

**CROSBY MUNICIPAL UTILITY DISTRICT**

**HARRIS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2024**

**MCCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC**  
Certified Public Accountants

## TABLE OF CONTENTS

|  | <u>PAGE</u> |
|--|-------------|
| INDEPENDENT AUDITOR'S REPORT   | 1-3         |
| MANAGEMENT'S DISCUSSION AND ANALYSIS   | 4-8         |
| BASIC FINANCIAL STATEMENTS   |             |
| STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET   | 9-12        |
| RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE<br>STATEMENT OF NET POSITION   | 13          |
| STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES,<br>EXPENDITURES AND CHANGES IN FUND BALANCES                             | 14-15       |
| RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,<br>EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF<br>ACTIVITIES | 16          |
| NOTES TO FINANCIAL STATEMENTS  | 17-39       |
| REQUIRED SUPPLEMENTARY INFORMATION   |             |
| SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET<br>AND ACTUAL-GENERAL FUND   | 41          |
| SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  | 42-43       |
| SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION   | 44          |
| SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS<br>LIABILITY AND RELATED RATIOS   | 45          |
| SUPPLEMENTARY INFORMATION – REQUIRED BY THE WATER DISTRICT FINANCIAL<br>MANAGEMENT GUIDE   |             |
| NOTES REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE<br>(Included in the notes to financial statements)                             |             |
| SERVICES AND RATES   | 47-49       |
| GENERAL FUND EXPENDITURES  | 50          |
| INVESTMENTS  | 51          |
| TAXES LEVIED AND RECEIVABLE  | 52-54       |
| LONG-TERM DEBT SERVICE REQUIREMENTS  | 55-60       |
| ANALYSIS OF CHANGES IN LONG-TERM DEBT  | 61-62       |
| COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES GENERAL FUND AND<br>DEBT SERVICE FUND- FIVE YEARS  | 63-66       |
| BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS   | 67-68       |

# ***McCall Gibson Swedlund Barfoot Ellis PLLC***

*Certified Public Accountants*

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Crosby Municipal Utility District  
Harris County, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Crosby Municipal Utility District (the "District") as of and for the year ended December 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 December 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.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of District Contributions – Pension, and Schedule of Changes in Total Other Postemployment Benefits Liability and Related Ratios 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  
Crosby Municipal Utility District

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*McCall Gibson Swedlund Barfoot Ellis PLLC*

McCall Gibson Swedlund Barfoot Ellis PLLC  
Certified Public Accountants  
Houston, Texas

April 15, 2025

# **CROSBY MUNICIPAL UTILITY DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024**

Management's discussion and analysis of the financial performance of Crosby Municipal Utility District (the "District") provides an overview of the District's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the District's financial statements.

## **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. This report also includes required and other supplementary information in addition to the basic financial statements.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes all of the District's assets, liabilities, deferred inflows of resources, and deferred outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

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

## **FUND FINANCIAL STATEMENTS**

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for customer service revenues, property tax revenues, operating costs, professional fees, and administrative 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.

# **CROSBY MUNICIPAL UTILITY DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024**

## **FUND FINANCIAL STATEMENTS (Continued)**

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

## **NOTES TO THE FINANCIAL STATEMENTS**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

## **OTHER INFORMATION**

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") and other supplementary information. The budgetary comparison schedule is included as RSI for the General Fund. Schedules related to the pension plan and the other postemployment benefits plan are also included as RSI.

## **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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$19,080,432 as of December 31, 2024. A portion of the District's net position reflects its net investment in capital assets which includes land, buildings and equipment as well as the water and wastewater facilities less any debt used to acquire those assets that is still outstanding.

**CROSBY MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

The following is a comparative analysis of government-wide changes in Net Position:

|  | Summary of Changes in the Statement of Net Position |               |                                  |
|--|---|---------------|----------------------------------|
|  | 2024  | 2023          | Change<br>Positive<br>(Negative) |
| Current and Other Assets                         | \$ 15,669,730                                       | \$ 14,227,668 | \$ 1,442,062                     |
| Capital Assets (Net of Accumulated Depreciation) | 19,179,476  | 19,117,957    | 61,519                           |
| Total Assets                                     | \$ 34,849,206                                       | \$ 33,345,625 | \$ 1,503,581                     |
| Deferred Outflows of Resources                   | \$ 208,659  | \$ 320,168    | \$ (111,509)                     |
| Due to Developer                                 | \$ 449,461  | \$ 449,461    | \$                               |
| Bonds Payable                                    | 11,584,519  | 13,185,697    | 1,601,178                        |
| Other Liabilities                                | 1,674,037   | 1,035,039     | (638,998)                        |
| Total Liabilities                                | \$ 13,708,017                                       | \$ 14,670,197 | \$ 962,180                       |
| Deferred Inflows of Resources                    | \$ 2,269,416  | \$ 2,272,529  | \$ 3,113                         |
| Net Position:                                    |   |               |                                  |
| Net Investment in Capital Assets                 | \$ 12,287,698                                       | \$ 10,883,641 | \$ 1,404,057                     |
| Restricted                                       | 2,103,303   | 1,910,155     | 193,148                          |
| Unrestricted                                     | 4,689,431   | 3,929,271     | 760,160                          |
| Total Net Position                               | \$ 19,080,432                                       | \$ 16,723,067 | \$ 2,357,365                     |

The following table provides a summary of the District's operations for the years ended December 31, 2024, and December 31, 2023.

|                                 | Summary of Changes in the Statement of Activities |               |                                  |
|---------------------------------|---|---------------|----------------------------------|
|                                 | 2024  | 2023          | Change<br>Positive<br>(Negative) |
| Revenues:                       |   |               |                                  |
| Property Taxes                  | \$ 2,222,906                                      | \$ 2,067,602  | \$ 155,304                       |
| Charges for Services            | 3,568,746   | 3,243,542     | 325,204                          |
| Other Revenues                  | 666,425   | 488,759       | 177,666                          |
| Total Revenues                  | \$ 6,458,077                                      | \$ 5,799,903  | \$ 658,174                       |
| Expenses for Services           | 4,100,712   | 4,019,069     | (81,643)                         |
| Change in Net Position          | \$ 2,357,365                                      | \$ 1,780,834  | \$ 576,531                       |
| Net Position, Beginning of Year | 16,723,067  | 14,942,233    | 1,780,834                        |
| Net Position, End of Year       | \$ 19,080,432                                     | \$ 16,723,067 | \$ 2,357,365                     |



**CROSBY MUNICIPAL UTILITY DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**FINANCIAL ANALYSIS OF THE DISTRICT’S GOVERNMENTAL FUNDS**

The District’s combined fund balances as of December 31, 2024, were \$12,050,522, an increase of \$662,488 from the prior year.

The General Fund fund balance increased by \$769,153, primarily due to service revenues exceeding operating and administrative costs, as well as a transfer to the Capital Projects Fund.

The Debt Service Fund fund balance increased by \$127,236, primarily due to the structure of the District’s outstanding debt.

The Capital Projects Fund fund balance decreased by \$233,901. The decrease in the Capital Projects Fund fund balance was primarily due to current year capital outlay costs which exceeded a transfer in from the General Fund and investment revenues.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors adopted a budget for the General Fund which was amended during the current fiscal year to adjust for anticipated increases to property tax revenues and personnel costs. Actual revenues were \$745,612 more than budgeted revenues, actual expenditures were \$17,459 more than budgeted expenditures, and actual transfers out were less than budgeted by \$39,500 which resulted in a positive budget variance of \$767,653. See the budget to actual comparison for more information.

**LONG-TERM DEBT ACTIVITY**

As of December 31, 2024, the District had total bond debt payable of \$11,625,000. The changes in the debt position of the District during the current fiscal year are summarized as follows:

|                                      |                      |
|--------------------------------------|----------------------|
| Bond Debt Payable, January 1, 2024   | \$ 13,180,000        |
| Less: Bond Principal Paid            | <u>(1,555,000)</u>   |
| Bond Debt Payable, December 31, 2024 | <u>\$ 11,625,000</u> |

The Series 2015 Refunding, Series 2017, Series 2019 and Series 2022 Bonds carry underlying ratings of “A” and insured ratings of “AA” by virtue of bond insurance issued by Build America Mutual Assurance Company. The Defined Area No. 1 Series 2022 Bonds do not carry an underlying or insured rating. Credit enhanced ratings provided through bond insurance policies are subject to change based on changes to the ratings of the insurers.

**CROSBY MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**CAPITAL ASSETS**

Capital assets as of December 31, 2024, total \$19,179,476 (net of accumulated depreciation) and include land, buildings, equipment, furniture, fixtures, and vehicles as well as the detention pond and the water and wastewater systems.

| Capital Assets At Year-End              |                      |                      |                                  |
|---|----------------------|----------------------|----------------------------------|
|   | 2024                 | 2023                 | Change<br>Positive<br>(Negative) |
| Capital Assets Not Being Depreciated:   |                      |                      |                                  |
| Land and Land Improvements              | \$ 260,900           | \$ 260,900           | \$                               |
| Construction in Progress                | 876,837              | 152,781              | 724,056                          |
| Capital Assets Subject to Depreciation: |                      |                      |                                  |
| Water System                            | 13,919,299           | 13,919,299           |                                  |
| Wastewater System                       | 14,379,018           | 14,233,316           | 145,702                          |
| Detention Pond                          | 443,044              | 443,044              |                                  |
| Buildings, Furniture, Fixtures          | 575,912              | 575,912              |                                  |
| Vehicles, Machinery, Equipment          | 949,982              | 894,210              | 55,772                           |
| Less Accumulated Depreciation           | <u>(12,225,516)</u>  | <u>(11,361,505)</u>  | <u>(864,011)</u>                 |
| Total Net Capital Assets                | <u>\$ 19,179,476</u> | <u>\$ 19,117,957</u> | <u>\$ 61,519</u>                 |

**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 Crosby Municipal Utility District, P.O. Box 249, Crosby, TX 77532

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**DECEMBER 31, 2024**

|  | General<br>Fund     | Debt<br>Service Fund |
|--|---------------------|----------------------|
| <b>ASSETS</b>  |                     |                      |
| Cash   | \$ 956,374          | \$ 1,747,890         |
| Investments  | 4,323,611           | 1,519,457            |
| Receivables:   |                     |                      |
| Property Taxes   | 22,180              | 1,101,578            |
| Penalty and Interest on Delinquent Taxes                   |                     |                      |
| Service Accounts   | 269,928             |                      |
| Other  | 925                 |                      |
| Due from Other Funds                                       | 105,378             |                      |
| Net Pension Asset  |                     |                      |
| Land   |                     |                      |
| Construction in Progress                                   |                     |                      |
| Capital Assets (Net of Accumulated Depreciation)           |                     |                      |
| <b>TOTAL ASSETS</b>  | <u>\$ 5,678,396</u> | <u>\$ 4,368,925</u>  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                      |                     |                      |
| Pension Plan Charges                                       | \$                  | \$                   |
| Deferred Charges on Refunding Bonds                        |                     |                      |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>                | <u>\$ - 0 -</u>     | <u>\$ - 0 -</u>      |
| <b>TOTAL ASSETS AND DEFERRED<br/>OUTFLOWS OF RESOURCES</b> | <u>\$ 5,678,396</u> | <u>\$ 4,368,925</u>  |

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

| Capital<br>Projects Fund | Total                | Adjustments          | Statement of<br>Net Position |
|--------------------------|----------------------|----------------------|------------------------------|
| \$ 1,695,649             | \$ 4,399,913         | \$                   | \$ 4,399,913                 |
| 3,779,324                | 9,622,392            |                      | 9,622,392                    |
|                          | 1,123,758            |                      | 1,123,758                    |
|                          |                      | 112,914              | 112,914                      |
|                          | 269,928              |                      | 269,928                      |
|                          | 925                  |                      | 925                          |
|                          | 105,378              | (105,378)            |                              |
|                          |                      | 139,900              | 139,900                      |
|                          |                      | 260,900              | 260,900                      |
|                          |                      | 876,837              | 876,837                      |
|                          |                      | 18,041,739           | 18,041,739                   |
| <u>\$ 5,474,973</u>      | <u>\$ 15,522,294</u> | <u>\$ 19,326,912</u> | <u>\$ 34,849,206</u>         |
| \$                       | \$                   | \$ 196,340           | \$ 196,340                   |
|                          |                      | 12,319               | 12,319                       |
| <u>\$ - 0 -</u>          | <u>\$ - 0 -</u>      | <u>\$ 208,659</u>    | <u>\$ 208,659</u>            |
| <u>\$ 5,474,973</u>      | <u>\$ 15,522,294</u> | <u>\$ 19,535,571</u> | <u>\$ 35,057,865</u>         |

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

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**DECEMBER 31, 2024**

|   | General<br>Fund     | Debt<br>Service Fund |
|---|---------------------|----------------------|
| <b>LIABILITIES</b>  |                     |                      |
| Accounts Payable  | \$ 302,917          | \$                   |
| Accrued Interest Payable  |                     |                      |
| Due to Developer  |                     |                      |
| Compensated Absences Payable  |                     |                      |
| Due to Other Funds  |                     | 105,378              |
| Security Deposits   | 311,705             |                      |
| Net Other Postemployment Benefits Liability                                   |                     |                      |
| Long-Term Liabilities:  |                     |                      |
| Bonds Payable, Due Within One Year  |                     |                      |
| Bonds Payable, Due After One Year   |                     |                      |
| <b>TOTAL LIABILITIES</b>  | <u>\$ 614,622</u>   | <u>\$ 105,378</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                     |                      |
| Property Taxes  | \$ 141,776          | \$ 2,254,461         |
| Pension Plan Charges  |                     |                      |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                    | <u>\$ 141,776</u>   | <u>\$ 2,254,461</u>  |
| <b>FUND BALANCES</b>  |                     |                      |
| Restricted for Authorized Construction  | \$                  | \$                   |
| Restricted for Defined Area No. 1 Activity                                    | 182,562             | 253,474              |
| Restricted for Defined Area No. 2 Activity                                    | 11,313              |                      |
| Restricted for District Debt Service  |                     | 1,755,612            |
| Committed for HRA Costs   | 89,647              |                      |
| Unassigned  | 4,638,476           |                      |
| <b>TOTAL FUND BALANCES</b>  | <u>\$ 4,921,998</u> | <u>\$ 2,009,086</u>  |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <u>\$ 5,678,396</u> | <u>\$ 4,368,925</u>  |
| <b>NET POSITION</b>   |                     |                      |
| Net Investment in Capital Assets  |                     |                      |
| Restricted for Debt Service   |                     |                      |
| Unrestricted  |                     |                      |
| <b>TOTAL NET POSITION</b>   |                     |                      |

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

| Capital<br>Projects Fund | Total                | Adjustments            | Statement of<br>Net Position |
|--------------------------|----------------------|------------------------|------------------------------|
| \$ 355,535               | \$ 658,452           | \$                     | \$ 658,452                   |
|                          |                      | 162,337                | 162,337                      |
|                          |                      | 449,461                | 449,461                      |
|                          |                      | 67,992                 | 67,992                       |
|                          | 105,378              | (105,378)              |                              |
|                          | 311,705              |                        | 311,705                      |
|                          |                      | 473,551                | 473,551                      |
|                          |                      | 975,000                | 975,000                      |
|                          |                      | 10,609,519             | 10,609,519                   |
| <u>\$ 355,535</u>        | <u>\$ 1,075,535</u>  | <u>\$ 12,632,482</u>   | <u>\$ 13,708,017</u>         |
| \$                       | \$ 2,396,237         | \$ (143,709)           | \$ 2,252,528                 |
|                          |                      | 16,888                 | 16,888                       |
| <u>\$ - 0 -</u>          | <u>\$ 2,396,237</u>  | <u>\$ (126,821)</u>    | <u>\$ 2,269,416</u>          |
| \$ 5,113,572             | \$ 5,113,572         | \$ (5,113,572)         | \$                           |
| 5,866                    | 441,902              | (441,902)              |                              |
|                          | 11,313               | (11,313)               |                              |
|                          | 1,755,612            | (1,755,612)            |                              |
|                          | 89,647               | (89,647)               |                              |
|                          | 4,638,476            | (4,638,476)            |                              |
| <u>\$ 5,119,438</u>      | <u>\$ 12,050,522</u> | <u>\$ (12,050,522)</u> | <u>\$ - 0 -</u>              |
| <u>\$ 5,474,973</u>      | <u>\$ 15,522,294</u> |                        |                              |
|                          |                      | \$ 12,287,698          | \$ 12,287,698                |
|                          |                      | 2,103,303              | 2,103,303                    |
|                          |                      | 4,689,431              | 4,689,431                    |
|                          |                      | <u>\$ 19,080,432</u>   | <u>\$ 19,080,432</u>         |

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

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2024**

|  |    |            |
|--|----|------------|
| Total Fund Balances - Governmental Funds | \$ | 12,050,522 |
|--|----|------------|

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

|  |  |            |
|--|--|------------|
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. |  | 19,179,476 |
|--|--|------------|

|  |  |           |
|--|--|-----------|
| Assets, liabilities, deferred inflows of resources and deferred outflows of resources related to pension and other postemployment benefits are recorded in the government-wide financial statements. |  | (154,199) |
|--|--|-----------|

|   |  |        |
|---|--|--------|
| The difference between the net carrying amount of refunded bonds and the reacquisition price is recorded as a deferred outflow in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. |  | 12,319 |
|---|--|--------|

|  |  |         |
|--|--|---------|
| Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2023 and prior tax levies became part of recognized revenue in the governmental activities of the District. |  | 256,623 |
|--|--|---------|

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                             | \$ (449,461)        |                     |
| Accrued Interest Payable                     | (162,337)           |                     |
| Compensated Absences Payable                 | (67,992)            |                     |
| Bonds Payable                                | <u>(11,584,519)</u> | <u>(12,264,309)</u> |
| Total Net Position - Governmental Activities | \$                  | <u>19,080,432</u>   |

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

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

|   | General<br>Fund            | Debt<br>Service Fund       |
|---|----------------------------|----------------------------|
| <b>REVENUES</b>   |                            |                            |
| Property Taxes  | \$ 83,533                  | \$ 2,100,948               |
| Water and Wastewater Service  | 2,767,744                  |                            |
| Penalty and Interest  | 70,565                     | 36,584                     |
| Connection and Inspection Fees  | 677,453                    |                            |
| Grant Proceeds  |                            |                            |
| Investment and Miscellaneous Revenues                                 | 227,317                    | 85,105                     |
| <b>TOTAL REVENUES</b>   | <u>\$ 3,826,612</u>        | <u>\$ 2,222,637</u>        |
| <b>EXPENDITURES/EXPENSES</b>  |                            |                            |
| Service Operations:   |                            |                            |
| Personnel   | \$ 1,073,345               | \$                         |
| Professional Fees   | 377,961                    | 69,081                     |
| Purchased Water Service   | 212,280                    |                            |
| Utilities   | 169,453                    |                            |
| Repairs and Maintenance   | 264,768                    |                            |
| Depreciation  |                            |                            |
| Other   | 597,678                    | 7,294                      |
| Capital Outlay  | 201,474                    |                            |
| Debt Service:   |                            |                            |
| Bond Principal  |                            | 1,555,000                  |
| Bond Interest   |                            | 464,026                    |
| <b>TOTAL EXPENDITURES/EXPENSES</b>                                    | <u>\$ 2,896,959</u>        | <u>\$ 2,095,401</u>        |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER<br/>EXPENDITURES/EXPENSES</b> | <u>\$ 929,653</u>          | <u>\$ 127,236</u>          |
| <b>OTHER FINANCING SOURCES (USES)</b>                                 |                            |                            |
| Transfers In (Out)  | <u>\$ (160,500)</u>        | <u>\$ -0-</u>              |
| <b>NET CHANGE IN FUND BALANCES</b>                                    | \$ 769,153                 | \$ 127,236                 |
| <b>CHANGE IN NET POSITION</b>   |                            |                            |
| <b>FUND BALANCES/NET POSITION - JANUARY 1, 2024</b>                   | <u>4,152,845</u>           | <u>1,881,850</u>           |
| <b>FUND BALANCES/NET POSITION - DECEMBER 31, 2024</b>                 | <u><u>\$ 4,921,998</u></u> | <u><u>\$ 2,009,086</u></u> |

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



| Capital<br>Projects Fund | Total                | Adjustments           | Statement of<br>Activities |
|--------------------------|----------------------|-----------------------|----------------------------|
| \$                       | \$ 2,184,481         | \$ 38,425             | \$ 2,222,906               |
|                          | 2,767,744            |                       | 2,767,744                  |
|                          | 107,149              | 16,400                | 123,549                    |
|                          | 677,453              |                       | 677,453                    |
| 137,512                  | 137,512              |                       | 137,512                    |
| 216,491                  | 528,913              |                       | 528,913                    |
| <u>\$ 354,003</u>        | <u>\$ 6,403,252</u>  | <u>\$ 54,825</u>      | <u>\$ 6,458,077</u>        |
| \$                       | \$ 1,073,345         | \$ 8,439              | \$ 1,081,784               |
| 2,160                    | 449,202              | 21,662                | 470,864                    |
|                          | 212,280              |                       | 212,280                    |
|                          | 169,453              |                       | 169,453                    |
| 412                      | 265,180              |                       | 265,180                    |
|                          |                      | 864,011               | 864,011                    |
| 114                      | 605,086              |                       | 605,086                    |
| 745,718                  | 947,192              | (947,192)             |                            |
|                          | 1,555,000            | (1,555,000)           |                            |
|                          | 464,026              | (31,972)              | 432,054                    |
| <u>\$ 748,404</u>        | <u>\$ 5,740,764</u>  | <u>\$ (1,640,052)</u> | <u>\$ 4,100,712</u>        |
| <u>\$ (394,401)</u>      | <u>\$ 662,488</u>    | <u>\$ 1,694,877</u>   | <u>\$ 2,357,365</u>        |
| \$ 160,500               | \$ -0-               | \$ -0-                | \$ - 0 -                   |
| \$ (233,901)             | \$ 662,488           | \$ (662,488)          | \$                         |
|                          |                      | 2,357,365             | 2,357,365                  |
| 5,353,339                | 11,388,034           | 5,335,033             | 16,723,067                 |
| <u>\$ 5,119,438</u>      | <u>\$ 12,050,522</u> | <u>\$ 7,029,910</u>   | <u>\$ 19,080,432</u>       |

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

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

|  |    |         |
|--|----|---------|
| Net Change in Fund Balances - Governmental Funds | \$ | 662,488 |
|--|----|---------|

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. |  | 38,425 |
|--|--|--------|

|   |  |        |
|---|--|--------|
| Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed. |  | 16,400 |
|---|--|--------|

|   |  |         |
|---|--|---------|
| The changes in assets, liabilities, deferred inflows of resources, and deferred outflows of resources pertaining to pension and other postemployment benefits are reflected in the Statement of Activities. |  | (8,439) |
|---|--|---------|

|  |  |           |
|--|--|-----------|
| Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities. |  | (864,011) |
|--|--|-----------|

|   |  |         |
|---|--|---------|
| Governmental funds report capital outlay as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected. |  | 925,530 |
|---|--|---------|

|   |  |           |
|---|--|-----------|
| 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. |  | 1,555,000 |
|---|--|-----------|

|   |  |        |
|---|--|--------|
| Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end. |  | 31,972 |
|---|--|--------|

|  |    |                  |
|--|----|------------------|
| Change in Net Position - Governmental Activities | \$ | <u>2,357,365</u> |
|--|----|------------------|

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

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1. CREATION OF DISTRICT**

The District was created by an Act of the 59th Legislature, Regular Session, 1965 (compiled as 8280-315, Vernon's Texas Civil Statutes) and codified as Chapter 9012 of the Texas Special District Local Laws Code, in order to provide water and sanitary sewer service to the unincorporated community of Crosby. The District currently operates under the provisions of Chapters 49 and 54 of the Texas Water Code and other general statutes of the State of Texas applicable to municipal utility districts. The District is empowered, among other things, to finance, purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; and the collection, transportation and treatment of wastewater; and the control and diversion of storm water. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District may also provide solid waste disposal and collection services. The District is also empowered to establish, operate and maintain fire-fighting facilities, independently or with one or more conservation and reclamation districts, after approval by the Commission and the voters of the District. Additionally, the District may, subject to certain limitations, develop and finance parks and recreational facilities.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Texas Commission on Environmental Quality (the "Commission"). The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District's financial statement as component units.

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.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

Net Position 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 and is 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. 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 are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

Fund Financial Statements

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

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Governmental Funds

The District has three governmental funds and considers each to be a major fund. The General Fund accounts for resources not required to be accounted for in another fund, customer service revenues, property tax revenues, operating costs, professional fees and administrative 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, 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 2023 taxes collected during the period October 1, 2023, to December 31, 2024. In addition, taxes collected from January 1, 2024, to December 31, 2024 for the 2022 and prior tax levies are included in revenue. The 2024 tax levy has been fully deferred to pay for expenditures of the 2025 fiscal year.

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 December 31, 2024, the Debt Service Fund recorded a payable to the General Fund in the amount of \$105,378 for maintenance tax collections. During the current fiscal year, the General Fund transferred funds totaling \$160,500 to the Capital Projects Fund for capital projects fees billed and collected from customers during the current fiscal year.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital 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. Individual capital items, including infrastructure assets are capitalized, 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 5 to 40 years.

Budgeting

An annual budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original budget and amended budget amounts compared to the actual amounts of revenues and expenditures for the current year.

Pension, Other Postemployment, and Employee Benefits

The Internal Revenue Service has determined that directors are considered to be “employees” for federal payroll tax purposes only. See Notes 8 and 9 for more information on the District's pension plan and other postemployment benefits plan which are for the benefit of the District's employees (Directors are excluded from participation). The District also maintains an HRA account for the benefit of its employees.

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.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position. Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

*Nonspendable:* amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.

*Restricted:* amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

*Committed:* amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District committed a portion of its General Fund fund balance for the benefit of its employees. The HRA account has a year end balance of \$89,647 which was a decrease of \$370 over the previous year. The District contributed \$30,000 to the account and paid employee related costs totaling \$30,370.

*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.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 3. LONG-TERM DEBT**

|   | Refunding<br>Series 2015  | Series 2017               | Series 2019               |
|---|---------------------------|---------------------------|---------------------------|
| Amount Outstanding –<br>December 31, 2024 | \$ 390,000                | \$ 2,340,000              | \$ 2,380,000              |
| Interest Rates                            | 4.00%                     | 2.00% - 3.25%             | 2.00% - 2.85%             |
| Maturity Date                             | August 15,<br>2025        | August 15,<br>2025/2037   | August 15,<br>2025/2039   |
| Interest Payment Dates                    | February 15/<br>August 15 | February 15/<br>August 15 | February 15/<br>August 15 |
| Callable Dates                            | August 15, 2024*          | August 15, 2026*          | August 15, 2027*          |

  

|   | Series 2022               | Defined Area No. 1<br>Series 2022 |
|---|---------------------------|-----------------------------------|
| Amount Outstanding –<br>December 31, 2024 | \$ 2,540,000              | \$ 3,975,000                      |
| Interest Rates                            | 1.125% - 2.25%            | 5.00% - 5.75%                     |
| Maturity Date                             | August 15,<br>2025/2041   | August 15,<br>2025/2048           |
| Interest Payment Dates                    | February 15/<br>August 15 | February 15/<br>August 15         |
| Callable Dates                            | August 15, 2029*          | August 15, 2029*                  |

\* Or any date thereafter at a price of par plus unpaid accrued interest in whole or in part, at the option of the District. Series 2017 term bonds maturing on August 15, 2027, 2029, 2031, 2033, 2035 and 2037, are subject to mandatory redemption beginning August 15, 2026, 2028, 2030, 2032, 2034 and 2036, respectively. Series 2019 term bonds maturing on August 15, 2031, 2033, 2035, 2037 and 2039, are subject to mandatory redemption beginning August 15, 2030, 2032, 2034, 2036 and 2038, respectively. Series 2022 term bonds maturing on August 15, 2023, 2025, 2027, 2031, 2033, 2035, 2037, 2039, and 2041 are subject to mandatory redemption beginning on August 15, 2022, 2024, 2026, 2029, 2032, 2034, 2036, 2038, and 2040, respectively. Defined Area No. 1 Series 2022 term bonds maturing on August 15, 2032, 2036, 2039, 2042, and 2048 are subject to mandatory redemption beginning on August 15, 2031, 2033, 2037, 2040, and 2043, respectively.



**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 3. LONG-TERM DEBT (Continued)**

The District has authorized but unissued bonds which may be issued to fund utility infrastructure in the amount of \$20,000,000. The District also has authorized but unissued Defined Area No. 1 bonds in the amount of \$10,935,000 and Defined Area No. 2 bonds of \$42,000,000 which may be issued to fund utility infrastructure within the defined areas.

Transactions concerning bonds payable are summarized in the following table:

|                       | January 1,<br>2024   | Additions                  | Retirements         | December 31,<br>2024 |
|-----------------------|----------------------|----------------------------|---------------------|----------------------|
| Bonds Payable         | \$ 13,180,000        | \$                         | \$ 1,555,000        | \$ 11,625,000        |
| Unamortized Discounts | (78,232)             |                            | (9,851)             | (68,381)             |
| Unamortized Premiums  | 83,929               |                            | 56,029              | 27,900               |
| Bonds Payable, Net    | <u>\$ 13,185,697</u> | <u>\$ -0-</u>              | <u>\$ 1,601,178</u> | <u>\$ 11,584,519</u> |
|                       |                      | Amount Due Within One Year |                     | \$ 975,000           |
|                       |                      | Amount Due After One Year  |                     | <u>10,609,519</u>    |
|                       |                      | Bonds Payable, Net         |                     | <u>\$ 11,584,519</u> |

Debt service requirements on the bonds outstanding are summarized in the following table:

| Fiscal Year | Principal            | Interest            | Total                |
|-------------|----------------------|---------------------|----------------------|
| 2025        | \$ 975,000           | \$ 409,098          | \$ 1,384,098         |
| 2026        | 585,000              | 380,260             | 965,260              |
| 2027        | 590,000              | 364,848             | 954,848              |
| 2028        | 595,000              | 349,185             | 944,185              |
| 2029        | 600,000              | 332,335             | 932,335              |
| 2030-2034   | 3,075,000            | 1,393,325           | 4,468,325            |
| 2035-2039   | 2,865,000            | 900,657             | 3,765,657            |
| 2040-2044   | 1,315,000            | 485,550             | 1,800,550            |
| 2045-2048   | 1,025,000            | 151,225             | 1,176,225            |
|             | <u>\$ 11,625,000</u> | <u>\$ 4,766,483</u> | <u>\$ 16,391,483</u> |

The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the costs of assessing and collecting taxes. During the year ended December 31, 2024, the District levied ad valorem debt service tax rate of \$0.31 per \$100 of assessed valuation, which resulted in a levy of \$1,644,240 on the adjusted taxable valuation of \$530,400,028 for the 2024 tax year.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 3. LONG-TERM DEBT (Continued)**

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 order states that the District is required by the Securities and Exchange Commission to provide annual continuing disclosure of certain general financial information and operating data 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.

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds, within the meaning of section 148(f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on each 5th year anniversary of each issue.

**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 \$4,399,913 and the bank balance was \$4,388,079. The District was not exposed to custodial credit risk at year-end.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Deposits (Continued)

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

|                       | <u>Cash</u>         |
|-----------------------|---------------------|
| GENERAL FUND          | \$ 956,374          |
| DEBT SERVICE FUND     | 1,747,890           |
| CAPITAL PROJECTS FUND | <u>1,695,649</u>    |
| TOTAL DEPOSITS        | <u>\$ 4,399,913</u> |

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest District funds without express written authority from the Board of Directors. Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest which is reviewed annually and which may be more restrictive than the Public Funds Investment Act.

The District invests in TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

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

| Funds and<br>Investment Type | Fair Value          | Maturities of<br>Less Than<br>1 Year |
|------------------------------|---------------------|--------------------------------------|
| <u>GENERAL FUND</u>          |                     |                                      |
| TexPool                      | \$ 4,323,611        | \$ 4,323,611                         |
| <u>DEBT SERVICE FUND</u>     |                     |                                      |
| TexPool                      | 1,519,457           | 1,519,457                            |
| <u>CAPITAL PROJECTS FUND</u> |                     |                                      |
| TexPool                      | <u>3,779,324</u>    | <u>3,779,324</u>                     |
| TOTAL INVESTMENTS            | <u>\$ 9,622,392</u> | <u>\$ 9,622,392</u>                  |

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District's investments in TexPool were rated AAAm by Standard & 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 TexPool to have a maturity of less than one year since the share position can usually be redeemed at the discretion of the District, unless there has been a significant change in value.

Restrictions

All cash and investments of the Debt Service Fund are restricted for payment of debt service and the cost of assessing and collecting taxes.

All cash and investments of the Capital Projects Fund are restricted for purchases of capital assets.

Certain cash and investments are also restricted for Defined Area No. 1 and Defined Area No. 2 operations, debt service, and capital costs.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the current year is summarized in the following table:

|  | January 1,<br>2024          | Increases                | Decreases                | December 31,<br>2024        |
|--|-----------------------------|--------------------------|--------------------------|-----------------------------|
| <b>Capital Assets Not Being Depreciated</b>                              |                             |                          |                          |                             |
| Land and Land Improvements   | \$ 260,900                  | \$                       | \$                       | \$ 260,900                  |
| Construction in Progress   | <u>152,781</u>              | <u>925,530</u>           | <u>201,474</u>           | <u>876,837</u>              |
| <b>Total Capital Assets Not Being Depreciated</b>                        | <u>\$ 413,681</u>           | <u>\$ 925,530</u>        | <u>\$ 201,474</u>        | <u>\$ 1,137,737</u>         |
| <b>Capital Assets Subject to Depreciation</b>                            |                             |                          |                          |                             |
| Water System   | \$ 13,919,299               | \$                       | \$                       | \$ 13,919,299               |
| Wastewater System  | 14,233,316                  | 145,702                  |                          | 14,379,018                  |
| Detention Pond   | 443,044                     |                          |                          | 443,044                     |
| Buildings, Furniture, Fixtures   | 575,912                     |                          |                          | 575,912                     |
| Vehicles, Machinery, Equipment   | <u>894,210</u>              | <u>55,772</u>            |                          | <u>949,982</u>              |
| <b>Total Capital Assets Subject to Depreciation</b>                      | <u>\$ 30,065,781</u>        | <u>\$ 201,474</u>        | <u>\$ -0-</u>            | <u>\$ 30,267,255</u>        |
| <b>Accumulated Depreciation</b>  |                             |                          |                          |                             |
| Water System   | \$ 4,601,842                | \$ 397,720               | \$                       | \$ 4,999,562                |
| Wastewater System  | 5,890,495                   | 377,568                  |                          | 6,268,063                   |
| Detention Pond   | 19,690                      | 9,845                    |                          | 29,535                      |
| Buildings, Furniture, Fixtures   | 182,512                     | 13,201                   |                          | 195,713                     |
| Vehicles, Machinery, Equipment   | <u>666,966</u>              | <u>65,677</u>            |                          | <u>732,643</u>              |
| <b>Total Accumulated Depreciation</b>                                    | <u>\$ 11,361,505</u>        | <u>\$ 864,011</u>        | <u>\$ -0-</u>            | <u>\$ 12,225,516</u>        |
| <b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b> | <u>\$ 18,704,276</u>        | <u>\$ (662,537)</u>      | <u>\$ -0-</u>            | <u>\$ 18,041,739</u>        |
| <b>Total Capital Assets, Net of Accumulated Depreciation</b>             | <u><u>\$ 19,117,957</u></u> | <u><u>\$ 262,993</u></u> | <u><u>\$ 201,474</u></u> | <u><u>\$ 19,179,476</u></u> |

**NOTE 7. MAINTENANCE TAX**

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for planning, maintaining, repairing and operating of the District's improvement, if such maintenance tax is authorized by a vote of the District's electors. Such tax would be in addition to taxes, which the District is authorized to levy for paying principal of and interest on the outstanding bonds, and any tax bonds, which may be issued in the future. To date, voters in the District have not approved the levy of a maintenance tax.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 8. PENSION PLAN**

Plan Description

The District provides retirement for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (“TCDRS”). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system. TCDRS issues an annual comprehensive financial report which is available on the TCDRS website.

Benefits Provided

The plan provisions are adopted by the governing body of the District, within the options available in the Texas state statutes governing the TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service, with 30 years of service, regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 10 years of service but must leave their accumulated deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal deposits in a lump sum are not entitled to any amounts contributed by the District.

Benefit amounts are determined by the sum of the employee’s deposits to the plan, with interest, and employer-financed monetary credit. The level of these monetary credits is adopted by the governing body of the District within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute.

At retirement, death, or disability, the benefit is calculated by converting the sum of the employee’s accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

As of the most recent plan valuation date, the following employees were covered by the benefit terms:

|  |           |
|--|-----------|
| Inactive employees or beneficiaries currently receiving benefits | <u>4</u>  |
| Inactive employees entitled but not yet receiving benefits       | <u>13</u> |
| Active employees   | <u>10</u> |

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 8. PENSION PLAN (Continued)**

Contributions

The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 8.26% for the 2023 calendar year and 8.10% for the 2024 calendar year. The deposit rate payable by the employee members for calendar years 2023 and 2024 was 7.0% as adopted by the governing body of the District. The employee deposit rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act. For the year ending December 31, 2024, the District contributed \$61,265 and its employees contributed \$52,988.

Actuarial Assumptions

The total pension asset in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions:

|                            |  |
|----------------------------|--|
| Actuarial valuation date   | 12/31/23   |
| Actuarial cost method      | Entry Age (level percent of pay)                         |
| Amortization method        | Straight-line amortization over<br>expected working life |
| Asset Valuation Method     | 5-years, non-asymptotic                                  |
| Actuarial Assumptions:     |  |
| Investment return, net     | 7.50%  |
| Projected salary increases | 4.70%  |
| Inflation                  | 2.50%  |

All actuarial assumptions that determined the total pension liability as of December 31, 2023 were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2020, except where required to be different by GASB 68.

Mortality rates were based on the following: 135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 8. PENSION PLAN (Continued)**

Depletion of Plan Assets/ GASB Discount Rate

The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following: (1) The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments; and (2) The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments.

The funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act are such that a depletion is not projected to occur.

Since the fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. For GASS 68 this long-term assumed rate of return is net of investment expenses, but gross of administrative expenses.

Therefore, we have used a discount rate of 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.



**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 8. PENSION PLAN (Continued)**

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2024 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is reviewed annually is re-assessed in detail at a minimum of every four years and is set based on a long-term horizon. The most recent analysis was performed in 2021.

| Asset Class                        | Target Allocation | Geometric Real<br>Rate of Return<br>(Expected minus<br>Inflation) |
|------------------------------------|-------------------|---|
| US Equities                        | 11.50%            | 4.75%   |
| Private Equity                     | 25.00%            | 7.75%   |
| Global Equities                    | 2.50%             | 4.75%   |
| International Equities-Development | 5.00%             | 4.75%   |
| International Equities-Emerging    | 6.00%             | 4.75%   |
| Investment-Grade Bonds             | 3.00%             | 2.35%   |
| Strategic Credit                   | 9.00%             | 3.65%   |
| Direct Lending                     | 16.00%            | 7.25%   |
| Distressed Debt                    | 4.00%             | 6.90%   |
| REIT Equities                      | 2.00%             | 4.10%   |
| Master Limited Partnerships (MLPs) | 2.00%             | 5.20%   |
| Private Real Estate Partnerships   | 6.00%             | 5.70%   |
| Hedge Funds                        | 6.00%             | 3.25%   |
| Cash Equivalents                   | 2.00%             | 0.60%   |

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 8. PENSION PLAN (Continued)**

Changes in Net Pension Liability/(Asset):

|   | Increase (Decrease)     |                             |                               |
|---|-------------------------|-----------------------------|-------------------------------|
|   | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
|   | (a)                     | (b)                         | (a)-(b)                       |
| Balances of December 31, 2022           | \$ 3,407,544            | \$ 3,440,699                | \$ (33,155)                   |
| Changes for the year:                   |                         |                             |                               |
| Service Costs                           | 81,838                  |                             | 81,838                        |
| Interest on the Total Pension Liability | 259,954                 |                             | 259,954                       |
| Effect of Economic/Demographic          |                         |                             |                               |
| Gains or Losses                         | 29,171                  |                             | 29,171                        |
| Refund of Contributions                 | (21,263)                | (21,263)                    |                               |
| Benefit Payments                        | (119,196)               | (119,196)                   |                               |
| Administrative Expenses                 |                         | (1,973)                     | 1,973                         |
| Member Contributions                    |                         | 46,992                      | (46,992)                      |
| Net investment income                   |                         | 377,761                     | (377,761)                     |
| Employer Contributions                  |                         | 55,450                      | (55,450)                      |
| Other                                   | 7                       | (515)                       | 522                           |
| Balances of December 31, 2023           | \$ 3,638,055            | \$ 3,777,955                | \$ (139,900)                  |

Sensitivity Analysis - The following presents the net pension liability of the District, calculated using the discount rate of 7.60%, as well as what the District net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

|                              | 1% Decrease       | Current Discount Rate | 1% Increase         |
|------------------------------|-------------------|-----------------------|---------------------|
|                              | 6.60%             | 7.60%                 | 8.60%               |
| Total pension liability      | \$ 4,165,294      | \$ 3,638,055          | \$ 3,196,083        |
| Fiduciary net position       | <u>3,777,955</u>  | <u>3,777,955</u>      | <u>3,777,955</u>    |
| Net pension liability(asset) | \$ <u>387,339</u> | \$ <u>(139,900)</u>   | \$ <u>(581,872)</u> |

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 8. PENSION PLAN (Continued)**

As of December 31, 2024, the deferred inflows and outflows of resources are as follows:

|  | Deferred Inflows<br>of Resources | Deferred Outflows<br>of Resources |
|--|----------------------------------|-----------------------------------|
| Differences between expected and actual experience             | \$ 16,888                        | \$ 52,630                         |
| Changes in assumptions   |                                  | 66,056                            |
| Net difference between projected and actual earnings           |                                  | 16,389                            |
| Contributions paid to TCDRS subsequent to the measurement date |                                  | 61,265                            |
| Total  | <u>\$ 16,888</u>                 | <u>\$ 196,340</u>                 |

The District made plan contributions subsequent to the measurement date and prior to the District's fiscal year-end of \$61,265, which are recorded as deferred outflows of resources. Other amounts reported as deferred outflows of resources will be recognized as follows:

|                         |           |
|-------------------------|-----------|
| Year ended December 31: |           |
| 2024                    | \$ 23,921 |
| 2025                    | 42,927    |
| 2026                    | 74,894    |
| 2027                    | (23,555)  |
| 2028                    | 0         |
| Thereafter              | 0         |

**NOTE 9. OTHER POSTEMPLOYMENT BENEFITS**

Plan Description

The District provides other postemployment benefits (OPEB) for all of its retirees meeting the following conditions: (1) retire from employment with the District and are 65 years of age or older and receiving Medicare; and (2) at the time of retirement, have been employed by the District on a full-time basis for no less than 20 consecutive years and are currently employed full time with the District. The District will pay or reimburse the retired Qualified Employee for the cost of Medicare Parts B, D (Express Scripts), and F (Supplemental Policy). In addition, the District will pay the cost of basic vision and dental coverage for the retired Qualified Employee.

Funding Policy

Currently, the District's other postemployment benefits are unfunded. That is, the District has not determined if a separate Trust Fund or equivalent arrangement will be established into which the District would make contributions to advance-fund the obligation. As of December 31, 2024, there was one retiree receiving other postemployment benefits.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Discount Rate

For plans that do not have formal assets, the discount rate should equal a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date. For the purpose of this AMM calculation, the municipal bond rate is 4.08% (based on the daily rate closest to but not later than the measurement date of the Bond Buyer's "20-Bond GO Index").

Plan Assets

There are no plan assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

Summary of Membership Information

The following table provides a summary of the plan participants as of the measurement date:

|   |                  |
|---|------------------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 1                |
| Inactive Plan Members Entitled to But Not Yet Receiving Benefits    | -0-              |
| Active Plan Members   | <u>9</u>         |
| Total Plan Members  | <u><u>10</u></u> |

Sensitivity of Total OPEB Liability

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 4.08%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

| 1% Decrease<br>3.08%        | Current Discount<br>Rate Assumption<br>4.08% | 1% Increase<br>5.08%        |
|-----------------------------|--|-----------------------------|
| <u>                    </u> | <u>                    </u>                  | <u>                    </u> |
| \$547,281                   | \$473,551                                    | \$411,129                   |

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the table on the following page presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Sensitivity of Total OPEB Liability (Continued)

| <u>1% Decrease</u> | <u>Current Healthcare<br/>Cost Trend<br/>Rate Assumption</u> | <u>1% Increase</u> |
|--------------------|--|--------------------|
| \$404,476          | \$473,551  | \$559,550          |

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each AMM calculation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As authorized by GASB Statement No. 75, the Alternative Measurement Method allows the employer to use simplifications of certain assumptions in measuring the costs and liabilities.

The following simplifying assumptions were made:

Retirement age for active employees – Retirement age for active employees was assumed to be age 65, or after 20 years of service, if later.

Active Member Marital Status – Assumption of marital status for active employees has been incorporated in the acceptance probability for spousal coverage. Using this approach, the percentage of future retired plan members taking spousal coverage was assumed at 0%. For active employees, spouses' genders were assumed to be opposite to the members' genders and females were assumed 3 years younger than their spouses. Covered spouse data were collected for current retired plan members as of the valuation date and were assumed to remain unchanged until the assumed death of the spouses.

Mortality – Life expectancies were based on the PUB-2010 Amount Weighted General Healthy mortality tables, generationally projected from the year 2010 using Projection Scale MP-2021.

Health insurance premiums – Health insurance premiums for retirees in effect as of January 1, 2025 were used as the basis for calculation of the present value of total benefits to be paid.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Methods and Assumptions (Continued)

Turnover – Non-group-specific age-based turnover rates derived from the withdrawal assumptions used in the December 31, 2023 actuarial valuation of the Texas County & District Retirement System were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Roll-Forward Disclosure – Since the measurement date and the valuation date are the same, no update procedures were used to roll forward the total OPEB liability from the December 31, 2024 valuation date to the December 31, 2024 measurement date.

Assumption change – The discount rate was changed from 3.77% as of the beginning of the measurement period to 4.08% as of December 31, 2024 (based on the long-term municipal bond rate). This change increased the total OPEB liability.

GASB Statement No. 75 requires state and local government employers to recognize the net OPEB liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. The District did not have any deferred inflows and outflows of resources as of the measurement date and report date. The net OPEB liability is the difference between the total OPEB liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets. Since the plan is currently unfunded, the net OPEB liability is equal to the total OPEB liability.

The OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, not including the impact of employer contributions, adjusted for deferred recognition of the liability.

A valuation or a calculation using the Alternative Measurement Method (AMM) to determine the total OPEB liability is required to be performed at least every two years. For the employer's financial reporting purposes, the total OPEB liability and OPEB expense should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year end-date. If the valuation or AMM calculation used to determine the total pension liability is not calculated as of the measurement date, the total OPEB liability is required to be rolled forward from the valuation date to the measurement date.

The total OPEB liability recorded in the financial statements is based on an AMM calculation performed as of a valuation date of December 31, 2024 and a measurement date of December 31, 2024.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Changes in Total OPEB Liability:

|   |                   |
|---|-------------------|
| Balances of December 31, 2023   | \$ 424,392        |
| Changes for the year:   |                   |
| Service cost  | 12,513            |
| Interest on total OPEB liability  | 16,306            |
| Difference between expected and actual experience of the Total OPEB liability | (12,158)          |
| Changes in assumption and other inputs  | 41,254            |
| Benefit payments  | <u>(8,756)</u>    |
| Balances of December 31, 2024   | <u>\$ 473,551</u> |

**NOTE 10. COMPENSATED ABSENCES**

Compensated absences payable recorded in the accompanying financial statements relates to accumulated earned and vested sick time. Accumulated compensated absences related to sick time amounting to approximately \$67,992 as of December 31, 2024, are recorded in the financial statement, since such compensation is fully vested. This is a decrease of \$3,858 over the prior year balance of \$71,850.

**NOTE 11. WATER SUPPLY CONTRACT**

The District has entered into a long-term Water Supply Contract ("Contract") with the San Jacinto River Authority (the "Authority"). The Contract states the Authority will provide up to 1,000,000 gallons of untreated surface water per day ("demand quantity") to the District. The District may request quantities up to, but not in excess of 110% of the demand quantity. The rate as of December 31, 2024, was \$0.58 per 1,000 gallons. During the current fiscal year, the District paid \$212,280 for water purchased in accordance with the Contract.

**NOTE 12. RISK MANAGEMENT**

The District is exposed to risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters. The District participates in the Texas Municipal League Intergovernmental Risk Pool (TML) to provide property and liability insurance coverage. The District, along with other participating entities, contributes annual amounts determined by TML's management. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 13.     DEFINED AREA NO. 1**

The District annexed an approximately 193-acre tract (the "Murff Tract"), which has been designated by the District as a defined area known as Defined Area No. 1. The designation was approved in an election held on November 6, 2018, by the voters in the Murff Tract. The District has adopted a tax plan which allows it to assess higher taxes in the defined area than the rest of the District to pay the debt service on bonds issued to provide water and sewer improvements to the defined area. Voters in the Murff Tract authorized the issuance of bonds up to \$15,000,000, the levy of a tax on the Murff tract to pay such bonds and the levy of a maintenance tax on the Murff tract.

The District is authorized to levy a maintenance tax in an unlimited amount per \$100 of assessed valuation for property within the Defined Area No. 1, in addition to the District's debt service tax rate applicable to the remainder of the District. During the fiscal year ended December 31, 2024, the District levied an ad valorem maintenance tax rate on property within Defined Area No. 1 of \$0.1924 per \$100 of assessed valuation which resulted in a levy of \$134,467 on the adjusted taxable valuation of \$69,869,378 for the 2024 tax year.

The District also levied an ad valorem debt service tax rate on property within Defined Area No. 1 of \$0.6676 per \$100 of assessed valuation, which resulted in a levy of \$466,581 on the adjusted taxable valuation of \$69,869,378 for the Defined Area No. 1 for the 2024 tax year.

**NOTE 14.     DEFINED AREA No. 2**

The District established the 207.17 Starlight Homes L.L.C. Tract, which has been designated by the District as a defined area known as Defined Area No. 2. The designation was approved in an election held on November 8, 2022, by the voters in the 207.17 Starlight Homes L.L.C. Tract. The District has adopted a tax plan which allows it to assess higher taxes in the defined area than the rest of the District to pay the debt service on bonds issued to provide water and sewer improvements to the defined area. Voters in the 207.17 Starlight Homes L.L.C. Tract authorized the issuance of bonds up to \$42,000,000, the levy of a tax on the 207.17 Starlight Homes L.L.C. tract to pay such bonds and the levy of a maintenance tax on the 207.17 Starlight Homes L.L.C. tract.

The District is authorized to levy a maintenance tax in an unlimited amount per \$100 of assessed valuation for property within the Defined Area No. 2, in addition to the District's debt service tax rate applicable to the remainder of the District. During the fiscal year ended December 31, 2024, the District levied an ad valorem maintenance tax rate on property within Defined Area No. 2 of \$0.86 per \$100 of assessed valuation which resulted in a levy of \$7,240 on the adjusted taxable valuation of \$841,827 for the 2024 tax year.



**CROSBY MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 15. SUBSEQUENT EVENT – BOND SALE**

On or about April 30, 2025, subsequent to the report date, the District anticipates closing on the sale of its \$10,000,000 Unlimited Tax Bonds, Series 2025. Proceeds of the bonds will be used to reimburse developers for a portion of the design and construction of utilities serving Crosby Park Village as well as the Pecan Estates subdivision sanitary sewer lift station and force main. Bond proceeds will also be used to pay for improvements to the surface water treatment plant, phase 1 and the wastewater treatment plant, phase 1. Bond proceeds will also pay for developer interest and bond issuance costs.

**CROSBY MUNICIPAL UTILITY DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2024**

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

|  | Original<br>Budget         | Final<br>Amended<br>Budget | Actual                     | Variance<br>Positive<br>(Negative) |
|--|----------------------------|----------------------------|----------------------------|------------------------------------|
| <b>REVENUES</b>  |                            |                            |                            |                                    |
| Property Taxes   | \$ 77,000                  | \$ 84,600                  | \$ 83,533                  | \$ (1,067)                         |
| Water and Wastewater Service                                 | 2,440,000                  | 2,440,000                  | 2,767,744                  | 327,744                            |
| Penalty and Interest   | 55,000                     | 55,000                     | 70,565                     | 15,565                             |
| Connection and Inspection Fees                               | 317,000                    | 317,000                    | 677,453                    | 360,453                            |
| Investment and Miscellaneous Revenues                        | <u>184,400</u>             | <u>184,400</u>             | <u>227,317</u>             | <u>42,917</u>                      |
| <b>TOTAL REVENUES</b>  | <u>\$ 3,073,400</u>        | <u>\$ 3,081,000</u>        | <u>\$ 3,826,612</u>        | <u>\$ 745,612</u>                  |
| <b>EXPENDITURES</b>  |                            |                            |                            |                                    |
| Service Operations:  |                            |                            |                            |                                    |
| Personnel  | \$ 990,400                 | \$ 1,010,900               | \$ 1,073,345               | \$ (62,445)                        |
| Professional Fees  | 404,500                    | 408,500                    | 377,961                    | 30,539                             |
| Purchased Water Service                                      | 212,000                    | 212,000                    | 212,280                    | (280)                              |
| Utilities  | 196,000                    | 196,000                    | 169,453                    | 26,547                             |
| Repairs, Maintenance, Capital Outlay                         | 294,000                    | 294,000                    | 466,242                    | (172,242)                          |
| Other  | <u>758,100</u>             | <u>758,100</u>             | <u>597,678</u>             | <u>160,422</u>                     |
| <b>TOTAL EXPENDITURES</b>                                    | <u>\$ 2,855,000</u>        | <u>\$ 2,879,500</u>        | <u>\$ 2,896,959</u>        | <u>\$ (17,459)</u>                 |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>\$ 218,400</u>          | <u>\$ 201,500</u>          | <u>\$ 929,653</u>          | <u>\$ 728,153</u>                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                            |                            |                            |                                    |
| Transfers In (Out)   | <u>\$ (200,000)</u>        | <u>\$ (200,000)</u>        | <u>\$ (160,500)</u>        | <u>\$ 39,500</u>                   |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <u>\$ 18,400</u>           | <u>\$ 1,500</u>            | <u>\$ 769,153</u>          | <u>\$ 767,653</u>                  |
| <b>FUND BALANCE - JANUARY 1, 2024</b>                        | <u>4,152,845</u>           | <u>4,152,845</u>           | <u>4,152,845</u>           |                                    |
| <b>FUND BALANCE - DECEMBER 31, 2024</b>                      | <u><u>\$ 4,171,245</u></u> | <u><u>\$ 4,154,345</u></u> | <u><u>\$ 4,921,998</u></u> | <u><u>\$ 767,653</u></u>           |

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**DECEMBER 31, 2024**

|   | Actuarial<br>Valuation as of<br>12/31/2023 | Actuarial<br>Valuation as of<br>12/31/2022 | Actuarial<br>Valuation as of<br>12/31/2021 | Actuarial<br>Valuation as of<br>12/31/2020 |
|---|--|--|--|--|
| <b>Total Pension Liability</b>  |  |  |  |  |
| Service Cost  | \$ 81,838                                  | \$ 95,734                                  | \$ 96,733                                  | \$ 73,133                                  |
| Interest on total pension liability   | 259,954                                    | 248,315                                    | 229,105                                    | 208,209                                    |
| Effect of plan changes  |  |  |  |  |
| Effect of economic/demographic gains or losses                                    | 29,171                                     | (50,664)                                   | 20,791                                     | 44,898                                     |
| Effect of changes of assumptions  |  |  | 10,001                                     | 186,167                                    |
| Benefit payments, refunds of employee contributions and other                     | (140,452)                                  | (112,745)                                  | (93,337)                                   | (90,525)                                   |
| Net change in total pension liability   | \$ 230,511                                 | \$ 180,640                                 | \$ 263,293                                 | \$ 421,882                                 |
| Total pension liability, beginning  | 3,407,544                                  | 3,226,904                                  | 2,963,611                                  | 2,541,729                                  |
| Total pension liability, ending (a)   | \$ 3,638,055                               | \$ 3,407,544                               | \$ 3,226,904                               | \$ 2,963,611                               |
| <b>Plan Fiduciary Net Position</b>  |  |  |  |  |
| Contributions - employer  | \$ 55,450                                  | \$ 54,001                                  | \$ 51,430                                  | \$ 51,052                                  |
| Contributions - employee  | 46,992                                     | 45,055                                     | 51,430                                     | 51,052                                     |
| Net investment income   | 377,761                                    | (213,927)                                  | 660,140                                    | 280,026                                    |
| Benefit payments, including refunds of employee contributions                     | (140,459)                                  | (112,745)                                  | (93,337)                                   | (90,525)                                   |
| Administrative Expense  | (1,973)                                    | (2,016)                                    | (1,985)                                    | (2,195)                                    |
| Other   | (515)                                      | 1,139                                      | 1,096                                      | 611  |
| Net Change in plan fiduciary net position   | \$ 337,256                                 | \$ (228,493)                               | \$ 668,774                                 | \$ 290,021                                 |
| Plan Fiduciary net position, beginning  | 3,440,699                                  | 3,669,192                                  | 3,000,418                                  | 2,710,397                                  |
| Plan Fiduciary net position, ending (b)   | \$ 3,777,955                               | \$ 3,440,699                               | \$ 3,669,192                               | \$ 3,000,418                               |
| <b>Net Pension Liability/(Asset), Ending = (a) - (b)</b>                          | <u>\$ (139,900)</u>                        | <u>\$ (33,155)</u>                         | <u>\$ (442,288)</u>                        | <u>\$ (36,807)</u>                         |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | 103.85%                                    | 100.97%                                    | 113.71%                                    | 101.24%                                    |
| <b>Covered employee payroll</b>   | \$ 671,311                                 | \$ 643,639                                 | \$ 734,711                                 | \$ 729,319                                 |
| <b>Net pension liability as a percentage of covered employee payroll</b>          | -20.84%                                    | -5.15%                                     | -60.20%                                    | -5.05%                                     |

| Actuarial<br>Valuation as of<br>12/31/2019 | Actuarial<br>Valuation as of<br>12/31/2018 | Actuarial<br>Valuation as of<br>12/31/2017 | Actuarial<br>Valuation as of<br>12/31/2016 | Actuarial<br>Valuation as of<br>12/31/2015 | Actuarial<br>Valuation as of<br>12/31/2014 |
|--|--|--|--|--|--|
| \$ 81,206                                  | \$ 72,958                                  | \$ 72,658                                  | \$ 79,491                                  | \$ 72,313                                  | \$ 74,586                                  |
| 186,685                                    | 169,104                                    | 151,827                                    | 132,860                                    | 116,470                                    | 101,939                                    |
|  |  |  |  | (20,684)                                   | 17,329                                     |
| 59,395                                     | 1,098                                      | 5,005                                      | (3,711)                                    | 21,587                                     | 9,321                                      |
|  |  | 11,784                                     |  | 13,987                                     |  |
| <u>(17,859)</u>                            | <u>(50,231)</u>                            | <u>(7,152)</u>                             | <u>(9,141)</u>                             | <u>(7,152)</u>                             | <u>(14,496)</u>                            |
| \$ 309,427                                 | \$ 192,929                                 | \$ 234,122                                 | \$ 199,499                                 | \$ 196,521                                 | \$ 188,679                                 |
| <u>2,232,302</u>                           | <u>2,039,373</u>                           | <u>1,805,251</u>                           | <u>1,605,752</u>                           | <u>1,409,231</u>                           | <u>1,220,552</u>                           |
| <u>\$ 2,541,729</u>                        | <u>\$ 2,232,302</u>                        | <u>\$ 2,039,373</u>                        | <u>\$ 1,805,251</u>                        | <u>\$ 1,605,752</u>                        | <u>\$ 1,409,231</u>                        |
| \$ 47,081                                  | \$ 48,326                                  | \$ 44,142                                  | \$ 44,492                                  | \$ 42,289                                  | \$ 43,811                                  |
| 47,081                                     | 48,326                                     | 44,142                                     | 44,492                                     | 42,289                                     | 43,811                                     |
| 371,358                                    | (41,531)                                   | 278,357                                    | 125,283                                    | (41,526)                                   | 98,584                                     |
| (17,859)                                   | (50,231)                                   | (7,152)                                    | (9,141)                                    | (7,152)                                    | (14,496)                                   |
| (2,065)                                    | (1,817)                                    | (1,501)                                    | (1,362)                                    | (1,206)                                    | (1,211)                                    |
| <u>2,990</u>                               | <u>1,610</u>                               | <u>1,073</u>                               | <u>5,601</u>                               | <u>358</u>                                 | <u>242</u>                                 |
| \$ 448,586                                 | \$ 4,683                                   | \$ 359,061                                 | \$ 209,365                                 | \$ 35,052                                  | \$ 170,741                                 |
| <u>2,261,811</u>                           | <u>2,257,128</u>                           | <u>1,898,067</u>                           | <u>1,688,702</u>                           | <u>1,653,650</u>                           | <u>1,482,909</u>                           |
| <u>\$ 2,710,397</u>                        | <u>\$ 2,261,811</u>                        | <u>\$ 2,257,128</u>                        | <u>\$ 1,898,067</u>                        | <u>\$ 1,688,702</u>                        | <u>\$ 1,653,650</u>                        |
| <u>\$ (168,668)</u>                        | <u>\$ (29,509)</u>                         | <u>\$ (217,755)</u>                        | <u>\$ (92,816)</u>                         | <u>\$ (82,950)</u>                         | <u>\$ (244,419)</u>                        |
| 106.64%                                    | 101.32%                                    | 110.68%                                    | 105.14%                                    | 105.17%                                    | 117.34%                                    |
| \$ 672,588                                 | \$ 690,375                                 | \$ 630,607                                 | \$ 635,605                                 | \$ 604,133                                 | \$ 625,878                                 |
| -25.08%                                    | -4.27%                                     | -34.53%                                    | -14.60%                                    | -13.73%                                    | -39.05%                                    |

**CROSBY MUNICIPAL UTILITY DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS – PENSION  
DECEMBER 31, 2024**

| Fiscal Year<br>Ending<br>December 31 | Actuarially<br>Determined<br>Contribution | Actual<br>Employer<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Pensionable<br>Covered<br>Payroll | Actual Contribution<br>as a Percentage of<br>Covered Payroll |
|--------------------------------------|---|------------------------------------|--|-----------------------------------|--|
| 2015                                 | \$ 24,528                                 | \$ 42,289                          | \$ (17,761)                            | \$ 604,103                        | 7.00%  |
| 2016                                 | \$ 20,022                                 | \$ 44,492                          | \$ (24,470)                            | \$ 635,605                        | 7.00%  |
| 2017                                 | \$ 23,017                                 | \$ 44,142                          | \$ (21,125)                            | \$ 630,607                        | 7.00%  |
| 2018                                 | \$ 26,579                                 | \$ 48,326                          | \$ (21,747)                            | \$ 690,375                        | 7.00%  |
| 2019                                 | \$ 25,222                                 | \$ 47,081                          | \$ (21,859)                            | \$ 672,588                        | 7.00%  |
| 2020                                 | \$ 30,486                                 | \$ 51,052                          | \$ (20,566)                            | \$ 729,319                        | 7.00%  |
| 2021                                 | \$ 35,487                                 | \$ 51,430                          | \$ (15,943)                            | \$ 734,711                        | 7.00%  |
| 2022                                 | \$ 54,001                                 | \$ 54,001                          | \$ -0-                                 | \$ 643,639                        | 8.39%  |
| 2023                                 | \$ 55,450                                 | \$ 55,450                          | \$ -0-                                 | \$ 671,311                        | 8.26%  |
| 2024                                 | \$ 61,265                                 | \$ 61,265                          | \$ -0-                                 | \$ 756,976                        | 8.09%  |

|                |   |
|----------------|---|
| Valuation Date | Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported. |
|----------------|---|

Methods and assumptions used to determine contribution rates:

|   |  |
|---|--|
| Actuarial Cost Method   | Entry Age  |
| Amortization Method   | Level percentage of payroll, closed  |
| Remaining Amortization Period   | 17.8 years (based on contribution rate calculated in 12/31/2023 valuation)   |
| Asset Valuation Method  | 5-year smoothed market   |
| Inflation   | 2.50%  |
| Salary Increases  | Varies by age and service. 4.7% average over career including inflation.   |
| Investment Rate of Return   | 7.50%, net of administrative and investment expenses, including inflation  |
| Retirement Age  | Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.  |
| Mortality   | 135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.  |
| Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions* | 2015, 2017, 2019, and 2022: New inflation, mortality, investment return and other assumptions were reflected.  |
| Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*         | 2015: Employer contributions reflect the current service matching rate was increased to 175% for future benefits.<br><br>2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.<br><br>2016, 2018, 2019, 2020, 2021, 2022 and 2023: No changes in plan provisions were reflected in the schedule. |

*\*Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to Schedule.*

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS**  
**LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

|   | Year Ended<br>December 31,<br>2024 | Year Ended<br>December 31,<br>2023 | Year Ended<br>December 31,<br>2022 | Year Ended<br>December 31,<br>2021 | Year Ended<br>December 31,<br>2020 |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <b>Total OPEB Liability</b>   |                                    |                                    |                                    |                                    |                                    |
| Service cost  | \$ 12,513                          | \$ 10,979                          | \$ 26,853                          | \$ 24,520                          | \$ 18,505                          |
| Interest on total OPEB liability  | 16,306                             | 16,011                             | 7,314                              | 7,244                              | 8,271                              |
| Difference between expected and actual experience of the Total OPEB Liability | (12,158)                           |                                    | (26,800)                           |                                    |                                    |
| Changes in assumptions and other inputs                                       | 41,254                             | 17,163                             | 14,440                             | 8,145                              | 34,486                             |
| Benefit payments  | <u>(8,756)</u>                     | <u>(8,241)</u>                     | <u>(7,924)</u>                     | <u>(5,982)</u>                     | <u>(5,695)</u>                     |
| Net change in total OPEB liability  | \$ 49,159                          | \$ 35,912                          | \$ 13,883                          | \$ 33,927                          | \$ 55,567                          |
| Total OPEB liability, beginning   | <u>424,392</u>                     | <u>388,480</u>                     | <u>374,597</u>                     | <u>340,670</u>                     | <u>285,103</u>                     |
| Total OPEB liability, ending  | <u>\$ 473,551</u>                  | <u>\$ 424,392</u>                  | <u>\$ 388,480</u>                  | <u>\$374,597</u>                   | <u>\$340,670</u>                   |
| Covered employee payroll  | \$ 756,976                         | \$ 669,636                         | \$ 682,977                         | \$653,528                          | \$644,807                          |
| Total OPEB liability as a % of covered-employee payroll                       | 62.56%                             | 63.38%                             | 56.88%                             | 57.32%                             | 52.83%                             |

Methods and Assumptions Used to Determine Total OPEB Liability:

|                             |   |
|-----------------------------|---|
| Actuarial Cost Method       | Entry Age Normal  |
| Discount Rate               | 4.08%   |
| Salary Increases            | 4.00%   |
| Retirement Age              | Employees were assumed to retire at age 65, or after 20 years of service, if later.   |
| Mortality                   | PUB-2010 Amount-Weighted General Healthy mortality tables generationally projected from the year 2010 using Projection Scale MP-2021.   |
| Healthcare Cost Trend Rates | 4.00% for each year.  |
| Notes                       | Changes in assumptions and other inputs include the change in the discount rate from 3.77% as of the beginning of the measurement period to 4.08% as of December 31, 2024. There were no benefit changes during the year. |

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**SUPPLEMENTARY INFORMATION – REQUIRED BY THE**  
**WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**  
**DECEMBER 31, 2024**



**CROSBY MUNICIPAL UTILITY DISTRICT  
SERVICES AND RATES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

|                   |  |                   |                      |                   |            |
|-------------------|--|-------------------|----------------------|-------------------|------------|
| <u>  X  </u>      | Retail Water   | <u>          </u> | Wholesale Water      | <u>          </u> | Drainage   |
| <u>  X  </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>          </u> | Other (specify): _____   |                   |                      |                   |            |

**2. RETAIL SERVICE PROVIDERS**

**a. RETAIL RATES FOR A 5/8" METER (OR EQUIVALENT):**

The following rates are based on the rate order effective August 1, 2023.

|             | <u>Minimum<br/>Charge</u> | <u>Minimum<br/>Usage</u> | <u>Flat<br/>Rate<br/>Y/N</u> | <u>Rate per 1,000<br/>Gallons over<br/>Minimum Use</u> | <u>Usage Levels</u> |
|-------------|---------------------------|--------------------------|------------------------------|--|---------------------|
| WATER:      | \$ 17.50                  | 2,000                    | N                            | \$ 4.50  | 2,001 and over      |
| WASTEWATER: | \$ 24.05                  | 2,000                    | N                            | \$ 5.25  | 2,001 and over      |

District employs winter averaging for wastewater usage?

             X    
Yes      No

Total monthly charges per 10,000 gallons usage: Water: \$53.50 Wastewater: \$66.05

Note: Customers also pay the SJRA fees equal to 100% of the SJRA raw water fee per \$1,000 gallons, Capital Projects Fee of \$10.00 per connection, and the TCEQ regulatory fees of 0.5% of water and wastewater charges.

See accompanying independent auditor's report.

**CROSBY MUNICIPAL UTILITY DISTRICT  
SERVICES AND RATES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**2. RETAIL SERVICE PROVIDERS (Continued)**

**b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)**

| <u>Meter Size</u>            | <u>Total<br/>Connections</u> | <u>Active<br/>Connections</u> | <u>ESFC<br/>Factor</u> | <u>Active<br/>ESFCs</u> |
|------------------------------|------------------------------|-------------------------------|------------------------|-------------------------|
| Unmetered                    |                              |                               | x 1.0                  |                         |
| ≤¾"                          | <u>1,462</u>                 | <u>1,417</u>                  | x 1.0                  | <u>1,417</u>            |
| 1"                           | <u>31</u>                    | <u>31</u>                     | x 2.5                  | <u>78</u>               |
| 1½"                          | <u>13</u>                    | <u>13</u>                     | x 5.0                  | <u>65</u>               |
| 2"                           | <u>90</u>                    | <u>90</u>                     | x 8.0                  | <u>720</u>              |
| 3"                           | <u>8</u>                     | <u>8</u>                      | x 15.0                 | <u>120</u>              |
| 4"                           | <u>9</u>                     | <u>9</u>                      | x 25.0                 | <u>225</u>              |
| 6"                           | <u>17</u>                    | <u>17</u>                     | x 50.0                 | <u>850</u>              |
| 8"                           | <u>1</u>                     | <u>1</u>                      | x 80.0                 | <u>80</u>               |
| 10"                          |                              |                               | x 115.0                |                         |
| Total Water Connections      | <u>1,631</u>                 | <u>1,586</u>                  |                        | <u>3,555</u>            |
| Total Wastewater Connections | <u>1,628</u>                 | <u>1,537</u>                  | x 1.0                  | <u>1,537</u>            |

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

|                              |             |  |
|------------------------------|-------------|--|
| Gallons billed to customers: | 174,638,000 | Water Accountability Ratio: 77%<br>(Gallons billed/Gallons pumped) |
| Gallons pumped:              | 225,744,000 | <u>From:</u> San Jacinto River Authority                           |

See accompanying independent auditor's report.

**CROSBY MUNICIPAL UTILITY DISTRICT  
SERVICES AND RATES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

Does the District have Debt Service standby fees? Yes ☐ No ☒

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

**5. LOCATION OF DISTRICT:**

Is the District located entirely within one county?

Yes ☒ No ☐

County in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely ☐ Partly ☐ Not at all ☒

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

Entirely ☒ Partly ☐ Not at all ☐

ETJ in which District is located:

City of Houston, Texas

Are Board Members appointed by an office outside the District?

Yes ☐ No ☒

See accompanying independent auditor's report.

**CROSBY MUNICIPAL UTILITY DISTRICT  
GENERAL FUND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

|   |                     |
|---|---------------------|
| PERSONNEL EXPENDITURES (Including Benefits) | \$ 1,073,345        |
| PROFESSIONAL FEES:                          |                     |
| Auditing and Accounting Assistance          | \$ 49,670           |
| Engineering                                 | 161,822             |
| Legal                                       | <u>166,469</u>      |
| TOTAL PROFESSIONAL FEES                     | <u>\$ 377,961</u>   |
| PURCHASED WATER SERVICE                     | <u>\$ 212,280</u>   |
| UTILITIES                                   | <u>\$ 169,453</u>   |
| REPAIRS AND MAINTENANCE                     | <u>\$ 264,768</u>   |
| ADMINISTRATIVE EXPENDITURES:                |                     |
| Director Fees                               | \$ 31,859           |
| Insurance                                   | 90,211              |
| Administration, Meetings and Travel Costs   | 36,490              |
| Other                                       | <u>36,080</u>       |
| TOTAL ADMINISTRATIVE EXPENDITURES           | <u>\$ 194,640</u>   |
| CAPITAL OUTLAY                              | <u>\$ 201,474</u>   |
| OTHER EXPENDITURES:                         |                     |
| Chemicals                                   | \$ 147,813          |
| Fuel, Materials and Supplies                | 134,560             |
| Permit Fees                                 | 16,858              |
| Regulatory Assessment                       | 7,798               |
| Sludge Hauling                              | <u>96,009</u>       |
| TOTAL OTHER EXPENDITURES                    | <u>\$ 403,038</u>   |
| TOTAL EXPENDITURES                          | <u>\$ 2,896,959</u> |

Number of persons employed by the District    9    Full-Time    -0-    Part-Time

See accompanying independent auditor's report.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**INVESTMENTS**  
**DECEMBER 31, 2024**

| <u>Funds</u>                 | <u>Identification or<br/>Certificate Number</u> | <u>Interest<br/>Rate</u> | <u>Maturity<br/>Date</u> | <u>Balance at<br/>End of Year</u> | <u>Accrued<br/>Interest<br/>Receivable at<br/>End of Year</u> |
|------------------------------|---|--------------------------|--------------------------|-----------------------------------|---|
| <u>GENERAL FUND</u>          |   |                          |                          |                                   |   |
| TexPool                      | XXXX0002  | Varies                   | Daily                    | \$ 4,323,611                      | \$ -0-  |
| <u>DEBT SERVICE FUND</u>     |   |                          |                          |                                   |   |
| TexPool                      | XXXX0007  | Varies                   | Daily                    | \$ 1,519,457                      | \$ -0-  |
| <u>CAPITAL PROJECTS FUND</u> |   |                          |                          |                                   |   |
| TexPool                      | XXXX0001  | Varies                   | Daily                    | \$ 75,160                         | \$  |
| TexPool                      | XXXX0017  | Varies                   | Daily                    | 570,486                           |   |
| TexPool                      | XXXX0018  | Varies                   | Daily                    | 3,133,678                         |   |
| TOTAL CAPITAL PROJECTS FUND  |   |                          |                          | \$ 3,779,324                      | \$ -0-  |
| TOTAL - ALL FUNDS            |   |                          |                          | \$ 9,622,392                      | \$ -0-  |

See accompanying independent auditor's report.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

|                                  | Defined Area No. 2 |               | Defined Area No. 1 |                  |
|----------------------------------|--------------------|---------------|--------------------|------------------|
|                                  | Maintenance Taxes  |               | Maintenance Taxes  |                  |
| TAXES RECEIVABLE -               |                    |               |                    |                  |
| JANUARY 1, 2024                  | \$                 | 7,599         | \$                 | 7,628            |
| Adjustments to Beginning Balance | <u>(306)</u>       | \$ 7,293      | <u>(749)</u>       | \$ 6,879         |
| Original 2024 Tax Levy           | \$                 | 7,240         | \$                 | 134,467          |
| Adjustment to 2024 Tax Levy      | <u></u>            | <u>7,240</u>  | <u></u>            | <u>134,467</u>   |
| TOTAL TO BE ACCOUNTED FOR        |                    | \$ 14,533     |                    | \$ 141,346       |
| TAX COLLECTIONS:                 |                    |               |                    |                  |
| Prior Years                      | \$                 | 7,293         | \$                 | 6,810            |
| Current Year                     | <u>6,790</u>       | <u>14,083</u> | <u>112,806</u>     | <u>119,616</u>   |
| TAXES RECEIVABLE -               |                    |               |                    |                  |
| DECEMBER 31, 2024                |                    | <u>\$ 450</u> |                    | <u>\$ 21,730</u> |
| TAXES RECEIVABLE BY              |                    |               |                    |                  |
| YEAR:                            |                    |               |                    |                  |
| 2024                             |                    | \$ 450        |                    | \$ 21,661        |
| 2023                             |                    |               |                    | 69               |
| 2022                             |                    |               |                    |                  |
| 2021                             |                    |               |                    |                  |
| 2020                             |                    |               |                    |                  |
| 2019                             |                    |               |                    |                  |
| 2001 - 2018                      |                    | <u></u>       |                    | <u></u>          |
| TOTAL                            |                    | <u>\$ 450</u> |                    | <u>\$ 21,730</u> |

See accompanying independent auditor's report.

| Defined Area No. 1<br>Debt Service Taxes |                  | Crosby MUD<br>Debt Service Taxes |                     |
|--|------------------|----------------------------------|---------------------|
| \$ 29,153                                |                  | \$ 1,077,328                     |                     |
| <u>(3,037)</u>                           | \$ 26,116        | <u>(24,493)</u>                  | \$ 1,052,835        |
| \$ 466,581                               |                  | \$ 1,256,156                     |                     |
| <u>          </u>                        | <u>466,581</u>   | <u>388,084</u>                   | <u>1,644,240</u>    |
|  | \$ 492,697       |                                  | \$ 2,697,075        |
| \$ 25,839                                |                  | \$ 909,472                       |                     |
| <u>391,421</u>                           | <u>417,260</u>   | <u>761,462</u>                   | <u>1,670,934</u>    |
|  | <u>\$ 75,437</u> |                                  | <u>\$ 1,026,141</u> |
|  | \$ 75,160        | \$ 882,778                       |                     |
|  | 277              | 56,474                           |                     |
|  |                  | 21,537                           |                     |
|  |                  | 12,141                           |                     |
|  |                  | 6,002                            |                     |
|  |                  | 4,509                            |                     |
|  |                  | <u>42,700</u>                    |                     |
|  | <u>\$ 75,437</u> | <u>\$ 1,026,141</u>              |                     |

See accompanying independent auditor's report.

**CROSBY MUNICIPAL UTILITY DISTRICT  
TAXES LEVIED AND RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2024**

|   | <u>2024</u>           | <u>2023</u>           | <u>2022</u>           | <u>2021</u>           |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>PROPERTY VALUATIONS -<br/>DISTRICT:</b>                    |                       |                       |                       |                       |
| Land  | \$ 207,353,521        | \$ 184,823,101        | \$ 159,801,090        | \$ 111,385,097        |
| Improvements  | 339,378,807           | 318,693,535           | 265,795,102           | 222,101,695           |
| Personal Property   | 57,843,444            | 61,730,600            | 58,414,431            | 57,713,361            |
| Exemptions  | <u>(74,175,744)</u>   | <u>(69,853,628)</u>   | <u>(65,095,809)</u>   | <u>(53,382,546)</u>   |
| TOTAL DISTRICT  | <u>\$ 530,400,028</u> | <u>\$ 495,393,608</u> | <u>\$ 418,914,814</u> | <u>\$ 337,817,607</u> |
| <br>TAX RATES PER \$100<br>VALUATION:                         |                       |                       |                       |                       |
| Debt Service  | <u>\$ 0.31</u>        | <u>\$ 0.37</u>        | <u>\$ 0.422</u>       | <u>\$ 0.45247</u>     |
| <br>ADJUSTED TAX LEVY*  | <u>\$ 1,644,240</u>   | <u>\$ 1,832,957</u>   | <u>\$ 1,767,820</u>   | <u>\$ 1,528,523</u>   |
| <br><b>PROPERTY VALUATIONS -<br/>DEFINED AREA NO. 1:</b>      | <u>\$ 69,869,378</u>  | <u>\$ 46,302,289</u>  | <u>\$ 31,849,931</u>  | <u>\$ 13,370,459</u>  |
| <br>TAX RATES PER \$100<br>VALUATION:                         |                       |                       |                       |                       |
| Debt Service  | \$ 0.6676             | \$ 0.689              | \$ 0.515              | \$ 0.00               |
| Maintenance   | <u>0.1924</u>         | <u>0.171</u>          | <u>0.345</u>          | <u>0.86</u>           |
| TOTAL TAX RATES PER<br>\$100 VALUATION:                       | <u>\$ 0.8600</u>      | <u>\$ 0.860</u>       | <u>\$ 0.860</u>       | <u>\$ 0.86</u>        |
| <br>ADJUSTED TAX LEVY*  | <u>\$ 601,048</u>     | <u>\$ 398,200</u>     | <u>\$ 273,909</u>     | <u>\$ 114,986</u>     |
| <br><b>PROPERTY VALUATIONS -<br/>DEFINED AREA NO. 2:</b>      | <u>\$ 841,827</u>     | <u>\$ 883,578</u>     | <u>N/A</u>            | <u>N/A</u>            |
| <br>TAX RATES PER \$100<br>VALUATION:                         |                       |                       |                       |                       |
| Maintenance   | <u>\$ 0.86</u>        | <u>\$ 0.86</u>        | <u>\$ 0.00</u>        | <u>\$ 0.00</u>        |
| <br>ADJUSTED TAX LEVY*  | <u>\$ 7,240</u>       | <u>\$ 7,599</u>       | <u>N/A</u>            | <u>N/A</u>            |
| <br>PERCENTAGE OF TOTAL<br>TAXES COLLECTED TO<br>TAXES LEVIED | <u>56.49 %</u>        | <u>97.47 %</u>        | <u>98.78 %</u>        | <u>99.21 %</u>        |

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

See accompanying independent auditor's report.



**CROSBY MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2024**

| REFUNDING SERIES - 2015                          |                               |   |                   |
|--|-------------------------------|---|-------------------|
| Due During Fiscal<br>Years Ending<br>December 31 | Principal<br>Due<br>August 15 | Interest Due<br>February 15/<br>August 15 | Total             |
| 2025   | \$ 390,000                    | \$ 15,600                                 | \$ 405,600        |
| 2026   |                               |   |                   |
| 2027   |                               |   |                   |
| 2028   |                               |   |                   |
| 2029   |                               |   |                   |
| 2030   |                               |   |                   |
| 2031   |                               |   |                   |
| 2032   |                               |   |                   |
| 2033   |                               |   |                   |
| 2034   |                               |   |                   |
| 2035   |                               |   |                   |
| 2036   |                               |   |                   |
| 2037   |                               |   |                   |
| 2038   |                               |   |                   |
| 2039   |                               |   |                   |
| 2040   |                               |   |                   |
| 2041   |                               |   |                   |
| 2042   |                               |   |                   |
| 2043   |                               |   |                   |
| 2044   |                               |   |                   |
| 2045   |                               |   |                   |
| 2046   |                               |   |                   |
| 2047   |                               |   |                   |
| 2048   |                               |   |                   |
|  | <u>\$ 390,000</u>             | <u>\$ 15,600</u>                          | <u>\$ 405,600</u> |

See accompanying independent auditor's report.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2024**

| S E R I E S - 2 0 1 7                            |                               |   |                     |
|--|-------------------------------|---|---------------------|
| Due During Fiscal<br>Years Ending<br>December 31 | Principal<br>Due<br>August 15 | Interest Due<br>February 15/<br>August 15 | Total               |
| 2025   | \$ 180,000                    | \$ 69,750                                 | \$ 249,750          |
| 2026   | 180,000                       | 66,150                                    | 246,150             |
| 2027   | 180,000                       | 60,750                                    | 240,750             |
| 2028   | 180,000                       | 55,350                                    | 235,350             |
| 2029   | 180,000                       | 49,950                                    | 229,950             |
| 2030   | 180,000                       | 44,550                                    | 224,550             |
| 2031   | 180,000                       | 39,150                                    | 219,150             |
| 2032   | 180,000                       | 33,750                                    | 213,750             |
| 2033   | 180,000                       | 28,350                                    | 208,350             |
| 2034   | 180,000                       | 22,950                                    | 202,950             |
| 2035   | 180,000                       | 17,325                                    | 197,325             |
| 2036   | 180,000                       | 11,700                                    | 191,700             |
| 2037   | 180,000                       | 5,850                                     | 185,850             |
| 2038   |                               |   |                     |
| 2039   |                               |   |                     |
| 2040   |                               |   |                     |
| 2041   |                               |   |                     |
| 2042   |                               |   |                     |
| 2043   |                               |   |                     |
| 2044   |                               |   |                     |
| 2045   |                               |   |                     |
| 2046   |                               |   |                     |
| 2047   |                               |   |                     |
| 2048   |                               |   |                     |
|  | <u>\$ 2,340,000</u>           | <u>\$ 505,575</u>                         | <u>\$ 2,845,575</u> |

See accompanying independent auditor's report.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2024**

| S E R I E S - 2 0 1 9                            |                               |   |                     |
|--|-------------------------------|---|---------------------|
| Due During Fiscal<br>Years Ending<br>December 31 | Principal<br>Due<br>August 15 | Interest Due<br>February 15/<br>August 15 | Total               |
| 2025   | \$ 160,000                    | \$ 56,360                                 | \$ 216,360          |
| 2026   | 160,000                       | 53,160                                    | 213,160             |
| 2027   | 160,000                       | 49,960                                    | 209,960             |
| 2028   | 160,000                       | 46,760                                    | 206,760             |
| 2029   | 160,000                       | 43,560                                    | 203,560             |
| 2030   | 160,000                       | 40,160                                    | 200,160             |
| 2031   | 160,000                       | 36,560                                    | 196,560             |
| 2032   | 160,000                       | 32,960                                    | 192,960             |
| 2033   | 160,000                       | 29,160                                    | 189,160             |
| 2034   | 160,000                       | 25,360                                    | 185,360             |
| 2035   | 160,000                       | 21,360                                    | 181,360             |
| 2036   | 155,000                       | 17,360                                    | 172,360             |
| 2037   | 155,000                       | 13,098                                    | 168,098             |
| 2038   | 155,000                       | 8,835                                     | 163,835             |
| 2039   | 155,000                       | 4,417                                     | 159,417             |
| 2040   |                               |   |                     |
| 2041   |                               |   |                     |
| 2042   |                               |   |                     |
| 2043   |                               |   |                     |
| 2044   |                               |   |                     |
| 2045   |                               |   |                     |
| 2046   |                               |   |                     |
| 2047   |                               |   |                     |
| 2048   |                               |   |                     |
|  | <u>\$ 2,380,000</u>           | <u>\$ 479,070</u>                         | <u>\$ 2,859,070</u> |

See accompanying independent auditor's report.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2024**

| S E R I E S - 2 0 2 2                            |                               |   |                     |
|--|-------------------------------|---|---------------------|
| Due During Fiscal<br>Years Ending<br>December 31 | Principal<br>Due<br>August 15 | Interest Due<br>February 15/<br>August 15 | Total               |
| 2025   | \$ 150,000                    | \$ 49,088                                 | \$ 199,088          |
| 2026   | 150,000                       | 47,400                                    | 197,400             |
| 2027   | 150,000                       | 45,338                                    | 195,338             |
| 2028   | 150,000                       | 43,275                                    | 193,275             |
| 2029   | 150,000                       | 40,275                                    | 190,275             |
| 2030   | 150,000                       | 37,275                                    | 187,275             |
| 2031   | 150,000                       | 34,275                                    | 184,275             |
| 2032   | 150,000                       | 31,275                                    | 181,275             |
| 2033   | 150,000                       | 28,275                                    | 178,275             |
| 2034   | 150,000                       | 25,275                                    | 175,275             |
| 2035   | 150,000                       | 22,275                                    | 172,275             |
| 2036   | 150,000                       | 19,275                                    | 169,275             |
| 2037   | 150,000                       | 16,088                                    | 166,088             |
| 2038   | 150,000                       | 12,900                                    | 162,900             |
| 2039   | 150,000                       | 9,712                                     | 159,712             |
| 2040   | 145,000                       | 6,525                                     | 151,525             |
| 2041   | 145,000                       | 3,262                                     | 148,262             |
| 2042   |                               |   |                     |
| 2043   |                               |   |                     |
| 2044   |                               |   |                     |
| 2045   |                               |   |                     |
| 2046   |                               |   |                     |
| 2047   |                               |   |                     |
| 2048   |                               |   |                     |
|  | <u>\$ 2,540,000</u>           | <u>\$ 471,788</u>                         | <u>\$ 3,011,788</u> |

See accompanying independent auditor's report.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2024**

| DEFINED AREA NO. 1 SERIES - 2022                 |                               |   |           |                  |
|--|-------------------------------|---|-----------|------------------|
| Due During Fiscal<br>Years Ending<br>December 31 | Principal<br>Due<br>August 15 | Interest Due<br>February 15/<br>August 15 | Total     |                  |
| 2025   | \$ 95,000                     | \$ 218,300                                | \$        | 313,300          |
| 2026   | 95,000                        | 213,550                                   |           | 308,550          |
| 2027   | 100,000                       | 208,800                                   |           | 308,800          |
| 2028   | 105,000                       | 203,800                                   |           | 308,800          |
| 2029   | 110,000                       | 198,550                                   |           | 308,550          |
| 2030   | 115,000                       | 193,050                                   |           | 308,050          |
| 2031   | 120,000                       | 187,300                                   |           | 307,300          |
| 2032   | 125,000                       | 181,150                                   |           | 306,150          |
| 2033   | 130,000                       | 174,744                                   |           | 304,744          |
| 2034   | 135,000                       | 167,756                                   |           | 302,756          |
| 2035   | 145,000                       | 160,500                                   |           | 305,500          |
| 2036   | 150,000                       | 152,706                                   |           | 302,706          |
| 2037   | 160,000                       | 144,644                                   |           | 304,644          |
| 2038   | 165,000                       | 135,844                                   |           | 300,844          |
| 2039   | 175,000                       | 126,768                                   |           | 301,768          |
| 2040   | 185,000                       | 117,144                                   |           | 302,144          |
| 2041   | 195,000                       | 106,738                                   |           | 301,738          |
| 2042   | 205,000                       | 95,768                                    |           | 300,768          |
| 2043   | 215,000                       | 84,238                                    |           | 299,238          |
| 2044   | 225,000                       | 71,875                                    |           | 296,875          |
| 2045   | 235,000                       | 58,938                                    |           | 293,938          |
| 2046   | 250,000                       | 45,425                                    |           | 295,425          |
| 2047   | 265,000                       | 31,050                                    |           | 296,050          |
| 2048   | 275,000                       | 15,812                                    |           | 290,812          |
|  | <u>\$ 3,975,000</u>           | <u>\$ 3,294,450</u>                       | <u>\$</u> | <u>7,269,450</u> |

See accompanying independent auditor's report.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2024**

ANNUAL REQUIREMENTS  
FOR ALL SERIES

| Due During Fiscal<br>Years Ending<br>December 31 | Total<br>Principal Due | Total<br>Interest Due | Total<br>Principal and<br>Interest Due |
|--|------------------------|-----------------------|--|
| 2025   | \$ 975,000             | \$ 409,098            | \$ 1,384,098                           |
| 2026   | 585,000                | 380,260               | 965,260                                |
| 2027   | 590,000                | 364,848               | 954,848                                |
| 2028   | 595,000                | 349,185               | 944,185                                |
| 2029   | 600,000                | 332,335               | 932,335                                |
| 2030   | 605,000                | 315,035               | 920,035                                |
| 2031   | 610,000                | 297,285               | 907,285                                |
| 2032   | 615,000                | 279,135               | 894,135                                |
| 2033   | 620,000                | 260,529               | 880,529                                |
| 2034   | 625,000                | 241,341               | 866,341                                |
| 2035   | 635,000                | 221,460               | 856,460                                |
| 2036   | 635,000                | 201,041               | 836,041                                |
| 2037   | 645,000                | 179,680               | 824,680                                |
| 2038   | 470,000                | 157,579               | 627,579                                |
| 2039   | 480,000                | 140,897               | 620,897                                |
| 2040   | 330,000                | 123,669               | 453,669                                |
| 2041   | 340,000                | 110,000               | 450,000                                |
| 2042   | 205,000                | 95,768                | 300,768                                |
| 2043   | 215,000                | 84,238                | 299,238                                |
| 2044   | 225,000                | 71,875                | 296,875                                |
| 2045   | 235,000                | 58,938                | 293,938                                |
| 2046   | 250,000                | 45,425                | 295,425                                |
| 2047   | 265,000                | 31,050                | 296,050                                |
| 2048   | 275,000                | 15,812                | 290,812                                |
|  | \$ 11,625,000          | \$ 4,766,483          | \$ 16,391,483                          |

See accompanying independent auditor's report.

**CROSBY MUNICIPAL UTILITY DISTRICT  
ANALYSIS OF CHANGES IN LONG-TERM DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2024**

| Description   | Original<br>Bonds Issued | Bonds<br>Outstanding<br>January 1, 2024 |
|---|--------------------------|---|
| Crosby Municipal Utility District<br>Unlimited Tax Refunding Bonds - Series 2015          | \$ 3,315,000             | \$ 1,360,000                            |
| Crosby Municipal Utility District<br>Unlimited Tax Bonds - Series 2017                    | 3,700,000                | 2,525,000                               |
| Crosby Municipal Utility District<br>Unlimited Tax Bonds - Series 2019                    | 3,250,000                | 2,540,000                               |
| Crosby Municipal Utility District<br>Unlimited Tax Bonds - Series 2022                    | 3,050,000                | 2,690,000                               |
| Crosby Municipal Utility District<br>Defined Area No. 1 Unlimited Tax Bonds - Series 2022 | <u>4,065,000</u>         | <u>4,065,000</u>                        |
| TOTAL   | <u>\$ 17,380,000</u>     | <u>\$ 13,180,000</u>                    |

| Bond Authority:             | Tax Bonds            | Defined Area No. 1<br>Tax Bonds | Defined Area No. 2<br>Tax Bonds |
|-----------------------------|----------------------|---------------------------------|---------------------------------|
| Amount Authorized by Voters | \$ 30,000,000        | \$ 15,000,000                   | \$ 42,000,000                   |
| Amount Issued               | <u>10,000,000</u>    | <u>4,065,000</u>                | <u></u>                         |
| Remaining to be Issued      | <u>\$ 20,000,000</u> | <u>\$ 10,935,000</u>            | <u>\$ 42,000,000</u>            |

Debt Service Fund cash and investment balances as of December 31, 2024: \$ 3,267,347

Average annual debt service payment (principal and interest) for remaining term  
of all debt: \$ 682,978

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

See accompanying independent auditor's report.

| Current Year Transactions |                     |                   |   |                                |  |
|---------------------------|---------------------|-------------------|---|--------------------------------|--|
| Bonds Sold                | Retirements         |                   | Bonds<br>Outstanding<br>December 31, 2024 | Paying Agent                   |  |
|                           | Principal           | Interest          |   |                                |  |
| \$                        | \$ 970,000          | \$ 57,441         | \$ 390,000                                | US Bank<br>Minneapolis, MN     |  |
|                           | 185,000             | 73,450            | 2,340,000                                 | Wells Fargo Bank<br>Austin, TX |  |
|                           | 160,000             | 59,560            | 2,380,000                                 | Wells Fargo Bank<br>Austin, TX |  |
|                           | 150,000             | 50,775            | 2,540,000                                 | UMB Bank, N.A.<br>Houston, TX  |  |
|                           | 90,000              | 222,800           | 3,975,000                                 | UMB Bank, N.A.<br>Houston, TX  |  |
| <u>\$ - 0 -</u>           | <u>\$ 1,555,000</u> | <u>\$ 464,026</u> | <u>\$ 11,625,000</u>                      |                                |  |
| Revenue Bonds             |                     |                   |   |                                |  |
| \$ 2,885,000              |                     |                   |   |                                |  |
| <u>2,885,000</u>          |                     |                   |   |                                |  |
| <u>\$ - 0 -</u>           |                     |                   |   |                                |  |

See accompanying independent auditor's report.



**CROSBY MUNICIPAL UTILITY DISTRICT**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND - FIVE YEARS**

|  | Amounts             |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | 2024                | 2023                | 2022                |
| <b>REVENUES</b>  |                     |                     |                     |
| Water and Wastewater Service                                 | \$ 2,767,744        | \$ 2,646,744        | \$ 2,114,853        |
| Penalty and Interest   | 70,565              | 65,115              | 53,535              |
| Tap Connection and Inspection Fees                           | 677,453             | 490,162             | 295,064             |
| Property Taxes - Defined Area                                | 83,533              | 117,421             | 114,286             |
| Investment and Miscellaneous Revenues                        | 227,317             | 198,611             | 48,162              |
| <b>TOTAL REVENUES</b>  | <u>\$ 3,826,612</u> | <u>\$ 3,518,053</u> | <u>\$ 2,625,900</u> |
| <b>EXPENDITURES</b>  |                     |                     |                     |
| Personnel  | \$ 1,073,345        | \$ 959,481          | \$ 919,242          |
| Professional Fees  | 377,961             | 397,670             | 315,790             |
| Purchased Water Service                                      | 212,280             | 198,925             | 186,150             |
| Utilities  | 169,453             | 166,974             | 127,190             |
| Repairs and Maintenance                                      | 264,768             | 201,524             | 179,534             |
| Other  | 597,678             | 577,688             | 487,860             |
| Capital Outlay   | 201,474             |                     | 51,626              |
| <b>TOTAL EXPENDITURES</b>                                    | <u>\$ 2,896,959</u> | <u>\$ 2,502,262</u> | <u>\$ 2,267,392</u> |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>\$ 929,653</u>   | <u>\$ 1,015,791</u> | <u>\$ 358,508</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |                     |
| Transfers In (Out)   | \$ (160,500)        | \$ (225,575)        | \$ 35,821           |
| Developer Advances - Defined Area No. 2                      |                     | 10,445              |                     |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                  | <u>\$ (160,500)</u> | <u>\$ (215,130)</u> | <u>\$ 35,821</u>    |
| <b>NET CHANGE IN FUND BALANCE</b>                            | \$ 769,153          | \$ 800,661          | \$ 394,329          |
| <b>BEGINNING FUND BALANCE</b>                                | <u>4,152,845</u>    | <u>3,352,184</u>    | <u>2,957,855</u>    |
| <b>ENDING FUND BALANCE</b>                                   | <u>\$ 4,921,998</u> | <u>\$ 4,152,845</u> | <u>\$ 3,352,184</u> |

See accompanying independent auditor's report.

|                     |                     | Percentage of Total Revenues |                |                |                |                |
|---------------------|---------------------|------------------------------|----------------|----------------|----------------|----------------|
| 2021                | 2020                | 2024                         | 2023           | 2022           | 2021           | 2020           |
| \$ 1,912,164        | \$ 1,869,850        | 72.4 %                       | 75.3 %         | 78.7 %         | 84.8 %         | 83.9 %         |
| 44,445              | 29,119              | 1.8                          | 1.9            | 2.0            | 2.0            | 1.3            |
| 225,850             | 264,097             | 17.7                         | 13.9           | 11.2           | 10.0           | 11.9           |
| 7,493               | 4,081               | 2.2                          | 3.3            | 4.4            | 0.3            | 0.2            |
| 66,236              | 60,978              | 5.9                          | 5.6            | 3.7            | 2.9            | 2.7            |
| <u>\$ 2,256,188</u> | <u>\$ 2,228,125</u> | <u>100.0 %</u>               | <u>100.0 %</u> | <u>100.0 %</u> | <u>100.0 %</u> | <u>100.0 %</u> |
| <br>                |                     |                              |                |                |                |                |
| \$ 1,037,536        | \$ 1,003,901        | 28.0 %                       | 27.3 %         | 35.0 %         | 46.0 %         | 45.1 %         |
| 300,783             | 243,873             | 9.9                          | 11.3           | 12.0           | 13.3           | 10.9           |
| 180,675             | 175,680             | 5.5                          | 5.7            | 7.1            | 8.0            | 7.9            |
| 135,195             | 99,830              | 4.4                          | 4.7            | 4.8            | 6.0            | 4.5            |
| 167,474             | 245,308             | 6.9                          | 5.7            | 6.8            | 7.4            | 11.0           |
| 413,050             | 420,854             | 15.6                         | 16.4           | 18.6           | 18.3           | 18.9           |
| 2,827               | 16,387              | 5.3                          |                | 2.0            | 0.1            | 0.7            |
| <u>\$ 2,237,540</u> | <u>\$ 2,205,833</u> | <u>75.6 %</u>                | <u>71.1 %</u>  | <u>86.3 %</u>  | <u>99.1 %</u>  | <u>99.0 %</u>  |
| <br>                |                     |                              |                |                |                |                |
| <u>\$ 18,648</u>    | <u>\$ 22,292</u>    | <u>24.4 %</u>                | <u>28.9 %</u>  | <u>13.7 %</u>  | <u>0.9 %</u>   | <u>1.0 %</u>   |
| <br>                |                     |                              |                |                |                |                |
| \$                  | \$ (176,602)        |                              |                |                |                |                |
| <br>                |                     |                              |                |                |                |                |
| <u>\$ - 0 -</u>     | <u>\$ (176,602)</u> |                              |                |                |                |                |
| <br>                |                     |                              |                |                |                |                |
| \$ 18,648           | \$ (154,310)        |                              |                |                |                |                |
| <u>2,939,207</u>    | <u>3,093,517</u>    |                              |                |                |                |                |
| <br>                |                     |                              |                |                |                |                |
| <u>\$ 2,957,855</u> | <u>\$ 2,939,207</u> |                              |                |                |                |                |

See accompanying independent auditor's report.

**CROSBY MUNICIPAL UTILITY DISTRICT**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**DEBT SERVICE FUND - FIVE YEARS**

|  | Amounts             |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | 2024                | 2023                | 2022                |
| <b>REVENUES</b>  |                     |                     |                     |
| Property Taxes   | \$ 2,100,948        | \$ 1,944,787        | \$ 1,545,240        |
| Penalty and Interest   | 36,584              | 40,977              | 28,300              |
| Investment and Miscellaneous Revenues                        | 85,105              | 86,819              | 13,898              |
| <b>TOTAL REVENUES</b>  | <u>\$ 2,222,637</u> | <u>\$ 2,072,583</u> | <u>\$ 1,587,438</u> |
| <b>EXPENDITURES</b>  |                     |                     |                     |
| Tax Collection Expenditures                                  | \$ 72,675           | \$ 95,065           | \$ 47,828           |
| Debt Service Principal                                       | 1,555,000           | 1,375,000           | 990,000             |
| Debt Service Interest and Fees                               | 467,726             | 424,975             | 285,293             |
| <b>TOTAL EXPENDITURES</b>                                    | <u>\$ 2,095,401</u> | <u>\$ 1,895,040</u> | <u>\$ 1,323,121</u> |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>\$ 127,236</u>   | <u>\$ 177,543</u>   | <u>\$ 264,317</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |                     |
| Transfers In (Out)   | \$                  | \$ (7,008)          | \$ 100              |
| Proceeds from Issuance of Long-Term Debt                     |                     |                     | 235,174             |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                  | <u>\$ - 0 -</u>     | <u>\$ (7,008)</u>   | <u>\$ 235,274</u>   |
| <b>NET CHANGE IN FUND BALANCE</b>                            | \$ 127,236          | \$ 170,535          | \$ 499,591          |
| <b>BEGINNING FUND BALANCE</b>                                | <u>1,881,850</u>    | <u>1,711,315</u>    | <u>1,211,724</u>    |
| <b>ENDING FUND BALANCE</b>                                   | <u>\$ 2,009,086</u> | <u>\$ 1,881,850</u> | <u>\$ 1,711,315</u> |
| <b>TOTAL ACTIVE RETAIL WATER<br/>CONNECTIONS</b>             | <u>1,586</u>        | <u>1,481</u>        | <u>1,420</u>        |
| <b>TOTAL ACTIVE RETAIL WASTEWATER<br/>CONNECTIONS</b>        | <u>1,537</u>        | <u>1,457</u>        | <u>1,396</u>        |

See accompanying independent auditor's report.

|                     |                     | Percentage of Total Revenues |                |                |                |                |
|---------------------|---------------------|------------------------------|----------------|----------------|----------------|----------------|
| 2021                | 2020                | 2024                         | 2023           | 2022           | 2021           | 2020           |
| \$ 1,356,543        | \$ 1,467,926        | 94.6 %                       | 93.8 %         | 97.3 %         | 95.2 %         | 94.0 %         |
| 33,240              | 50,294              | 1.6                          | 2.0            | 1.8            | 2.3            | 3.2            |
| <u>34,926</u>       | <u>43,337</u>       | <u>3.8</u>                   | <u>4.2</u>     | <u>0.9</u>     | <u>2.5</u>     | <u>2.8</u>     |
| \$ <u>1,424,709</u> | \$ <u>1,561,557</u> | <u>100.0 %</u>               | <u>100.0 %</u> | <u>100.0 %</u> | <u>100.0 %</u> | <u>100.0 %</u> |
|                     |                     |                              |                |                |                |                |
| \$ 60,684           | \$ 48,314           | 3.3 %                        | 4.6 %          | 3.0 %          | 4.3 %          | 3.1 %          |
| 1,170,000           | 1,095,000           | 70.0                         | 66.3           | 62.4           | 82.1           | 70.1           |
| <u>297,742</u>      | <u>298,290</u>      | <u>21.0</u>                  | <u>20.5</u>    | <u>18.0</u>    | <u>20.9</u>    | <u>19.1</u>    |
| \$ <u>1,528,426</u> | \$ <u>1,441,604</u> | <u>94.3 %</u>                | <u>91.4 %</u>  | <u>83.4 %</u>  | <u>107.3 %</u> | <u>92.3 %</u>  |
|                     |                     |                              |                |                |                |                |
| \$ (103,717)        | \$ 119,953          | <u>5.7 %</u>                 | <u>8.6 %</u>   | <u>16.6 %</u>  | <u>(7.3) %</u> | <u>7.7 %</u>   |
|                     |                     |                              |                |                |                |                |
| \$                  | \$                  |                              |                |                |                |                |
| <u>\$ - 0 -</u>     | <u>\$ - 0 -</u>     |                              |                |                |                |                |
|                     |                     |                              |                |                |                |                |
| \$ (103,717)        | \$ 119,953          |                              |                |                |                |                |
| <u>1,315,441</u>    | <u>1,195,488</u>    |                              |                |                |                |                |
| \$ <u>1,211,724</u> | \$ <u>1,315,441</u> |                              |                |                |                |                |
|                     |                     |                              |                |                |                |                |
| <u>1,304</u>        | <u>1,258</u>        |                              |                |                |                |                |
|                     |                     |                              |                |                |                |                |
| <u>1,249</u>        | <u>1,244</u>        |                              |                |                |                |                |

See accompanying independent auditor's report.

**CROSBY MUNICIPAL UTILITY DISTRICT  
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
DECEMBER 31, 2024**

District Mailing Address     - Crosby Municipal Utility District  
P.O. Box 249  
Crosby, Texas 77532

District Telephone Number   - (281) 328-4242

| <b>Board Members</b> | <b>Term of Office<br/>(Elected or<br/>Appointed)</b> | <b>Fees of office<br/>for the<br/>year ended<br/><u>December 31, 2024</u></b> | <b>Expense<br/>reimbursements<br/>for the<br/>year ended<br/><u>December 31, 2024</u></b> | <b><u>Title</u></b>                 |
|----------------------|--|---|---|-------------------------------------|
| Steve Schreiber      | 05/2021<br>05/2025<br>(Elected)                      | \$ 7,200  | \$ 2,179  | President                           |
| Eddie Foster         | 05/2023<br>05/2027<br>(Elected)                      | \$ 7,200  | \$ 1,993  | Vice<br>President                   |
| Donna Davenport      | 05/2023<br>05/2027<br>(Elected)                      | \$ 6,409  | \$ -0-  | Treasurer/<br>Investment<br>Officer |
| Wesley Zarsky        | 05/2021<br>05/2025<br>(Elected)                      | \$ 4,641  | \$ -0-  | Secretary                           |
| Diane Feland         | 05/2023<br>05/2027<br>(Elected)                      | \$ 6,409  | \$ -0-  | Assistant<br>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: October 26, 2023

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

**CROSBY MUNICIPAL UTILITY DISTRICT  
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
DECEMBER 31, 2024**

| <b>Consultants:</b>                          | <u>Date Hired</u> | <u>Fees for the<br/>year ended<br/>December 31, 2024</u> | <u>Title</u>               |
|--|-------------------|--|----------------------------|
| Baker, Williams, Matthieson LLP              | 2017              | \$ 166,469   | General Counsel            |
| McCall Gibson Swedlund Barfoot<br>Ellis PLLC | 12/15/20          | \$ 44,000  | Auditor                    |
| San Jacinto Tax Service                      | 04/17/01          | \$ 16,960  | Tax Assessor               |
| IDS Engineering Group                        | 05/04/04          | \$ 224,035   | Engineer                   |
| Perdue Brandon Fielder Collins & Mott LLP    | 2018              | \$ 13,967  | Delinquent Tax<br>Attorney |
| Hilltop Securities, Inc.                     |                   | \$ 7,000   | Financial Advisor          |

See accompanying independent auditor's report.