ 172,852	\$ 1,944,421
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 47,844	\$
Contracted Services	10,535	33,526
Other	14,959	7,797
Depreciation		
Debt Service:		
Bond Principal		350,000
Bond Interest		1,039,642
	<u>73,338</u>	<u>1,430,965</u>
TOTAL EXPENDITURES/EXPENSES	\$ 73,338	\$ 1,430,965
NET CHANGE IN FUND BALANCES	\$ 99,514	\$ 513,456
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION -		
SEPTEMBER 1, 2023, AS REPORTED	250,776	1,596,204
CHANGE DUE TO NEW ACCOUNTING GUIDANCE	<u> </u>	<u> </u>
SEPTEMBER 1, 2023, AS RESTATED	<u>250,776</u>	<u>1,596,204</u>
FUND BALANCES/NET POSITION -		
AUGUST 31, 2024	<u>\$ 350,290</u>	<u>\$ 2,109,660</u>

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>
\$	\$ 1,994,677	\$ (23,765)	\$ 1,970,912
	13,338		13,338
22,183	122,442		122,442
	8,999		8,999
<u>\$ 22,183</u>	<u>\$ 2,139,456</u>	<u>\$ (23,765)</u>	<u>\$ 2,115,691</u>
\$	\$ 47,844	\$	\$ 47,844
	44,061		44,061
	22,756		22,756
		509,636	509,636
	350,000	(350,000)	
	<u>1,039,642</u>	<u>107,983</u>	<u>1,147,625</u>
<u>\$ -0-</u>	<u>\$ 1,504,303</u>	<u>\$ 267,619</u>	<u>\$ 1,771,922</u>
\$ 22,183	\$ 635,153	\$ (635,153)	\$
		343,769	343,769
394,036	2,241,016	(10,364,942)	(8,123,926)
		1,563,719	1,563,719
<u>394,036</u>	<u>2,241,016</u>	<u>(8,801,223)</u>	<u>(6,560,207)</u>
<u>\$ 416,219</u>	<u>\$ 2,876,169</u>	<u>\$ (9,092,607)</u>	<u>\$ (6,216,438)</u>

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

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
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	\$	635,153
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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.		(23,765)
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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.		350,000
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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.		(107,983)
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Governmental funds do not account for depreciation. However in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded.		<u>(509,636)</u>
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Change in Net Position - Governmental Activities	\$	<u>343,769</u>
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The accompanying notes to the financial statements are an integral part of this report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 1. CREATION OF DISTRICT

Rockwall County Municipal Utility District No. 9 (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 19, 2005, and sold its first series of bonds on November 6, 2018.

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. 9
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. 9
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. 9
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 \$31,796 for an over transfer of tax collections and the General Fund owed the Capital Projects Fund \$283 for an excess reimbursement of 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 \$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. 9
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. 9
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

	Road Series 2018	Series 2019	Road Series 2019
Amount Outstanding – August 31, 2024	\$ 1,485,000	\$ 1,785,000	\$ 2,325,000
Interest Rates	3.375% - 4.350%	2.50% - 3.65%	2.00% - 3.20%
Maturity Dates – Serially Beginning/Ending	October 1, 2024/2043	October 1, 2024/2044	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, 2024*	October 1, 2024*

* In whole or in part, or any date thereafter at par plus unpaid accrued interest. Series 2018 Road term bonds maturing October 1, 2031, October 1, 2036, October 1, 2039, and October 1, 2043 are subject to mandatory redemption beginning October 1, 2029, October 1, 2032, October 1, 2037, and October 1, 2040, respectively. Series 2019 Utility term bonds maturing October 1, 2041 and 2044 are subject to mandatory redemption beginning October 1, 2040 and 2042, respectively. Series 2019 Road term bonds maturing October 1, 2034, October 1, 2037, October 1, 2039, and October 1, 2044 are subject to mandatory redemption beginning October 1, 2033, October 1, 2036, October 1, 2038, and October 1, 2040, respectively.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 3. LONG-TERM DEBT (Continued)

	<u>Series 2020</u>	<u>Road Series 2021</u>	<u>Series 2021</u>
Amount Outstanding – August 31, 2024	\$ 2,425,000	\$ 3,045,000	\$ 3,325,000
Interest Rates	2.25% - 4.75%	1.50% - 4.00%	2.00% - 3.00%
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, 2026*	October 1, 2026*
	<u>Road Series 2021A</u>	<u>Series 2022</u>	<u>Road Series 2023</u>
Amount Outstanding – August 31, 2024	\$ 3,010,000	\$ 6,530,000	\$ 6,195,000
Interest Rates	2.00% - 3.00%	4.50% - 7.00%	4.00% - 6.50%
Maturity Dates – Serially Beginning/Ending	October 1, 2024/2047	October 1, 2024/2048	October 1, 2025/2048
Interest Payment Dates	October 1/April 1	October 1/April 1	October 1/April 1
Callable Dates	October 1, 2026*	October 1, 2029*	June 1, 2029*

* In whole or in part, or any date thereafter at par plus unpaid accrued interest. Series 2020 Utility term bonds maturing October 1, 2041 and October 1, 2045 are subject to mandatory redemption beginning October 1, 2039 and October 1, 2042, respectively. Series 2021 Road term bonds maturing October 1, 2046 are subject to mandatory redemption beginning October 1, 2044. Series 2021 Utility term bonds and Series 2021A Road term bonds maturing October 1, 2035, October 1, 2037, October 1, 2039 and October 1, 2047 are subject to mandatory redemption beginning October 1, 2034, October 1, 2036, October 1, 2038 and October 1, 2040, respectively. Series 2022 Utility term bonds maturing October 1, 2031, October 1, 2033, October 1, 2035, October 1, 2037, October 1, 2039, October 1, 2042, October 1, 2045 and October 1, 2048 are subject to mandatory redemption beginning October 1, 2030, October 1, 2032, October 1, 2034, October 1, 2036, October 1, 2038, October 1, 2040, October 1, 2043 and October 1, 2046, respectively. Series 2023 Road term bonds maturing on October 1, 2042, October 1, 2045 and October 1, 2048 are subject to mandatory redemption beginning October 1, 2041, October 1, 2043 and October 1, 2046, respectively.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
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	\$ 30,475,000	\$	\$ 350,000	\$ 30,125,000
Unamortized Discounts	(417,483)		(17,219)	(400,264)
Unamortized Premiums	468,275		19,182	449,093
Bonds Payable, Net	\$ 30,525,792	\$ -0-	\$ 351,963	\$ 30,173,829
		Amount Due Within One Year		\$ 705,000
		Amount Due After One Year		29,468,829
		Bonds Payable, Net		\$ 30,173,829

As of August 31, 2024, the District had authorized but unissued bonds in the amount of \$5,005,000 for water, sanitary sewer and drainage bonds, \$47,814,000 for refunding bonds and \$920,000 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	\$ 705,000	\$ 1,087,492	\$ 1,792,492
2026	890,000	1,055,936	1,945,936
2027	920,000	1,018,893	1,938,893
2028	955,000	981,448	1,936,448
2029	985,000	942,467	1,927,467
2030-2034	5,435,000	4,135,171	9,570,171
2035-2039	6,400,000	3,130,047	9,530,047
2040-2044	7,600,000	1,911,922	9,511,922
2045-2049	6,235,000	556,635	6,791,635
	\$ 30,125,000	\$ 14,820,011	\$ 44,945,011

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
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 current fiscal year ended August 31, 2024, the District levied an ad valorem debt service tax rate of \$ 0.70 per \$100 of assessed valuation (\$0.34 for Utility and \$0.36 for Roads), which resulted in a tax levy of \$1,840,361 on the adjusted taxable valuation of \$263,036,416 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.

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 \$4,649 and the bank balance was \$17,819. The bank balance was fully covered by federal depository insurance.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits (Continued)

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

	Cash
GENERAL FUND	\$ 3,928
DEBT SERVICE FUND	239
CAPITAL PROJECTS FUND	482
TOTAL DEPOSITS	\$ 4,649

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. 9
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 5. DEPOSITS AND INVESTMENTS

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	\$ 321,747	\$ 321,747
<u>DEBT SERVICE FUND</u>		
LOGIC	890,139	890,139
<u>CAPITAL PROJECTS FUND</u>		
LOGIC	415,454	415,454
TOTAL INVESTMENTS	\$ 1,627,340	\$ 1,627,340

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. 9
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	\$ 1,685,339	\$ -0-	\$ -0-	\$ 1,685,339
Capital Assets Subject to Depreciation				
Water System	\$ 3,052,614	\$	\$	\$ 3,052,614
Wastewater System	3,464,948			3,464,948
Drainage System	4,927,434			4,927,434
Landscaping	1,461,050			1,461,050
Paving	9,964,838			9,964,838
Total Capital Assets Subject to Depreciation	<u>\$ 22,870,884</u>	<u>\$ - 0 -</u>	<u>\$ -0-</u>	<u>\$ 22,870,884</u>
Less Accumulated Depreciation				
Water System	\$ 260,731	\$ 68,022	\$	\$ 328,753
Wastewater System	262,604	77,210		339,814
Drainage System	412,619	109,799		522,418
Landscaping	101,837	32,557		134,394
Paving	1,104,559	222,048		1,326,607
Total Accumulated Depreciation	<u>\$ 2,142,350</u>	<u>\$ 509,636</u>	<u>\$ -0-</u>	<u>\$ 2,651,986</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 20,728,534</u>	<u>\$ (509,636)</u>	<u>\$ -0-</u>	<u>\$ 20,218,898</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 22,413,873</u>	<u>\$ (509,636)</u>	<u>\$ -0-</u>	<u>\$ 21,904,237</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 \$1,563,719.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
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 \$0.05 per \$100 of assessed valuation, which resulted in a tax levy of \$131,454 on the adjusted taxable valuation of \$263,036,416 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. 6, 7 and 8 (District's No. 6, 7 and 8), 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 8 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 8 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. 9
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, \$392,026 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	\$	392,026
Current Year Additions/Reimbursements		392,026
Due to Developers, August 31, 2024	\$	392,026

NOTE 10. RISK MANAGEMENT

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

NOTE 11. WATER AND WASTEWATER CAPACITY

On June 24, 2003, the City and PRA/Fate Development Corp (“PRA/Fate”) entered into an agreement for certain off-site water and sewer improvements to serve the District (the “2003 Agreement”). PRA/Fate agreed to pay the entire cost for the design and construction of the improvements and, as consideration for the construction of the improvements, the City shall provide access, capacity and rights to water and sewer services for PRA/Fate to be used on the property provided by the improvements. In order to adequately serve the property with sewer service, the City has become a member of the Sabine Creek Wastewater System, which is owned and operated by North Texas Municipal Water District (“NTMWD”). The City’s capacity contracts with NTMWD require annual debt service payments from the City to NTMWD. Any shortfall between the City’s sewer revenue and the debt service payment to NTMWD related to District No. 1 would be paid by PRA/Fate pursuant to the 2003 Agreement.

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

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 11. WATER AND WASTEWATER CAPACITY (Continued)

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

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**ROCKWALL COUNTY MUNICIPAL
UTILITY DISTRICT NO. 9**

REQUIRED SUPPLEMENTARY INFORMATION

AUGUST 31, 2024

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
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	\$ 122,307	\$ 133,462	\$ 11,155
Penalty and Interest		13,338	13,338
Investment Revenues	8,100	17,053	8,953
Miscellaneous Revenues		<u>8,999</u>	<u>8,999</u>
TOTAL REVENUES	<u>\$ 130,407</u>	<u>\$ 172,852</u>	<u>\$ 42,445</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 79,650	\$ 47,844	\$ 31,806
Contracted Services	21,600	10,535	11,065
Other	<u>19,064</u>	<u>14,959</u>	<u>4,105</u>
TOTAL EXPENDITURES	<u>\$ 120,314</u>	<u>\$ 73,338</u>	<u>\$ 46,976</u>
NET CHANGE IN FUND BALANCE	\$ 10,093	\$ 99,514	\$ 89,421
FUND BALANCE - SEPTEMBER 1, 2023	<u>250,776</u>	<u>250,776</u>	<u> </u>
FUND BALANCE - AUGUST 31, 2024	<u>\$ 260,869</u>	<u>\$ 350,290</u>	<u>\$ 89,421</u>

See accompanying independent auditor's report.

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**ROCKWALL COUNTY MUNICIPAL
UTILITY DISTRICT NO. 9**

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

AUGUST 31, 2024

**ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
SERVICES AND RATES
FOR THE YEAR ENDED AUGUST 31, 2024**

1. SERVICES PROVIDED BY THE DISTRICT DURING THE FISCAL YEAR:

<u> </u>	Retail Water	<u> </u>	Wholesale Water	<u> X </u>	Drainage
<u> </u>	Retail Wastewater	<u> </u>	Wholesale Wastewater	<u> </u>	Irrigation
<u> </u>	Parks/Recreation	<u> </u>	Fire Protection	<u> </u>	Security
<u> </u>	Solid Waste/Garbage	<u> </u>	Flood Control	<u> </u>	Roads
<u> </u>	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
<u> X </u>	Other: The District operates in contractual conjunction with the City of Fate				

2. RETAIL SERVICE PROVIDERS (NOT APPLICABLE)

3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (NOT APPLICABLE)

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

Does the District have Debt Service standby fees? Yes No X

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

 Yes X No

County in which District is located:

 Rockwall County, Texas

Is the District located within a city?

 Entirely X Partly Not at all

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
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. 9
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED AUGUST 31, 2024

PROFESSIONAL FEES:	
Auditing	\$ 14,250
Engineering	2,414
Legal	<u>31,180</u>
TOTAL PROFESSIONAL FEES	<u>\$ 47,844</u>
CONTRACTED SERVICES:	
Bookkeeping	<u>\$ 10,535</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 8,877
Insurance	4,269
Payroll Taxes	679
Travel and Meetings	1,067
Other	<u>67</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 14,959</u>
TOTAL EXPENDITURES	<u>\$ 73,338</u>

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
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	XXXX2001	Varies	Daily	\$ 321,747	\$ - 0 -
<u>DEBT SERVICE FUND</u>					
LOGIC	XXXX2002	Varies	Daily	\$ 890,139	\$ - 0 -
<u>CAPITAL PROJECTS FUND</u>					
LOGIC	XXXX2003	Varies	Daily	\$ 415,454	\$ - 0 -
TOTAL - ALL FUNDS				<u>\$ 1,627,340</u>	<u>\$ - 0 -</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2024

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
SEPTEMBER 1, 2023	\$	4,509		\$ 46,753
Adjustments to Beginning				
Balance		<u>(72)</u>	\$ 4,437	<u>(831)</u> \$ 45,922
Original 2023 Tax Levy	\$	132,698		\$ 1,857,767
Adjustment to 2023 Tax Levy		<u>(1,244)</u>	<u>131,454</u>	<u>(17,406)</u> <u>1,840,361</u>
TOTAL TO BE				
ACCOUNTED FOR			\$ 135,891	\$ 1,886,283
TAX COLLECTIONS:				
Prior Years	\$	2,669		\$ 30,117
Current Year		<u>130,793</u>	<u>133,462</u>	<u>1,831,098</u> <u>1,861,215</u>
TAXES RECEIVABLE -				
AUGUST 31, 2024			<u>\$ 2,429</u>	<u>\$ 25,068</u>
TAXES RECEIVABLE BY				
YEAR:				
2023			\$ 661	\$ 9,263
2022			1,096	12,602
2021			<u>672</u>	<u>3,203</u>
TOTAL			<u>\$ 2,429</u>	<u>\$ 25,068</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2024

	2023	2022	2021	2020
PROPERTY VALUATIONS:				
Land	\$ 83,393,309	\$ 57,030,770	\$ 41,619,898	\$ 37,333,570
Improvements	210,946,421	173,177,013	81,782,758	44,158,204
Personal Property	1,775,508	1,322,250	1,029,760	65,050
Exemptions	<u>(33,078,822)</u>	<u>(30,389,092)</u>	<u>(14,384,662)</u>	<u>(13,544,038)</u>
TOTAL PROPERTY VALUATIONS	<u><u>\$ 263,036,416</u></u>	<u><u>\$ 201,140,941</u></u>	<u><u>\$ 110,047,754</u></u>	<u><u>\$ 68,012,786</u></u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.70	\$ 0.69	\$ 0.62	\$ 0.54
Maintenance	<u>0.05</u>	<u>0.06</u>	<u>0.13</u>	<u>0.21</u>
TOTAL TAX RATES PER \$100 VALUATION	<u><u>\$ 0.75</u></u>	<u><u>\$ 0.75</u></u>	<u><u>\$ 0.75</u></u>	<u><u>\$ 0.75</u></u>
ADJUSTED TAX LEVY*	<u><u>\$ 1,971,815</u></u>	<u><u>\$ 1,508,559</u></u>	<u><u>\$ 825,358</u></u>	<u><u>\$ 510,099</u></u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u><u>99.50 %</u></u>	<u><u>99.09 %</u></u>	<u><u>99.53 %</u></u>	<u><u>100.00 %</u></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. 9
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	\$ 50,000	\$ 59,908	\$ 109,908
2026	50,000	58,190	108,190
2027	55,000	56,325	111,325
2028	55,000	54,318	109,318
2029	60,000	52,160	112,160
2030	60,000	49,820	109,820
2031	60,000	47,420	107,420
2032	65,000	44,920	109,920
2033	70,000	42,185	112,185
2034	70,000	39,315	109,315
2035	75,000	36,342	111,342
2036	75,000	33,268	108,268
2037	80,000	30,090	110,090
2038	85,000	26,644	111,644
2039	85,000	23,030	108,030
2040	90,000	19,313	109,313
2041	95,000	15,333	110,333
2042	100,000	11,092	111,092
2043	100,000	6,742	106,742
2044	105,000	2,284	107,284
2045			
2046			
2047			
2048			
2049			
	<u>\$ 1,485,000</u>	<u>\$ 708,699</u>	<u>\$ 2,193,699</u>

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

SERIES - 2019 UTILITY

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$ 60,000	\$ 58,100	\$ 118,100
2026	60,000	56,570	116,570
2027	60,000	54,980	114,980
2028	65,000	53,260	118,260
2029	65,000	51,408	116,408
2030	70,000	49,415	119,415
2031	70,000	47,315	117,315
2032	75,000	45,102	120,102
2033	75,000	42,759	117,759
2034	80,000	40,298	120,298
2035	85,000	37,615	122,615
2036	85,000	34,789	119,789
2037	90,000	31,834	121,834
2038	95,000	28,667	123,667
2039	95,000	25,365	120,365
2040	100,000	21,927	121,927
2041	105,000	18,262	123,262
2042	105,000	14,482	119,482
2043	110,000	10,585	120,585
2044	115,000	6,479	121,479
2045	120,000	2,190	122,190
2046			
2047			
2048			
2049			
	<u>\$ 1,785,000</u>	<u>\$ 731,402</u>	<u>\$ 2,516,402</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
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	\$ 80,000	\$ 66,278	\$ 146,278
2026	80,000	64,638	144,638
2027	85,000	62,863	147,863
2028	85,000	60,950	145,950
2029	90,000	58,892	148,892
2030	95,000	56,625	151,625
2031	95,000	54,203	149,203
2032	100,000	51,618	151,618
2033	100,000	48,868	148,868
2034	105,000	45,893	150,893
2035	110,000	42,668	152,668
2036	110,000	39,369	149,369
2037	115,000	35,936	150,936
2038	120,000	32,293	152,293
2039	125,000	28,465	153,465
2040	130,000	24,448	154,448
2041	130,000	20,320	150,320
2042	135,000	16,080	151,080
2043	140,000	11,680	151,680
2044	145,000	7,120	152,120
2045	150,000	2,400	152,400
2046			
2047			
2048			
2049			
	<u>\$ 2,325,000</u>	<u>\$ 831,607</u>	<u>\$ 3,156,607</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

SERIES - 2020 UTILITY

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$ 75,000	\$ 57,394	\$ 132,394
2026	80,000	53,712	133,712
2027	80,000	50,912	130,912
2028	85,000	49,056	134,056
2029	85,000	47,144	132,144
2030	90,000	45,175	135,175
2031	90,000	43,150	133,150
2032	95,000	41,069	136,069
2033	100,000	38,875	138,875
2034	100,000	36,625	136,625
2035	105,000	34,319	139,319
2036	110,000	31,900	141,900
2037	115,000	29,368	144,368
2038	115,000	26,781	141,781
2039	120,000	24,138	144,138
2040	125,000	21,381	146,381
2041	130,000	18,512	148,512
2042	135,000	15,531	150,531
2043	140,000	12,350	152,350
2044	145,000	8,966	153,966
2045	150,000	5,463	155,463
2046	155,000	1,841	156,841
2047			
2048			
2049			
	<u>\$ 2,425,000</u>	<u>\$ 693,662</u>	<u>\$ 3,118,662</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
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	\$ 105,000	\$ 59,774	\$ 164,774
2026	110,000	55,475	165,475
2027	110,000	51,075	161,075
2028	110,000	48,051	158,051
2029	115,000	46,362	161,362
2030	115,000	44,637	159,637
2031	120,000	42,875	162,875
2032	120,000	41,075	161,075
2033	125,000	39,238	164,238
2034	125,000	37,362	162,362
2035	130,000	35,451	165,451
2036	130,000	33,500	163,500
2037	135,000	31,512	166,512
2038	135,000	29,150	164,150
2039	140,000	26,400	166,400
2040	140,000	23,600	163,600
2041	145,000	20,750	165,750
2042	150,000	17,800	167,800
2043	150,000	14,800	164,800
2044	155,000	11,750	166,750
2045	155,000	8,553	163,553
2046	160,000	5,206	165,206
2047	165,000	1,753	166,753
2048			
2049			
	<u>\$ 3,045,000</u>	<u>\$ 726,149</u>	<u>\$ 3,771,149</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

SERIES - 2021 UTILITY

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$ 110,000	\$ 87,238	\$ 197,238
2026	115,000	84,988	199,988
2027	125,000	82,588	207,588
2028	120,000	79,538	199,538
2029	125,000	75,863	200,863
2030	125,000	72,113	197,113
2031	130,000	68,288	198,288
2032	130,000	64,388	194,388
2033	130,000	60,488	190,488
2034	135,000	57,019	192,019
2035	130,000	53,875	183,875
2036	135,000	50,563	185,563
2037	135,000	47,188	182,188
2038	140,000	43,750	183,750
2039	140,000	40,163	180,163
2040	140,000	36,488	176,488
2041	140,000	32,725	172,725
2042	145,000	28,806	173,806
2043	145,000	24,819	169,819
2044	150,000	20,763	170,763
2045	150,000	16,638	166,638
2046	175,000	12,169	187,169
2047	175,000	7,356	182,356
2048	180,000	2,475	182,475
2049			
	<u>\$ 3,325,000</u>	<u>\$ 1,150,289</u>	<u>\$ 4,475,289</u>

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

SERIES - 2021A ROAD

Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$ 95,000	\$ 79,744	\$ 174,744
2026	100,000	77,794	177,794
2027	100,000	75,794	175,794
2028	110,000	73,144	183,144
2029	105,000	69,919	174,919
2030	110,000	66,694	176,694
2031	115,000	63,319	178,319
2032	115,000	59,869	174,869
2033	110,000	56,494	166,494
2034	120,000	53,044	173,044
2035	115,000	49,878	164,878
2036	125,000	47,028	172,028
2037	120,000	44,044	164,044
2038	125,000	40,981	165,981
2039	125,000	37,778	162,778
2040	130,000	34,431	164,431
2041	135,000	30,869	165,869
2042	135,000	27,156	162,156
2043	145,000	23,306	168,306
2044	145,000	19,319	164,319
2045	150,000	15,263	165,263
2046	155,000	11,069	166,069
2047	160,000	6,738	166,738
2048	165,000	2,269	167,269
2049			
	<u>\$ 3,010,000</u>	<u>\$ 1,065,944</u>	<u>\$ 4,075,944</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
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	\$ 130,000	\$ 343,406	\$ 473,406
2026	140,000	333,956	473,956
2027	145,000	323,981	468,981
2028	155,000	313,481	468,481
2029	165,000	302,281	467,281
2030	170,000	290,556	460,556
2031	180,000	278,306	458,306
2032	190,000	265,356	455,356
2033	200,000	253,456	453,456
2034	210,000	242,694	452,694
2035	220,000	231,681	451,681
2036	230,000	220,431	450,431
2037	245,000	208,556	453,556
2038	255,000	196,056	451,056
2039	270,000	182,931	452,931
2040	285,000	169,056	454,056
2041	300,000	154,431	454,431
2042	315,000	139,056	454,056
2043	330,000	122,931	452,931
2044	350,000	105,713	455,713
2045	370,000	87,263	457,263
2046	385,000	67,916	452,916
2047	410,000	48,825	458,825
2048	430,000	29,925	459,925
2049	450,000	10,125	460,125
	<u>\$ 6,530,000</u>	<u>\$ 4,922,369</u>	<u>\$ 11,452,369</u>

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
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		\$ 275,650	\$ 275,650
2026	155,000	270,613	425,613
2027	160,000	260,375	420,375
2028	170,000	249,650	419,650
2029	175,000	238,438	413,438
2030	185,000	229,050	414,050
2031	190,000	221,550	411,550
2032	200,000	213,750	413,750
2033	205,000	205,650	410,650
2034	215,000	197,250	412,250
2035	225,000	188,450	413,450
2036	235,000	179,250	414,250
2037	245,000	169,650	414,650
2038	255,000	159,650	414,650
2039	265,000	149,250	414,250
2040	275,000	138,450	413,450
2041	285,000	127,072	412,072
2042	300,000	114,819	414,819
2043	310,000	101,856	411,856
2044	320,000	88,269	408,269
2045	335,000	73,941	408,941
2046	350,000	58,956	408,956
2047	365,000	43,088	408,088
2048	380,000	26,325	406,325
2049	395,000	8,888	403,888
	<u>\$ 6,195,000</u>	<u>\$ 3,989,890</u>	<u>\$ 10,184,890</u>

See accompanying independent auditor's report.

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ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
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	\$ 705,000	\$ 1,087,492	\$ 1,792,492
2026	890,000	1,055,936	1,945,936
2027	920,000	1,018,893	1,938,893
2028	955,000	981,448	1,936,448
2029	985,000	942,467	1,927,467
2030	1,020,000	904,085	1,924,085
2031	1,050,000	866,426	1,916,426
2032	1,090,000	827,147	1,917,147
2033	1,115,000	788,013	1,903,013
2034	1,160,000	749,500	1,909,500
2035	1,195,000	710,279	1,905,279
2036	1,235,000	670,098	1,905,098
2037	1,280,000	628,178	1,908,178
2038	1,325,000	583,972	1,908,972
2039	1,365,000	537,520	1,902,520
2040	1,415,000	489,094	1,904,094
2041	1,465,000	438,274	1,903,274
2042	1,520,000	384,822	1,904,822
2043	1,570,000	329,069	1,899,069
2044	1,630,000	270,663	1,900,663
2045	1,580,000	211,711	1,791,711
2046	1,380,000	157,157	1,537,157
2047	1,275,000	107,760	1,382,760
2048	1,155,000	60,994	1,215,994
2049	845,000	19,013	864,013
	<u>\$ 30,125,000</u>	<u>\$ 14,820,011</u>	<u>\$ 44,945,011</u>

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
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. 9 Unlimited Tax Road Bonds - Series 2018	\$ 1,660,000	\$ 1,530,000
Rockwall County Municipal Utility No. 9 Unlimited Tax Utility Bonds - Series 2019	1,945,000	1,840,000
Rockwall County Municipal Utility No. 9 Unlimited Tax Road Bonds - Series 2019	2,545,000	2,400,000
Rockwall County Municipal Utility No. 9 Unlimited Tax Utility Bonds - Series 2020	2,495,000	2,495,000
Rockwall County Municipal Utility No. 9 Unlimited Tax Road Bonds - Series 2021	3,150,000	3,150,000
Rockwall County Municipal Utility No. 9 Unlimited Tax Utility Bonds - Series 2021	3,325,000	3,325,000
Rockwall County Municipal Utility No. 9 Unlimited Tax Road Bonds - Series 2021A	3,010,000	3,010,000
Rockwall County Municipal Utility No. 9 Unlimited Tax Utility Bonds - Series 2022	6,530,000	6,530,000
Rockwall County Municipal Utility No. 9 Unlimited Tax Road Bonds - Series 2023	6,195,000	6,195,000
TOTAL	<u>\$ 30,855,000</u>	<u>\$ 30,475,000</u>
Debt Service Fund cash, investments and cash with paying agent balances as of August 31, 2024:		<u>\$ 2,145,562</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:		<u>\$ 1,797,800</u>

See accompanying independent auditor's report.

Current Year Transactions					
Bonds Sold	Retirements		Bonds Outstanding August 31, 2024	Paying Agent	
	Principal	Interest			
\$	\$ 45,000	\$ 61,484	\$ 1,485,000	Regions Bank Houston, TX	
	55,000	59,496	1,785,000	Regions Bank Houston, TX	
	75,000	67,828	2,325,000	Regions Bank Houston, TX	
	70,000	60,837	2,425,000	Regions Bank Houston, TX	
	105,000	63,975	3,045,000	Regions Bank Houston, TX	
		88,337	3,325,000	Regions Bank Houston, TX	
		80,694	3,010,000	Regions Bank Houston, TX	
		347,956	6,530,000	Regions Bank Houston, TX	
		209,035	6,195,000	Regions Bank Houston, TX	
<u>\$ - 0 -</u>	<u>\$ 350,000</u>	<u>\$ 1,039,642</u>	<u>\$ 30,125,000</u>		

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

See accompanying independent auditor's report.

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ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED AUGUST 31, 2024

Bond Authority:	<u>Water, Sewer and Drainage Bonds</u>	<u>Refunding Bonds*</u>	<u>Road Bonds</u>
Amount Authorized by Voters	\$ 19,300,000	\$ 47,814,000	\$ 17,480,000
Amount Issued	<u>14,295,000</u>	<u></u>	<u>16,560,000</u>
Remaining to be Issued	<u>\$ 5,005,000</u>	<u>\$ 47,814,000</u>	<u>\$ 920,000</u>

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 133,462	\$ 118,481	\$ 144,245
Penalty and Interest	13,338	16,257	17,139
Investment Revenues	17,053	10,884	1,302
Miscellaneous Revenues	8,999	133	
TOTAL REVENUES	<u>\$ 172,852</u>	<u>\$ 145,755</u>	<u>\$ 162,686</u>
EXPENDITURES			
Professional Fees	\$ 47,844	\$ 83,794	\$ 71,609
Contracted Services	10,535	24,272	32,444
Other	14,959	15,025	14,559
Bond Issuance Costs			53,569
TOTAL EXPENDITURES	<u>\$ 73,338</u>	<u>\$ 123,091</u>	<u>\$ 172,181</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 99,514</u>	<u>\$ 22,664</u>	<u>\$ (9,495)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In(Out)	\$	\$ 53,569	\$
Developer Advances			
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ - 0 -</u>	<u>\$ 53,569</u>	<u>\$ - 0 -</u>
NET CHANGE IN FUND BALANCE	\$ 99,514	\$ 76,233	\$ (9,495)
BEGINNING FUND BALANCE	<u>250,776</u>	<u>174,543</u>	<u>184,038</u>
ENDING FUND BALANCE	<u>\$ 350,290</u>	<u>\$ 250,776</u>	<u>\$ 174,543</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 143,774	\$ 149,260	77.2 %	81.2 %	88.6 %	95.5 %	95.7 %
6,445	1,099	7.7	11.2	10.5	4.3	0.7
215	1,403	9.9	7.5	0.9	0.2	1.0
	4,110	5.2	0.1			2.6
<u>\$ 150,434</u>	<u>\$ 155,872</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 64,921	\$ 66,444	27.7 %	57.5 %	44.0 %	43.2 %	42.6 %
24,446	19,789	6.1	16.7	19.9	16.3	12.7
14,701	14,557	8.7	10.3	8.9	9.8	9.3
2,478				32.9	1.6	
<u>\$ 106,546</u>	<u>\$ 100,790</u>	<u>42.5 %</u>	<u>84.5 %</u>	<u>105.7 %</u>	<u>70.9 %</u>	<u>64.6 %</u>
\$ 43,888	\$ 55,082	57.5 %	15.5 %	(5.7) %	29.1 %	35.4 %
\$	\$					
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>					
\$ 43,888	\$ 55,082					
140,150	85,068					
<u>\$ 184,038</u>	<u>\$ 140,150</u>					

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 1,861,215	\$ 1,352,116	\$ 672,429
Investment Revenues	83,206	40,652	3,165
Miscellaneous Revenues	<u>360</u>	<u>360</u>	<u>360</u>
TOTAL REVENUES	<u>\$ 1,944,421</u>	<u>\$ 1,393,128</u>	<u>\$ 675,594</u>
EXPENDITURES			
Tax Collection Expenditures	\$ 32,567	\$ 22,032	\$ 13,702
Debt Service Principal	350,000	175,000	165,000
Debt Service Interest and Fees	<u>1,048,398</u>	<u>619,848</u>	<u>395,844</u>
TOTAL EXPENDITURES	<u>\$ 1,430,965</u>	<u>\$ 816,880</u>	<u>\$ 574,546</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 513,456</u>	<u>\$ 576,248</u>	<u>\$ 101,048</u>
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	<u>\$ - 0 -</u>	<u>\$ 309,238</u>	<u>\$ 124,863</u>
NET CHANGE IN FUND BALANCE	\$ 513,456	\$ 885,486	\$ 225,911
BEGINNING FUND BALANCE	<u>1,596,204</u>	<u>710,718</u>	<u>484,807</u>
ENDING FUND BALANCE	<u>\$ 2,109,660</u>	<u>\$ 1,596,204</u>	<u>\$ 710,718</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				
<u>2021</u>	<u>2020</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
\$ 366,900	\$ 75,264	95.7 %	97.1 %	99.5 %	99.8 %	95.2 %
659	3,778	4.3	2.9	0.5	0.2	4.8
<u>\$ 367,559</u>	<u>\$ 79,042</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 7,896	\$ 3,781	1.7 %	1.6 %	2.0 %	2.1 %	4.8 %
40,000		18.0	12.6	24.4	10.9	
<u>238,611</u>	<u>136,063</u>	<u>53.9</u>	<u>44.5</u>	<u>58.6</u>	<u>64.9</u>	<u>172.1</u>
<u>\$ 286,507</u>	<u>\$ 139,844</u>	<u>73.6 %</u>	<u>58.7 %</u>	<u>85.0 %</u>	<u>77.9 %</u>	<u>176.9 %</u>
<u>\$ 81,052</u>	<u>\$ (60,802)</u>	<u>26.4 %</u>	<u>41.3 %</u>	<u>15.0 %</u>	<u>22.1 %</u>	<u>(76.9) %</u>
<u>\$ 66,075</u>	<u>\$ 169,071</u>					
\$ 147,127	\$ 108,269					
<u>337,680</u>	<u>229,411</u>					
<u>\$ 484,807</u>	<u>\$ 337,680</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. 9
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
AUGUST 31, 2024

District Mailing Address - Rockwall County Municipal Utility District No. 9
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
Thaddeus Parker	05/2022 05/2026 (Elected)	\$ 1,768	\$ 56	President
Andrea Roland	05/2022 05/2026 (Elected)	\$ 1,547	\$ 80	Vice President
Jennifer Clark	05/2022 05/2026 (Elected)	\$ 1,547	\$ 409	Secretary
Megan Alexander	05/2024 05/2028 (Elected)	\$ 2,468	\$ 163	Treasurer/ Assistant Secretary
Richard Helge	05/2024 05/2028 (Elected)	\$ 1,547	\$ 359	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. 9
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	\$ 28,530 \$ -0-	General Counsel Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	07/17/18	\$ 14,250 \$ -0-	Auditor Bond Related
Dye & Tovery, CPA, LLC	01/15/08	\$ 10,601	Bookkeeper
LJA Engineering, Inc.	01/22/19	\$ 2,414	Engineer
Rockwall County Central Appraisal District	08/25/15	\$ 24,765	Tax Assessor/ Collector
Robert W. Baird & Co. Incorporated	04/28/15	\$ -0-	Financial Advisor
Kathi Dye	02/26/08	\$ -0-	Investment Officer

See accompanying independent auditor’s report.

