

REPORT OF EXAMINATION

**KINGSLAND
MUNICIPAL UTILITY DISTRICT**
Kingsland, Texas

For the Year Ended
September 30, 2022

KINGSLAND MUNICIPAL UTILITY DISTRICT
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES
09/30/2022

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ANNUAL FILING AFFIDAVIT

STATE OF TEXAS }
COUNTY OF Llano }

I, David Travers of the
(Name of Duly Authorized District Representative)

Kingsland Municipal Utility District
(Name of District)

hereby swear, or affirm, that the District above has review and approved at a meeting of the District's Board of Directors on the 13 day of February, 2023, its annual audit report for the fiscal period ended 2022

and that copies of the annual audit report have been filed in the District's office, located at 100 Ingram St. Kingsland, Tx 78639
(Address of the District's Office)

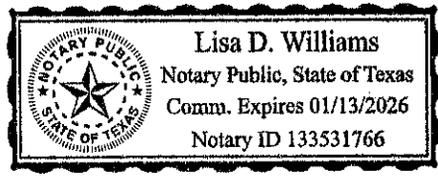
This filing affidavit and the attached copy of the audit report will be submitted to the Texas Commission on Environmental Quality to satisfy the annual filing requirements of Texas Water Code Section 49.194.

Date: February 13, 2023 By: [Signature]
(Signature of District Representative)

SECRETARY / TREASURER
(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this 13th day of February, 2023.

(SEAL)



[Signature]
(Signature of Notary)

My Commission Expires On: January 13, 2023.
Notary Public in the State of Texas.

AMOUNTS		PERCENT OF FUND TOTAL REVENUES				
2019	2018	2022	2021	2020	2019	2018
\$ 2,160,793	\$ 1,978,648	57.5%	57.9%	55.5%	57.8%	56.3%
1,180,194	1,173,757	26.3%	29.1%	29.6%	31.6%	33.4%
171,675	195,937	10.2%	8.2%	7.0%	4.6%	5.6%
133,067	103,463	4.4%	3.6%	3.1%	3.6%	2.9%
1,164	2,327	0.3%	0.4%	0.1%	0.0%	0.1%
11,271	25,255	0.4%	0.4%	0.2%	0.3%	0.7%
58,543	27,229	0.5%	0.4%	1.7%	1.6%	0.8%
		0.0%	0.0%	1.9%	0.0%	0.0%
19,497	5,973	0.6%	0.1%	0.9%	0.5%	0.2%
\$ 3,736,204	\$ 3,512,589	100.0%	100.0%	100.0%	100.0%	100.0%
\$ 1,152,803	\$ 1,046,904	29.3%	28.6%	29.9%	30.9%	29.8%
47,346	45,362	1.5%	1.3%	1.2%	1.3%	1.3%
135,427	331,154	6.1%	3.8%	3.6%	3.6%	9.4%
109,642	108,576	2.9%	2.5%	2.3%	2.9%	3.1%
745,417	682,370	18.8%	15.7%	21.6%	20.0%	19.4%
569,498	2,191,151	20.9%	31.9%	32.5%	15.2%	62.4%
\$ 2,760,133	\$ 4,405,517	79.4%	83.8%	91.1%	73.9%	125.4%
\$ 976,071	\$ (892,928)	20.6%	16.2%	8.9%	26.1%	-25.4%

See auditors' report on supplemental information

KINGSLAND MUNICIPAL UTILITY DISTRICT
 TSI-6. BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
 SEPTEMBER 30, 2022

Complete District Mailing Address: P.O. Box 748
 Kingsland, TX 78639
 District Business Telephone Number: (325)388-4559

Limit on Fees of Office that a Director may receive during a fiscal year: \$7,200
 (Set by Board Resolution - TWC Section 49.060)

Name	Term of Office Elected & Expires or Date Hired	Fees of Office	Reimbursements	Title
Dianne Wolfington	11/2020 to 5/2024	\$ 7,050	\$ 71	President
Kimberly Delz	5/2022 to 5/2026	\$ 3,900	\$ 1,074	Vice - President
David Travers	8/2022 to 5/2024	\$ 750		Secretary - Treasurer
Ken Black	5/2022 to 5/2026	\$ 3,600	\$ 1,263	Director
Kenneth Martin	5/2018 to 5/2022	\$ 3,300		Director
Larry Denney	5/2018 to 5/2022	\$ 3,600		Director
Lorean Sindelar	5/2022 to 5/2026	\$ 6,900	\$ 1,419	Director
Karen Oustad	11/2020 to 8/2022	\$ 7,200	\$ 1,105	Director

Note: No director is disqualified from serving on this board under the Texas Water Code.

Key Personnel

J Horry	\$	101,649	General Manager
Thomas Stewart	\$	92,139	O&M Supervisor

Consultants

Llano County Tax Assessor/Collector	\$	3,250	Tax Collection
Llano Central Appraisal District	\$	53,156	Tax Appraisal
Burnet Central Appraisal District	\$	12,908	Tax Appraisal and Collection
Neffendorf & Blocker, PC	\$	10,000	Auditor
McLean & Howard, LLP	\$	62,867	Attorney
Jones-Heroy & Associates, Inc.	\$	70,997	Engineering



NEFFENDORF & BLOCKER, P.C.

February 9, 2023

The Board of Directors
Kingsland Municipal Utility District
P. O. Box 748
Kingsland, TX 78639

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kingsland Municipal Utility District for the year ended 09/30/2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 27, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Kingsland Municipal Utility District are described in Note I to the financial statements. GASB Statement No. 87, *Leases* was adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant accounting estimates.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

TEL: 830 997 3348

EMAIL: info@nb-cpa.com

P.O. Box 874 · 512 S Adams Street, Fredericksburg, TX 78624

MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS & TEXAS SOCIETY OF CPAs

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations.

We have requested certain representations from management that are included in the management representation letter dated February 9, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We did find non-material weakness, included for informational purposes, as follows:

Prior Year Recommendations:

Public Funds Investment Act

The District is required to comply with the Public Funds Investment Act. The local government code chapter 2256 requires the District to review its investment policy and investment strategies not less than annually. The District did not comply with this requirement. We again recommend the District review its investment policy and investment strategies not less than annually.

Current Year Recommendations:

Bank Reconciliations

Bank Reconciliations were not prepared timely for the operations bank account. The District was not in compliance with the assertion that all transactions are complete and recorded timely. We recommend the District review and reconcile all bank accounts belonging to the District each month. The District should reconcile each account to the general ledger accounts to assure all transactions of the District are complete and recorded timely. We also recommend the reconciliations be reviewed and approved by a Board member or the General Manager.

Capital Outlay

During the test of transactions we noted several capital outlay expenditures coded to incorrect accounts. We recommend the District review the policy and procedures for recording capital outlay to comply with the assertion of accuracy.

Journal Entries

A journal entry was made incorrectly to the inventory account and fund balance. This caused the inventory account to be significantly understated. The District was reviewing and monitoring the inventory account but failed to determine the cause of the understatement. We recommend the District review the detail transactions for the general ledger accounts monthly and reconcile to the inventory physical count annually.

This information is intended solely for the use of the Board of Directors and management of Kingsland Municipal Utility District and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Neffendorf & Blocker, P.C.

NEFFENDORF & BLOCKER, P.C.

Fredericksburg, Texas



INDEPENDENT AUDITORS' REPORT

The Board of Directors
Kingsland Municipal Utility District
Kingsland, TX 78639

Members of the Board:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kingsland Municipal Utility District, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Kingsland Municipal Utility 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, each major fund, and the aggregate remaining fund information of the Kingsland Municipal Utility District, as of September 30, 2022, and the respective changes in financial position thereof 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Kingsland Municipal Utility District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 and *Government 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 Kingsland Municipal Utility 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 Kingsland Municipal Utility 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 budgetary comparison information on pages 4-10 and 23 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.

Supplementary Information

The Texas Commission on Environmental Quality requires municipal utility districts to include certain information in the Annual Financial Report in conformity with laws and regulations of the State of Texas. This information is in Exhibits identified in the Table of Contents as Exhibits TSI-1 to TSI-6. This 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. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Neffendorf & Blocker, P.C.

NEFFENDORF & BLOCKER, P.C.
Fredericksburg, Texas

February 9, 2023

KINGSLAND MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED 09/30/2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Kingsland Municipal Utility District, we offer readers of the District's financial statements this narrative overview and analysis of the financial statements of the District for the year ended 09/30/2022. Please read it in conjunction with the independent auditors' report on page 1, and District's Basic Financial Statements which begin on page 10.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$17,749,180 (net position). Of this amount, \$8,520,322 (unrestricted net position) may be used to meet the District's ongoing obligations to citizen's and creditors.
- The District's net position increased by \$1,507,619 as a result of this year's operations.
- At 09/30/2022, the District's governmental funds reported combined ending fund balances of \$8,519,273, an increase of \$975,205 in comparison with the prior year.
- At 09/30/2022, the unassigned fund balance of the general fund was \$7,950,794, or 211 percent of total general fund expenditures.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 10 and 11). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (also on pages 11 & 12) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget.

The notes to the financial statements (starting on page 13) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The Budgetary Comparison Schedule (operating fund) is presented as required supplemental information on page 23. The section labeled Texas Supplementary Information (TSI) are required supplemental schedules by the Texas Commission on Environmental Quality.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 11. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider other factors as well, such as changes in the District's customers or its property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, the District has one kind of activity:

➤ Governmental activity - Most of the District's basic services are reported here, including the wastewater, recreation and administration. Property taxes, and user charges, (wastewater) finance most of these activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements on pages 11 & 12 and provide detailed information about the most significant funds - not the District as a whole. Governmental fund types include the general fund and debt service fund.

➤ Governmental funds - All of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the adjustments column and Note 3 to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Net position of the District's governmental activities increased from \$16,228,732 to \$17,749,180. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - was \$8,520,322 at 09/30/2022. This increase in governmental net position was the result of three factors. First, the District's revenues exceeded the expenditures by \$975,205. Second, the District acquired capital assets in the amount of \$988,657 and third, the District recorded depreciation in the amounts of \$469,144.

Table I
Kingsland Municipal Utility District

NET POSITION
in thousands

	Governmental Activities	
	2022	2021
Current and Other Assets	\$ 9,205	\$ 8,060
Capital Assets	9,229	8,709
Total Assets	\$ 18,434	\$ 16,769
Other Liabilities	684	540
Total Liabilities	\$ 684	\$ 540
Deferred Inflow of Resources		
Property Taxes	\$ -	\$ -
Total Deferred Inflows of Resources	\$ -	\$ -
Net Position		
Net Investment in		
Capital Assets	\$ 9,229	\$ 8,709
Unrestricted	8,520	7,520
Total Net Position	\$ 17,749	\$ 16,229

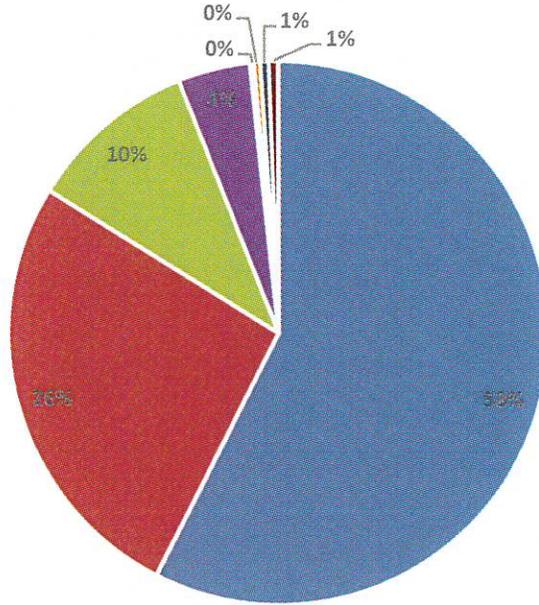
Table II
Kingsland Municipal Utility District

CHANGES IN NET POSITION
in thousands

	Governmental Activities	
	2022	2021
Revenues		
Maintenance & Operations Taxes	\$ 2,739	\$ 2,430
Wastewater Services	1,726	1,568
Fees	206	150
Recreational Facilities	12	16
Recycle Center	17	15
Interest	24	17
Grant		
Miscellaneous	27	4
Total Revenue	\$ 4,752	\$ 4,200
Expenses:		
Salaries, Benefits & Payroll Taxes	\$ 1,387	\$ 1,234
Insurance and Bonds	71	55
Consultants	291	161
General and Administrative	137	104
Plant and Field	889	660
Depreciation	469	419
Total Expenses	\$ 3,244	\$ 2,633
Increase In Net Position	\$ 1,508	\$ 1,567
Net Position Beginning	16,229	14,662
Prior Period Adjustment	13	
Net Position Ending	\$ 17,749	\$ 16,229

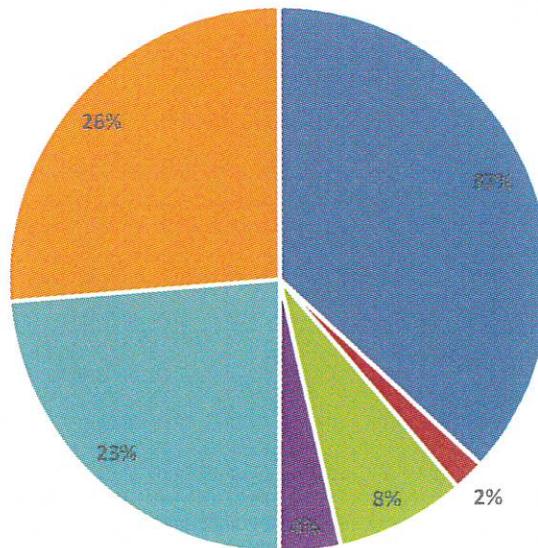
General Fund Revenues

- Property Taxes
- Fees
- Interest
- Wastewater Service
- Recreational Facilities
- Miscellaneous
- Wastewater Service Installation
- Recycle Center



General Fund Expenditures

- Salaries, Benefits & Payroll Taxes
- General and Administrative
- Insurance and Bonds
- Plant and Field
- Consultants
- Capital Outlay



The District's total revenues increased by \$539,326 due to an increase in property tax revenue and charges for services.

The District's total expenditures increased by \$243,070 due to an increase in plant and field expenditures.

The cost of all governmental activities this year was \$3,244,124. However, as shown in the Statement of Activities on page 12, the amount that our taxpayers ultimately financed for these activities through District taxes was only \$2,739,070 because the other costs were paid by those who directly benefited from the programs \$1,962,225.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 11) reported a combined fund balance of \$8,519,273, which is more than last year's total of \$7,531,240. Included in this year's total change in fund balance is an increase of \$975,205 in the District's General Fund.

The Board of Directors adopted the General Fund Budget. During the year the District did amend the original budget. Actual revenues exceeded the budgeted amounts and actual expenditures were less than budgeted amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2022, the District had \$21,430,729 invested in a broad range of capital assets, including land, buildings, wastewater systems, machinery and equipment and other improvements. This amount represents a net increase of \$988,657, or 4.8 percent, more than last year.

This year's major additions included:

Wastewater System Improvements	\$	533,808
Plant Improvements		148,985
Machinery & Equipment		146,365
Woodyville LS Project - CIP		153,488
	\$	<u>982,646</u>

More detailed information about the District's capital assets is presented in Note 6 to the financial statements.

Debt

At year end the District had no outstanding long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected officials and management considered many factors when setting the fiscal-year 2023 budget and tax rates. Factors considered in establishing a budget are the funding needs of the District operations and programs necessary to meet the objectives of the District. Amounts available for appropriation in the General Fund budget are \$4,790,432 and expenditures are estimated to be \$3,446,140.

If these estimates are realized, the District's budgetary General Fund balance is expected to increase by the close of 2023.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at Kingsland Municipal Utility District, Kingsland, Texas.

BASIC FINANCIAL STATEMENTS

KINGSLAND MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2022

	General Fund	Total	Adjust- ments (Note 3)	Statement of Net Position
ASSETS				
Cash on Hand	\$ 350	\$ 350	\$	\$ 350
Cash in Bank	8,190,896	8,190,896		8,190,896
Investments	308,942	308,942		308,942
Receivables:				-
Taxes	35,065	35,065		35,065
Accounts	77,571	77,571		77,571
Inventory	568,479	568,479		568,479
Prepaid Items	10,174	10,174		10,174
Other Assets	13,309	13,309		13,309
Capital Assets (Net of Accumulated Depreciation) Property, Plant and Equipment		-	9,228,859	9,228,859
Total Assets	\$ 9,204,787	\$ 9,204,787	\$ 9,228,859	\$ 18,433,646
LIABILITIES				
Accounts Payable	127,890	127,890		127,890
Other Current Liabilities	522,559	522,559	34,017	556,576
Total Liabilities	650,449	650,449	34,017	684,466
DEFERRED INFLOW OF RESOURCES				
Deferred Resources Inflow				
Property Taxes	35,065	35,065	(35,065)	-
Total Deferred Inflows of Resources	35,065	35,065	(35,065)	-
FUND BALANCE/NET POSITION				
Fund Balances:				
Non-Spendable - Inventories	568,479	568,479	(568,479)	-
Unassigned	7,950,794	7,950,794	(7,950,794)	-
Total Fund Balances	8,519,273	8,519,273	(8,519,273)	-
Total Liabilities & Fund Balances	\$ 9,204,787	\$ 9,204,787		
Net Position:				
Net Investment in, Capital Assets			9,228,859	9,228,859
Unrestricted			8,520,322	8,520,322
Total Net Position			\$ 17,749,180	\$ 17,749,180

The notes to the Financial Statements are an integral part of this statement.

KINGSLAND MUNICIPAL UTILITY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED - SEPTEMBER 30, 2022

	General Fund	Total	Adjust- ments (Note 3)	Statement of Activities
Revenues:				
Property Taxes	\$ 2,725,931	\$ 2,725,931	\$ 13,139	\$ 2,739,070
Wastewater Service	1,245,305	1,245,305		1,245,305
Wastewater Service Installation	481,187	481,187		481,187
Fees	206,182	206,182		206,182
Recreational Facilities	12,200	12,200		12,200
Recycle Center	17,351	17,351		17,351
Interest	23,911	23,911		23,911
Miscellaneous	26,537	26,537		26,537
Total Revenues	4,738,604	4,738,604	13,139	4,751,743
Expenditures/Expenses:				
Service Operations:				
Salaries, Benefits & Payroll Taxes	\$ 1,386,576	\$ 1,386,576	\$ 238	\$ 1,386,813
Insurance and Bonds	70,700	70,700		70,700
Consultants	290,909	290,909		290,909
General and Administrative	137,297	137,297		137,297
Plant and Field	889,261	889,261		889,261
Capital Outlay	988,657	988,657	(988,657)	-
Depreciation		-	469,144	469,144
Total Expenditures/Expenses	3,763,399	3,763,399	(519,275)	3,244,124
Excess (deficiency) of revenues over expenditures	975,205	975,205	(975,205)	
Change in Net Assets			1,507,619	1,507,619
Fund Balance/Net Position:				
Beginning of the Year	7,531,240	7,531,240	8,697,493	16,228,732
Prior Period Adjustment	12,828	12,828		12,828
End of the Year	\$ 8,519,273	\$ 8,519,273	\$ 9,229,907	\$ 17,749,180

The notes to the Financial Statements are an integral part of this statement.

KINGSLAND MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
09/30/2022

NOTE 1. CREATION OF DISTRICT

Kingsland Municipal Utility District (the District), a political subdivision of the State of Texas, was created on December 19, 1972, by the Texas Water Rights Commission pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code. The District was created and organized for the purpose of providing sewer services to residential and commercial establishments within the District. The District is also authorized to provide recreational facilities.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Kingsland Municipal Utility District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity - The District has developed criteria to determine if the activities of any outside agencies or organizations should be included within its financial statements. The criteria includes the amount of oversight responsibility exercised by the District over the activities of an agency or organization, the scope of public service of an agency or organization, and the nature of any special financing relationships which may exist between the District and an agency or organization. Oversight responsibility includes financial interdependency, selection of the governing authority, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The District's financial statements include all funds over which the District exercises oversight responsibility. The District does not exercise oversight responsibility over any other reporting entity. Also, The District is not included as a part of any other reporting entity.

B. Government-Wide and Fund 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. They report information on all of the Kingsland Municipal Utility District nonfiduciary activities with most, if any, of the interfund activities removed. *Governmental activities* include sources supported by taxes, fees and charges for services.

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.

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 expense of the government-wide Statement of Activities.

As discussed above, the District's fund financial statements are combined with the government-wide statements. The fund statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes and user charges. Property tax revenues and revenues received from customers are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, liabilities, and net position or equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of twelve months or less from the date of acquisition.

Temporary investments are stated at cost.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property taxes are recorded as revenue when collected, and the amount of billed but uncollected taxes are deferred pending collection.

Service accounts receivable are recorded using the allowance method of accounting for bad debts. Under this method of accounting, a provision for uncollectible accounts is charged to earnings. The allowance account is increased or decreased based on past collection history and management's evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance account, and recoveries of previously charged off accounts are added to the allowance. As of the end of the fiscal year, the allowance for uncollectible accounts was \$0.

3. Inventories

Inventories are recorded with the purchases method whereby inventories are recorded as expenditures upon acquisition. Significant inventories on hand at year end are reflected as an asset and are fully reserved in the fund equity section.

4. Capital Assets

Capital assets which include property, plant, equipment, and infrastructure assets are reported in the government-wide Statement of Net Position. Capital assets are defined by the District as assets with an initial, individual cost of at least \$1,000. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market

value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciable assets of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Plant & Compost Facility	10-30
Collections & Septic System	15-30
Engineering Fees	40
Buildings	30
Park Improvements	10
Machinery & Equipment	5-15
Trucks	5

5. Paid Time Off

The District has included and adopted a paid time off policy in their personnel manual. Paid time off accrues based on the length of service for each employee. Employees may carry over paid time off accruals from year to year but no more than 256 hours will be paid upon termination.

6. Pensions

The District has made available a retirement plan for the eligible employees whereby the District contributes 9.5% of wages and the employee contributes a voluntary amount with the lowest being 1.45%. For the year ended September 30, 2022, the District contributed a total of \$93,076. The plan is administered by VOYA Financial, Hartford CT. A summary of plan assets and current earnings is available at the District office.

7. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

8. Fund Equity

The District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance – amounts that are not in non-spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Board of Directors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Directors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

9. Budget

The Board of Directors adopts an annual budget for the general fund in accordance with the Accounting Principles applicable to this fund.

10. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts 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 expenses during the reporting period. Actual results could differ from those estimates.

11. Deferred Inflows/Deferred Outflows

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period while a deferred inflow of resources is an acquisition of net position. These items are presented in separate sections following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

Revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Revenues not expected to be available for the current period are reflected as deferred revenue. Unavailable revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

12. Implementation of GASB Statement No. 87. As of October 1, 2021, the District adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

NOTE 3. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Total Fund Balance - Governmental Funds	\$ 8,519,273
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$20,442,072 and the accumulated depreciation was \$11,732,726. The effect of including the beginning balances for capital assets (net of depreciation) is to increase net position.	8,709,346
2 Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government wide financial statements. The net effect of including the 2022 capital outlays is to increase net position.	988,657
3 The 2022 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(469,144)
4 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue. The net effect of these reclassifications and recognitions is to decrease net position.	<u>1,048</u>
Net Position of Governmental Activities	<u>\$ 17,749,180</u>

Reconciliation of the Governmental Fund Statement of Revenues, Expenditure,
and Changes in Fund Balance to the Statement of Activities

Total Net Change in Fund Balances - Governmental Funds	\$	975,205
1 Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government wide financial statements. The net effect of removing the 2022 capital outlays is to increase net position.		988,657
2 Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.		(469,144)
3 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy. The net effect of these reclassifications and recognitions is to decrease the change in net position.		<u>12,901</u>
Change in Net Position of Governmental Activities	\$	<u><u>1,507,619</u></u>

NOTE 4. DEPOSITS AND INVESTMENTS

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At 09/30/2022, the carrying amount of the District's deposits was \$8,190,896 and the bank balance was \$8,569,445. The District's cash deposits at 09/30/2022 and during the year ended 09/30/2022 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is not in substantial compliance with the requirements of the Act and with local policies.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Policies Governing Deposits and Investments

In compliance with the **Public Funds Investment Act**, the District has adopted a deposit and investment policy. That policy does address the following risks:

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

Custodial Credit Risk - Deposits: This is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District was not exposed to custodial credit risk since its deposits at year-end and during the year ended 09/30/2022 were covered by depository insurance or by pledged collateral held by the District's agent bank in the District's name.

The District's temporary investments at year end are shown below:

Investment	Fair Value Level	Rating	Maturity	Fair Value
Certificates of Deposit	2	AAA	120 Days Avg	308,942

NOTE 5. PROPERTY TAXES

Kingsland Municipal Utility District contracts with Burnet County Appraisal District and Llano County Appraisal District for tax appraisal and Burnet County Appraisal District and Llano County Tax Assessor/Collector for collection of taxes. By September 1 of each year, the rate of taxation is set by the Board of Directors based upon the valuation of property within the District as of January 1. Taxes are due October 1, and become delinquent after January 31 of the following year.

For the 2021 tax roll, the District levied an ad valorem maintenance tax at a rate of \$.20039 per \$100 of assessed valuation, which resulted in a tax levy (before corrections and adjustments) of \$2,714,884 on the taxable valuation of \$1,354,799,860.

NOTE 6. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year 09/30/2022, was as follows:

	Primary Government			
	Beginning			Ending
	Balance	Additions	Retirements	Balance
	10/1/21			09/30/2022
Governmental Activities				
Land	\$ 1,849,698	\$	\$	\$ 1,849,698
Plant	4,419,271	148,985		4,568,256
Septic Facility	264,730			264,730
Collection System	7,581,687	533,808		8,115,495
Compost Facility	575,312			575,312
Engineering	756,952			756,952
Buildings	2,325,502	5,830		2,331,332
Park Improvements	251,633	182		251,815
Machinery & Equipment	1,285,123	146,365		1,431,488
Trucks	958,170			958,170
Office Furniture	132,619			132,619
Construction in Progress	41,375	153,488		194,863
Totals	\$ 20,442,072	\$ 988,657	\$ -	\$ 21,430,729
Less Accumulated Depreciation	(11,732,726)	(469,144)		(12,201,870)
Capital Assets, Net	\$ 8,709,346	\$ 519,513	\$ -	\$ 9,228,859

NOTE 7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District contracts with the Texas Municipal League (TML) to provide insurance coverage for identified risks. TML is a multi-government group that provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Liability by the District is generally limited to the contributed amounts. Annual contributions for the year ended 09/30/2022 were \$66,060.

NOTE 8. INSURANCE

All regular employees of the District are eligible under the group hospitalization insurance program provided by the District through Scott & White Health Plan and the life insurance program provided by the District through The Hartford. The District pays the premium for eligible employees and the employees are responsible for any dependent coverage.

NOTE 9. MONEY PURCHASE PENSION PLAN AND TRUST

Plan Description: Kingsland Municipal Utility District Money Purchase Pension Plan and Trust (Plan) was adopted February 1, 1982 and the Plan was amended and re-stated effective October 1, 2015. The District contracts with VOYA Financial to administer the Plan. A money purchase pension plan and trust is a 401(a) retirement plan.

Contributions: The District contributes 9.5% of wages and the employee contributes a voluntary amount with the lowest percentage being 1.45%. All money contributed to the plan is held in a Trust Fund. The Trustees are responsible for the safekeeping of the Trust Fund and must hold and invest Plan assets in a prudent manner and in the best interest of the plan participants and their beneficiaries. The Trust Fund is the funding medium used for the accumulation of assets from which benefits will be distributed. While all the Plan assets are held in a Trust Fund, the Administrator separately accounts for each Participant's interest in the Plan.

Employees are eligible at the time of employment to participate in the plan. Contributions an employee makes and the earnings on those contributions are immediately fully vested. The contributions made by the District and the earnings on those contributions require the employee to work for the District for five (5) years before they are fully vested. The contributions will not be considered forfeit until the earlier of (1) the last day of the plan year in which the former participant incurs five (5) consecutive 1-year breaks in service or (2) the distribution of the entire vested portion of the participant's account. Forfeitures will be used to reduce any employer contributions. District contributions to the plan for the year ended September 30, 2022 were \$93,076.

NOTE 10. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Actual expenditures exceeded appropriations in the Insurance and Bonds and Capital Outlay line items but not in total.

NOTE 11. PRIOR PERIOD ADJUSTMENT

A prior period adjustment in the amount of \$12,828 was made to correct posting of annexation legal fees in the General Fund. The beginning General Fund balance was \$7,531,240. The restated beginning fund balance is \$7,544,068.

NOTE 12. LITIGATION

Management represents there is no litigation pending against the District which would have a material effect on the financial statements.

NOTE 13. CONTRACTS

During the year ended September 30, 2022 the District contracted with Udelboven, Inc. for improvements to the Woodyville Lift Station. The original contract amount is \$569,848.70. The balance on the contract at September 30, 2022 was \$440,732.

NOTE 14. SUBSEQUENT EVENTS

The District has evaluated subsequent events through February 9, 2023, the date which the financial statements were available to be issued. The District is not aware of any subsequent events that materially impact the financial statements.

REQUIRED SUPPLEMENTAL SCHEDULE

KINGSLAND MUNICIPAL UTILITY DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON
 SCHEDULE - GENERAL FUND - FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 2,721,922	\$ 2,421,645	\$ 2,725,931	\$ 304,286
Wastewater Service	1,322,220	1,171,792	1,245,305	73,513
Wastewater Service Installation	127,500	120,750	481,187	360,437
Fees	91,200	76,200	206,182	129,982
Recreational Facilities			12,200	12,200
Recycle Center	11,000	11,000	17,351	6,351
Interest	14,110	36,000	23,911	(12,089)
Miscellaneous	2,800	2,800	26,537	23,737
Total Revenues	4,290,752	3,840,187	4,738,604	898,417
Expenditures/Expenses:				
Service Operations:				
Salaries, Benefits & Payroll Taxes	\$ 1,514,000	\$ 1,513,000	\$ 1,386,576	\$ 126,424
Insurance and Bonds	60,400	55,400	70,700	(15,300)
Consultants	311,000	292,000	290,909	1,091
General and Administrative	204,950	167,450	137,297	30,153
Plant and Field	1,109,450	974,850	889,261	85,589
Capital Outlay	937,410	937,410	988,657	(51,247)
Total Expenditures/Expenses	4,137,210	3,940,110	3,763,399	176,710
Excess (deficiency) of revenues over expenditures	153,542	(99,923)	975,205	1,075,127
Fund Balance/Net Position:				
Beginning of the Year	7,531,240	7,531,240	7,531,240	-
Prior Period Adjustment	12,828	12,828	12,828	
End of the Year	\$ 7,697,610	\$ 7,444,145	\$ 8,519,273	\$ 1,075,127

The notes to the Financial Statements are an integral part of this statement.

TEXAS SUPPLEMENTARY INFORMATION

KINGSLAND MUNICIPAL UTILITY DISTRICT
TEXAS SUPPLEMENTARY INFORMATION (TSI)

09/30/2022

- TSI-1. Services and Rates
- TSI-2. General Fund Expenditures
- TSI-3. Temporary Investments
- TSI-4. Taxes Levied and Receivable
- TSI-5. Comparative Schedule of Revenue and Expenditures -
General and Debt Service Funds - Five Years
- TSI-6. Board Members, Key Personnel and Consultants

KINGSLAND MUNICIPAL UTILITY DISTRICT
TSI-1. SERVICES AND RATES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

1 Services Provided by the District during the Fiscal Year:

- | | | |
|--|---|-------------------------------------|
| <input type="checkbox"/> Retail Water | <input type="checkbox"/> Wholesale Water | <input type="checkbox"/> Drainage |
| <input checked="" type="checkbox"/> Retail Wastewater | <input type="checkbox"/> Wholesale Wastewater | <input type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks/Recreation | <input type="checkbox"/> Fire Protection | <input type="checkbox"/> Security |
| <input type="checkbox"/> Solid Waste/Garbage | <input type="checkbox"/> Flood Control | <input type="checkbox"/> Roads |
| <input type="checkbox"/> Participates in joint venture, regional system, and/or wastewater service (other than emergency interconnect) | | |
| <input checked="" type="checkbox"/> Other (specify): Parks | | |

2 Retail Service Providers

a. Retail Rates for a 5/8" meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per first 1000 Gallons Over Minimum	Rate per additional 1000 Gallons Over Minimum
WATER:	\$ -	-	N	\$ -	\$ -
WASTEWATER:	\$ 26.00	-	Y	\$ -	\$ -
SURCHARGE:	\$ -			\$ -	\$ -

District employs winter averaging for wastewater usage? Yes No

Total charges per 10,000 gallons usage: Water: \$ - Wastewater: \$ 26.00

b. Water and Wastewater Retail Connections:

	Active Connections	Active ESFC	Inactive Connections (ESFC)
Single Family	2865	2	176
Multi-Family & Commercial	159		
Other-Recreational Centers	32		
Government, VFD & Nonprofit	19		
Total	3075	2	176

3 Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):

Gallons pumped into system: N/A

Gallons billed to customers: N/A

4 Standby Fees (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes No

If yes, Date of the most recent Commission Order: _____

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

If yes, Date of the most recent Commission Order: _____

5 Location of District (required for first audit year or when information changes, otherwise this information may be omitted):

County(ies) in which the District is located:

Llano and Burnet

Is the District located entirely within one county?

Yes No

Is the District located within a city?

Entirely Partly

Not at all

City(ies) in which the District is located:

N/A

Is the District located within a city's extra territorial jurisdiction (ETJ)?

ETJs in which the District is located:

Entirely Partly

Not at all

Are Board members appointed by an office outside the district?

Yes

No

If Yes, by whom?

KINGSLAND MUNICIPAL UTILITY DISTRICT
 TSI-2. GENERAL FUND EXPENDITURES
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Personnel Expenditures (including benefits) *	\$ 1,386,576
Insurance and Bonds:	
Insurance	70,500
Director's Bonds	200
Consultants:	
Legal	83,125
Audit	10,000
Tax Collection and Appraisal Fees	69,314
Engineering	64,462
Other	64,007
General and Administrative	
Telecommunications	15,292
Computer Expense	28,488
Environmental Quality Control	87
Other	93,430
Plant and Field:	
Plant Maintenance	68,037
Field Maintenance	352,867
Lift Station Repairs	89,839
Equipment Repairs	23,661
Chemicals	43,631
Lab Supplies	39,018
Utilities	97,569
Other	174,639
Capital Outlay:	
Capitalized Assets	988,657
TOTAL EXPENDITURES	\$ 3,763,399

* Number of persons employed by the District: 18 Full-Time 0 Part-Time

KINGSLAND MUNICIPAL UTILITY DISTRICT
 TSI-3. TEMPORARY INVESTMENTS
 SEPTEMBER 30, 2022

Funds	Account or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Received at End of Year
Bancorp South Certificate of Deposit	93100011865600	0.25%	10/25/2022	\$ 141,253	
Security State Bank Certificate of Deposit	46684	0.4%	8/4/2023	167,689	
Total General Fund				\$ <u>308,942</u>	<u>-</u>

KINGSLAND MUNICIPAL UTILITY DISTRICT
 TSI-5. COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
 GENERAL FUND
 FIVE YEARS ENDED SEPTEMBER 30, 2022

	AMOUNTS		
	2022	2021	2020
GENERAL FUND REVENUES:			
Property Taxes	\$ 2,725,931	\$ 2,429,898	\$ 2,249,803
Wastewater Service	1,245,305	1,222,486	1,199,885
Wastewater Service Installation	481,187	345,769	285,142
Fees	206,182	149,799	124,870
Recreational Facilities	12,200	15,623	2,182
Recycle Center	17,351	14,785	9,494
Interest	23,911	17,135	69,354
Grant			76,684
Miscellaneous	26,537	3,783	38,163
Total Revenues	\$ 4,738,604	\$ 4,199,278	\$ 4,055,577
<u>Expenditures/Expenses:</u>			
<u>Service Operations:</u>			
Salaries, Benefits & Payroll Taxes	\$ 1,386,576	\$ 1,200,685	\$ 1,212,688
Insurance and Bonds	70,700	55,100	49,328
Consultants	290,909	160,782	146,493
General and Administrative	137,297	103,812	93,010
Plant and Field	889,261	659,581	875,570
<u>Capital Outlay</u>	988,657	1,340,369	1,316,111
Total Expenditures/Expenses	\$ 3,763,399	\$ 3,520,329	\$ 3,693,200
EXCESS REVENUES OVER (UNDER) EXPENDITURES	\$ 975,205	\$ 678,949	\$ 362,377