



**Nottingham Country
Municipal Utility
District
Harris County, Texas**

**Independent Auditor's Report and
Financial Statements**

September 30, 2023



Nottingham Country Municipal Utility District
September 30, 2023

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Independent Auditor's Report

Board of Directors
Nottingham Country Municipal Utility District
Harris County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of Nottingham Country Municipal Utility District (the District), as of and for the year ended September 30, 2023, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of September 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 these 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 12 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 GAAS 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 GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedules required by the Texas Commission on Environmental Quality listed in the table of contents are presented for purposes of additional analysis and are 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

FORVIS,LLP

Houston, Texas
February 10, 2024

Nottingham Country Municipal Utility District

Management's Discussion and Analysis

September 30, 2023

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and by the District's state oversight agency, the Texas Commission on Environmental Quality (the Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, sanitary sewer and drainage services. Other activities, such as the provision of recreational facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets, liabilities, and deferred inflows and outflows of resources of the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period and expenses are recorded even though they may not have used cash during the current year.

Nottingham Country Municipal Utility District

Management's Discussion and Analysis (Continued)

September 30, 2023

Although the statement of activities looks different from a commercial enterprise's statement of income, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as a change in net position, essentially the same thing.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the general fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

Governmental Funds

Governmental-fund financial statements consist of a balance sheet and a statement of revenues, expenditures and changes in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and water, sewer and drainage systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's assets, liabilities, and deferred inflows and outflows of resources is labeled the fund balance and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

Because the focus of the government-wide and fund financial statements is different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in the notes to financial statements that describes the adjustments to fund balances to arrive at the net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in the notes to financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position, as reported in the governmental activities column in the statement of activities.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data found in the government-wide and fund financial statements.

Nottingham Country Municipal Utility District
Management's Discussion and Analysis (Continued)
September 30, 2023

Financial Analysis of the District as a Whole

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

Summary of Net Position

	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 16,727,767	\$ 14,143,456
Capital assets	<u>18,669,732</u>	<u>18,179,302</u>
Total assets	<u>\$ 35,397,499</u>	<u>\$ 32,322,758</u>
Other liabilities	<u>\$ 679,946</u>	<u>\$ 329,449</u>
Net position:		
Net investment in capital assets	18,559,687	18,115,324
Unrestricted	<u>16,157,866</u>	<u>13,877,985</u>
Total net position	<u>\$ 34,717,553</u>	<u>\$ 31,993,309</u>

The total net position of the District increased by \$2,724,244, or about 9%. The majority of the increase in net position is related to property taxes and service revenues exceeding services and depreciation expenses.

Summary of Changes in Net Position

	<u>2023</u>	<u>2022</u>
Revenues:		
Property taxes	\$ 3,065,531	\$ 2,997,398
Charges for services	3,116,600	2,933,272
Other revenues	<u>843,319</u>	<u>154,713</u>
Total revenues	<u>7,025,450</u>	<u>6,085,383</u>
Expenses:		
Services	3,325,823	2,866,430
Depreciation	<u>975,383</u>	<u>761,292</u>
Total expenses	<u>4,301,206</u>	<u>3,627,722</u>
Change in net position	2,724,244	2,457,661
Net position, beginning of year	<u>31,993,309</u>	<u>29,535,648</u>
Net position, end of year	<u>\$ 34,717,553</u>	<u>\$ 31,993,309</u>

Nottingham Country Municipal Utility District
Management's Discussion and Analysis (Continued)
September 30, 2023

Financial Analysis of the District's Fund

The general fund's fund balance increased by \$2,235,556 due to property taxes and service revenues and investment income exceeding service operations and capital outlay expenditures.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to property taxes and regional water fee revenues, investment income, and contracted services, utilities and recreational facilities expenditures being greater than anticipated, as well as regional water fees and capital outlay expenditures being less than anticipated. In addition, other income was not included in the budget. The fund balance as of September 30, 2023, was expected to be \$14,658,437 and the actual end-of-year fund balance was \$15,932,113.

Capital Assets and Related Debt

Capital Assets

Capital assets held by the District at the end of the current and previous fiscal years are summarized below:

Capital Assets (Net of Accumulated Depreciation)

	2023	2022
Land and improvements	\$ 422,593	\$ 422,593
Construction in progress	1,557,203	4,599,578
Water facilities	7,171,531	7,681,291
Wastewater facilities	5,257,329	1,588,825
Parks and recreation	4,261,076	3,887,015
Total capital assets	\$ 18,669,732	\$ 18,179,302

During the current year, additions to capital assets were as follows.

Nottingham Country Municipal Utility District
Management's Discussion and Analysis (Continued)
September 30, 2023

Construction in progress related to Harvey mitigation for wastewater treatment plant, upgrade of non-potable water system, water well No. 3 flood mitigation improvements, sanitary sewer rehabilitation Phase 5C, water well No. 2 electrical facilities replacement, wastewater treatment plant driveway and gate addition and fitness station enhancements	\$ 1,311,788
Park trail lighting improvements	62,461
Wastewater treatment plant improvements	91,564
	\$ 1,465,813
Total additions to capital assets	

Debt

At September 30, 2023, the District had \$50,000,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District.

Other Relevant Factors

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (the City), the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City without the District's consent if the City complies with the requirements of Chapter 43, Texas Local Government Code, as amended, which includes voter approval. If the District is annexed, the City must assume the District's assets and obligations (including the bonded indebtedness) and abolish the District within 90 days.

Nottingham Country Municipal Utility District
Statement of Net Position and Governmental Fund Balance Sheet
September 30, 2023

Assets	General Fund	Adjustments	Statement of Net Position
Cash	\$ 262,082	\$ -	\$ 262,082
Certificates of deposit	1,655,000	-	1,655,000
Short-term investments	14,380,885	-	14,380,885
Receivables:			
Property taxes	71,196	-	71,196
Service accounts	284,858	-	284,858
Accrued penalty and interest	-	44,512	44,512
Accrued interest	29,234	-	29,234
Capital assets (net of accumulated depreciation):			
Land and improvements	-	422,593	422,593
Construction in progress	-	1,557,203	1,557,203
Infrastructure	-	12,428,860	12,428,860
Parks and recreation	-	4,261,076	4,261,076
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 16,683,255</u>	<u>\$ 18,714,244</u>	<u>\$ 35,397,499</u>

Nottingham Country Municipal Utility District
Statement of Net Position and Governmental Fund Balance Sheet (Continued)
September 30, 2023

	General Fund	Adjustments	Statement of Net Position
Liabilities			
Accounts payable	\$ 565,401	\$ -	\$ 565,401
Retainage payable	110,045	-	110,045
Customer deposits	4,500	-	4,500
	679,946	0	679,946
Deferred Inflows of Resources			
Deferred property tax revenues	71,196	(71,196)	0
	71,196	(71,196)	0
Fund Balance/Net Position			
Fund balance:			
Assigned, future expenditures	2,970,507	(2,970,507)	-
Unassigned	12,961,606	(12,961,606)	-
	15,932,113	(15,932,113)	0
Total liabilities, deferred inflows of resources and fund balance	\$ 16,683,255		
Net position:			
Net investment in capital assets		18,559,687	18,559,687
Unrestricted		16,157,866	16,157,866
		34,717,553	34,717,553
Total net position		\$ 34,717,553	\$ 34,717,553

Nottingham Country Municipal Utility District
Statement of Activities and Governmental Fund Revenues,
Expenditures and Changes in Fund Balance
Year Ended September 30, 2023

	General Fund	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 3,069,328	\$ (3,797)	\$ 3,065,531
Water service	868,698	-	868,698
Sewer service	473,763	-	473,763
Regional water fee	1,774,139	-	1,774,139
Penalty and interest	60,740	2,055	62,795
Tap connection and inspection fees	15,900	-	15,900
Investment income	729,834	-	729,834
Other income	34,790	-	34,790
	<u>7,027,192</u>	<u>(1,742)</u>	<u>7,025,450</u>
Expenditures/Expenses			
Service operations:			
Purchased services	1,007	-	1,007
Regional water fees	1,192,125	-	1,192,125
Professional fees	228,548	-	228,548
Contracted services	253,348	-	253,348
Utilities	304,270	-	304,270
Recreational facilities	234,141	6,638	240,779
Repairs and maintenance	892,618	26,154	918,772
Other expenditures	183,224	-	183,224
Tap connections	3,750	-	3,750
Capital outlay	1,498,605	(1,498,605)	-
Depreciation	-	975,383	975,383
	<u>4,791,636</u>	<u>(490,430)</u>	<u>4,301,206</u>
Excess of Revenues Over Expenditures	2,235,556	(2,235,556)	
Change in Net Position		2,724,244	2,724,244
Fund Balance/Net Position			
Beginning of year	13,696,557	-	31,993,309
End of year	<u>\$ 15,932,113</u>	<u>\$ 0</u>	<u>\$ 34,717,553</u>

Nottingham Country Municipal Utility District

Notes to Financial Statements

September 30, 2023

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nottingham Country Municipal Utility District (the District) was created by an order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (the Commission), effective February 24, 1981, in accordance with the Texas Water Code, Article XVI, Chapter 59. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code, as amended, and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate waterworks, wastewater and drainage facilities and to provide such facilities and services to the customers of the District.

The District is governed by a Board of Directors (the Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for which the District is considered to be financially accountable. Accountability is defined as the District's substantive appointment of the voting majority of the component unit's governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

Government-wide and Fund Financial Statements

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, wastewater, drainage and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, charges for services and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District.

Nottingham Country Municipal Utility District

Notes to Financial Statements

September 30, 2023

The fund financial statements provide information about the District's governmental funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental fund:

General Fund – The general fund is the primary operating fund of the District which accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, charges for services and interest income.

Fund Balance – Governmental Fund

The fund balance for the District's governmental fund can be displayed in up to five components:

Nonspendable – Amounts that are not in a spendable form or are required to be maintained intact.

Restricted – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by issuance of a resolution by the District's Board.

Assigned – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – The residual classification for the general fund and includes all amounts not contained in the other classifications.

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Nottingham Country Municipal Utility District

Notes to Financial Statements

September 30, 2023

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as liabilities. Intergovernmental revenues are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted.

Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

Pension Costs

The District does not participate in a pension plan and, therefore, has no pension costs.

Nottingham Country Municipal Utility District

Notes to Financial Statements

September 30, 2023

Use of 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 amounts of assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Investments and Investment Income

Investments in certificates of deposit, U.S. Government and agency securities, and certain pooled funds, which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

Property Taxes

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes, penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended September 30, 2023, include collections during the current period or within 60 days of fiscal year-end related to the 2022 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended September 30, 2023, the 2022 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Nottingham Country Municipal Utility District

Notes to Financial Statements

September 30, 2023

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of \$5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives, as follows:

	<u>Years</u>
Water production and distribution facilities	3-45
Wastewater collection and treatment facilities	3-45
Park improvements	3-45

Debt Issuance Costs

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and, therefore, are recognized as an expense/expenditure in the period incurred.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on bonds are recognized as a component of long-term liabilities and amortized over the life of the related debt using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts on bonds during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position/Fund Balances

Fund balances and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

Nottingham Country Municipal Utility District
Notes to Financial Statements
September 30, 2023

When both restricted and unrestricted resources are available for use, generally, it is the District's policy to use restricted resources first.

Reconciliation of Government-wide and Fund Financial Statements

Amounts reported for net position of governmental activities in the statement of net position and fund balance in the governmental fund balance sheet are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the fund.	\$ 18,669,732
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	71,196
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the fund.	<u>44,512</u>
Adjustment to fund balance to arrive at net position.	<u><u>\$ 18,785,440</u></u>

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balance in the governmental fund statement of revenues, expenditures and changes in fund balance because:

Change in fund balance.	\$ 2,235,556
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded noncapitalized costs and depreciation expense in the current year.	490,430
Revenues collected in the current year, which have previously been reported in the statement of activities, are reported as revenues in the governmental funds.	<u>(1,742)</u>
Change in net position of governmental activities.	<u><u>\$ 2,724,244</u></u>

Nottingham Country Municipal Utility District
Notes to Financial Statements
September 30, 2023

Note 2: Deposits, Investments and Investment Income

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; or certain collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.

At September 30, 2023, none of the District's bank balances were exposed to custodial credit risk.

Investments

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, obligations of states, agencies and counties and other political subdivisions with an investment rating not less than "A," insured or collateralized certificates of deposit, and certain bankers' acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts and investment pools.

The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas CLASS, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Trustees, elected by the participants, has oversight of Texas CLASS. The District's investments may be redeemed at any time. Texas CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques and limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. The District's investments in Texas CLASS are reported at net asset value.

Nottingham Country Municipal Utility District
Notes to Financial Statements
September 30, 2023

At September 30, 2023, the District had the following investments and maturities:

Type	Maturities in Years				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
Texas CLASS	\$ 14,380,885	\$ 14,380,885	\$ 0	\$ 0	\$ 0

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

Credit Risk. Credit Risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2023, the District's investments in Texas CLASS were rated "AAAm" by Standard and Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet at September 30, 2023, as follows:

Carrying value:	
Deposits	\$ 1,917,082
Investments	<u>14,380,885</u>
Total	<u>\$ 16,297,967</u>

Included in the following statement of net position captions:

Cash	\$ 262,082
Certificates of deposit	1,655,000
Short-term investments	<u>14,380,885</u>
Total	<u>\$ 16,297,967</u>

Investment Income

Investment income of \$729,834 for the year ended September 30, 2023, consisted of interest income.

Nottingham Country Municipal Utility District
Notes to Financial Statements
September 30, 2023

Fair Value Measurements

The District has the following recurring fair value measurements as of September 30, 2023:

- Pooled investments of \$14,380,885 are valued at fair value per share of the pool's underlying portfolio.

Note 3: Capital Assets

A summary of changes in capital assets for the year ended September 30, 2023, is presented as follows:

Governmental Activities	Balances, Beginning of Year	Additions	Reclassi- fications	Balances, End of Year
Capital assets, non-depreciable:				
Land and improvements	\$ 422,593	\$ -	\$ -	\$ 422,593
Parks and recreation	3,642,008	-	-	3,642,008
Construction in progress	4,599,578	1,311,788	(4,354,163)	1,557,203
Total capital assets, non-depreciable	8,664,179	1,311,788	(4,354,163)	5,621,804
Capital assets, depreciable:				
Water production and distribution facilities	17,022,687	-	-	17,022,687
Wastewater collection and treatment facilities	7,926,484	91,564	3,993,227	12,011,275
Parks and recreation	439,585	62,461	360,936	862,982
Total capital assets, depreciable	25,388,756	154,025	4,354,163	29,896,944
Less accumulated depreciation:				
Water production and distribution facilities	(9,341,396)	(509,760)	-	(9,851,156)
Wastewater collection and treatment facilities	(6,337,659)	(416,287)	-	(6,753,946)
Parks and recreation	(194,578)	(49,336)	-	(243,914)
Total accumulated depreciation	(15,873,633)	(975,383)	0	(16,849,016)
Total governmental activities, net	<u>\$ 18,179,302</u>	<u>\$ 490,430</u>	<u>\$ 0</u>	<u>\$ 18,669,732</u>

Nottingham Country Municipal Utility District
Notes to Financial Statements
September 30, 2023

Note 4: Long-term Liabilities

Bonds voted	\$ 79,250,000
Bonds sold	29,250,000
Refunding bonds voted	5,000,000
Refunding bond authorization used	1,925,000

Note 5: Maintenance Taxes

At an election held May 6, 2017, voters authorized a maintenance tax not to exceed \$0.50 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended September 30, 2023, the District levied an ad valorem maintenance tax at the rate of \$0.2750 per \$100 of assessed valuation, which resulted in a tax levy of \$3,070,736 on the taxable valuation of \$1,116,631,033 for the 2022 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 6: Regional Water Authority

The District is within the boundaries of the West Harris County Regional Water Authority (the Authority), which was created by the Texas Legislature. The Authority was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Harris-Galveston Subsidence District, which regulates groundwater withdrawal. As of September 30, 2023, the Authority was billing the District \$3.95 per 1,000 gallons of water pumped from its wells. The District is billing each user of District water for any purpose \$4.35 per 1,000 gallons of water. The amount charged by the Authority is subject to future adjustments.

Note 7: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three fiscal years.

Required Supplementary Information

Nottingham Country Municipal Utility District
Budgetary Comparison Schedule – General Fund
Year Ended September 30, 2023

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 3,021,476	\$ 3,069,328	\$ 47,852
Water service	838,800	868,698	29,898
Sewer service	476,536	473,763	(2,773)
Regional water fee	1,624,900	1,774,139	149,239
Penalty and interest	25,000	60,740	35,740
Tap connection and inspection fees	2,600	15,900	13,300
Investment income	233,100	729,834	496,734
Other income	-	34,790	34,790
	<u>6,222,412</u>	<u>7,027,192</u>	<u>804,780</u>
Expenditures			
Service operations:			
Purchased services	1,500	1,007	493
Regional water fees	1,624,900	1,192,125	432,775
Professional fees	234,000	228,548	5,452
Contracted services	182,300	253,348	(71,048)
Utilities	215,400	304,270	(88,870)
Recreational facilities	155,334	234,141	(78,807)
Repairs and maintenance	859,740	892,618	(32,878)
Other expenditures	171,750	183,224	(11,474)
Tap connections	-	3,750	(3,750)
Capital outlay	1,815,608	1,498,605	317,003
	<u>5,260,532</u>	<u>4,791,636</u>	<u>468,896</u>
Excess of Revenues Over Expenditures	961,880	2,235,556	1,273,676
Fund Balance, Beginning of Year	<u>13,696,557</u>	<u>13,696,557</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 14,658,437</u>	<u>\$ 15,932,113</u>	<u>\$ 1,273,676</u>

Nottingham Country Municipal Utility District
Notes to Required Supplementary Information
September 30, 2023

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was not amended during fiscal 2023.

The District prepares its annual operating budget on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedule – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Supplementary Information

Nottingham Country Municipal Utility District
Other Schedules Included Within This Report
September 30, 2023

(Schedules included are checked or explanatory notes provided for omitted schedules.)

- [X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 12-21
- [X] Schedule of Services and Rates
- [X] Schedule of General Fund Expenditures
- [X] Schedule of Temporary Investments
- [X] Analysis of Taxes Levied and Receivable
- [] Schedule of Long-term Debt Service Requirements by Years – Not Applicable
- [] Changes in Long-term Bonded Debt – Not Applicable
- [X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund –
Five Years
- [X] Board Members, Key Personnel and Consultants

Nottingham Country Municipal Utility District

Schedule of Services and Rates

Year Ended September 30, 2023

1. Services provided by the District:

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

2. Retail service providers

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

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate Per 1,000 Gallons Over Minimum</u>	<u>Usage Levels</u>
Water:	\$ 16.00	8,000	N	\$ 1.60	8,001 to 20,000
				\$ 1.90	20,001 to No Limit
Wastewater:	\$ 16.00	0	Y		
Regional water fee:	\$ 4.35	1	N	\$ 4.35	1,001 to No Limit
Does the District employ winter averaging for wastewater usage?					Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Total charges per 10,000 gallons usage (including fees):				Water \$ 62.70	Wastewater \$ 16.00

b. Water and wastewater retail connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFC*</u>
Unmetered	-	-	x1.0	-
≤ 3/4"	1,557	1,552	x1.0	1,552
1"	633	631	x2.5	1,578
1 1/2"	116	116	x5.0	580
2"	44	44	x8.0	352
3"	1	1	x15.0	15
4"	1	1	x25.0	25
6"	-	-	x50.0	-
8"	1	1	x80.0	80
10"	-	-	x115.0	-
Total water	2,353	2,346		4,182
Total wastewater	2,235	2,230	x1.0	2,230

3. Total water consumption (in thousands) during the fiscal year:

Gallons pumped into the system:	500,984
Gallons billed to customers:	469,807
Water accountability ratio (gallons billed/gallons pumped):	93.78%

*"ESFC" means equivalent single-family connections

Nottingham Country Municipal Utility District
Schedule of General Fund Expenditures
Year Ended September 30, 2023

Personnel (including benefits)		\$	-
Professional Fees			
Auditing	\$	21,800	
Legal		128,407	
Engineering		78,341	
Financial advisor		-	228,548
		<hr/>	
Purchased Services for Resale			
Bulk water and wastewater service purchases			1,007
Regional Water Fee			1,192,125
Contracted Services			
Bookkeeping		52,448	
General manager		-	
Appraisal district		22,180	
Tax collector		39,405	
Security		-	
Other contracted services		130,605	244,638
		<hr/>	
Utilities			304,270
Repairs and Maintenance			892,618
Administrative Expenditures			
Directors' fees		14,667	
Office supplies		24,840	
Insurance		45,789	
Other administrative expenditures		97,928	183,224
		<hr/>	
Capital Outlay			
Capitalized assets		1,465,813	
Expenditures not capitalized		32,792	1,498,605
		<hr/>	
Tap Connection Expenditures			3,750
Solid Waste Disposal			8,710
Fire Fighting			-
Parks and Recreation			234,141
Lease Expenditures			-
Other Expenditures			-
			<hr/>
Total expenditures		\$	<u>4,791,636</u>

Nottingham Country Municipal Utility District
Schedule of Temporary Investments
September 30, 2023

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Certificates of Deposit				
No. 91300012062076	5.00%	04/19/24	\$ 235,000	\$ 5,247
No. 440043394	5.50%	03/24/24	235,000	142
No. 197870280	3.50%	10/02/23	240,000	8,446
No. 2000000357	5.00%	05/23/24	235,000	3,026
No. 6000060951	5.00%	08/09/24	235,000	515
No. 1001100451	3.69%	10/01/23	240,000	8,832
No. 6550127777	5.00%	06/28/24	235,000	3,026
Texas CLASS	5.54%	Demand	<u>14,380,885</u>	<u>-</u>
			<u>\$ 16,035,885</u>	<u>\$ 29,234</u>

Nottingham Country Municipal Utility District
Analysis of Taxes Levied and Receivable
Year Ended September 30, 2023

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year	\$ 60,685	\$ 14,308
Additions and corrections to prior years' taxes	<u>(4,816)</u>	<u>(389)</u>
Adjusted receivable, beginning of year	<u>55,869</u>	<u>13,919</u>
 2022 Original Tax Levy	 2,871,125	 -
Additions and corrections	<u>199,611</u>	<u>-</u>
Adjusted tax levy	<u>3,070,736</u>	<u>0</u>
Total to be accounted for	3,126,605	13,919
Tax collections: Current year	(3,046,285)	-
Prior years	<u>(20,259)</u>	<u>(2,784)</u>
Receivable, end of year	<u><u>\$ 60,061</u></u>	<u><u>\$ 11,135</u></u>
 Receivable, by Years		
2022	\$ 24,451	\$ -
2021	10,455	-
2020	4,801	1,477
2019	3,424	1,233
2018	3,031	1,091
2017	2,410	868
2016	1,650	594
2015	1,493	567
2014	1,323	662
2013	1,169	678
2012	1,072	622
2011	1,051	643
2010	1,008	686
2009	1,057	719
2008	1,160	743
2007	292	231
2006	<u>214</u>	<u>321</u>
Receivable, end of year	<u><u>\$ 60,061</u></u>	<u><u>\$ 11,135</u></u>

Nottingham Country Municipal Utility District
Analysis of Taxes Levied and Receivable (Continued)
Year Ended September 30, 2023

	2022	2021	2020	2019
Property Valuations				
Land	\$ 268,476,050	\$ 247,616,213	\$ 230,239,873	\$ 228,293,938
Improvements	938,146,188	835,068,090	804,592,571	808,579,502
Personal property	18,712,571	13,604,285	14,132,764	13,794,145
Exemptions	<u>(108,703,776)</u>	<u>(96,963,686)</u>	<u>(92,587,550)</u>	<u>(89,634,411)</u>
Total property valuations	<u>\$ 1,116,631,033</u>	<u>\$ 999,324,902</u>	<u>\$ 956,377,658</u>	<u>\$ 961,033,174</u>
Tax Rates per \$100 Valuation				
Debt service tax rates	\$ -	\$ -	\$ 0.0800	\$ 0.0900
Maintenance tax rates*	<u>0.2750</u>	<u>0.3000</u>	<u>0.2600</u>	<u>0.2500</u>
Total tax rates per \$100 valuation	<u>\$ 0.2750</u>	<u>\$ 0.3000</u>	<u>\$ 0.3400</u>	<u>\$ 0.3400</u>
Tax Levy	<u>\$ 3,070,736</u>	<u>\$ 2,997,975</u>	<u>\$ 3,251,684</u>	<u>\$ 3,267,513</u>
Percent of Taxes Collected to Taxes Levied**	<u>99%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>

*Maximum tax rate approved by voters: \$0.50 on May 6, 2017

**Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

2018	2017	2016	2015	2014	2013
\$ 226,822,311	\$ 226,148,076	\$ 225,994,519	\$ 204,067,953	\$ 199,641,103	\$ 184,555,974
793,370,424	818,781,008	816,697,127	750,719,976	665,752,872	594,807,169
12,852,498	12,021,445	12,355,775	12,166,944	9,807,724	11,041,730
<u>(88,214,768)</u>	<u>(84,174,934)</u>	<u>(82,976,248)</u>	<u>(69,007,051)</u>	<u>(62,315,932)</u>	<u>(61,897,523)</u>
<u>\$ 944,830,465</u>	<u>\$ 972,775,595</u>	<u>\$ 972,071,173</u>	<u>\$ 897,947,822</u>	<u>\$ 812,885,767</u>	<u>\$ 728,507,350</u>
\$ 0.0900	\$ 0.0900	\$ 0.0900	\$ 0.0950	\$ 0.1250	\$ 0.1450
<u>0.2500</u>	<u>0.2500</u>	<u>0.2500</u>	<u>0.2500</u>	<u>0.2500</u>	<u>0.2500</u>
<u>\$ 0.3400</u>	<u>\$ 0.3400</u>	<u>\$ 0.3400</u>	<u>\$ 0.3450</u>	<u>\$ 0.3750</u>	<u>\$ 0.3950</u>
<u>\$ 3,212,424</u>	<u>\$ 3,307,437</u>	<u>\$ 3,305,042</u>	<u>\$ 3,097,917</u>	<u>\$ 3,048,323</u>	<u>\$ 2,877,601</u>
<u>99%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>

Nottingham Country Municipal Utility District
Analysis of Taxes Levied and Receivable (Continued)
Year Ended September 30, 2023

Tax rate for any other special districts which (a) encompass less than a county; (b) provide water, wastewater collection, drainage or roads to property in the District; and (c) tax property in the District.

Name of Special District(s)	Service Provided	Tax Rate
N/A	N/A	\$ N/A
Total rate(s) of special district(s)		\$ N/A

Tax rate for all overlapping jurisdictions. Include any taxing entities which overlap 10% or more of the District.

Tax Jurisdiction	Tax Rate
a. County <u>Harris (and related entities)</u>	\$ 0.535480
b. City _____	-
c. School district <u>Katy Independent School District</u>	1.304800
d. Special districts not included above:	
<u>Harris County Emergency Services District No. 48</u>	0.086911
_____	-
_____	-
e. Total special district (from top of this page)	-
f. Total District tax rate (from previous page)	<u>0.275000</u>
g. Total overlapping tax rate (sum of a. - f.)	<u>\$ 2.202191</u>

Nottingham Country Municipal Utility District
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended September 30,

	Amounts				
	2023	2022	2021	2020	2019
General Fund					
Revenues					
Property taxes	\$ 3,069,328	\$ 2,977,309	\$ 2,496,231	\$ 2,387,951	\$ 2,350,818
Water service	868,698	846,944	760,719	822,823	756,992
Sewer service	473,763	471,820	467,534	467,419	470,290
Regional water fee	1,774,139	1,614,508	1,319,727	1,334,812	1,088,401
Penalty and interest	60,740	43,220	19,308	19,850	25,541
Tap connection and inspection fees	15,900	3,375	4,150	-	2,425
Investment income	729,834	98,252	20,516	121,740	266,935
Other income	34,790	34	-	135,371	19,400
Total revenues	<u>7,027,192</u>	<u>6,055,462</u>	<u>5,088,185</u>	<u>5,289,966</u>	<u>4,980,802</u>
Expenditures					
Service operations:					
Purchased services	1,007	20,353	1,161	1,043	1,239
Regional water fees	1,192,125	860,521	1,150,286	1,310,823	1,159,667
Professional fees	228,548	199,388	163,966	165,455	168,956
Contracted services	253,348	231,431	162,165	151,629	132,356
Utilities	304,270	207,303	168,799	210,624	230,380
Recreational facilities	234,141	170,776	146,909	167,520	166,729
Repairs and maintenance	892,618	859,787	732,172	933,414	941,341
Other expenditures	183,224	167,300	161,932	147,077	160,274
Tap connections	3,750	-	4,232	-	-
Lease expenditures	-	-	-	36,000	55,600
Capital outlay	1,498,605	853,092	2,270,848	1,090,961	1,716,336
Total expenditures	<u>4,791,636</u>	<u>3,569,951</u>	<u>4,962,470</u>	<u>4,214,546</u>	<u>4,732,878</u>
Excess of Revenues Over Expenditures	<u>2,235,556</u>	<u>2,485,511</u>	<u>125,715</u>	<u>1,075,420</u>	<u>247,924</u>
Other Financing Sources (Uses)					
Recovery from governmental agency	-	-	-	8,412	-
Interfund transfers in (out)	-	65,884	(2,168,043)	-	-
Total other financing sources (uses)	<u>0</u>	<u>65,884</u>	<u>(2,168,043)</u>	<u>8,412</u>	<u>0</u>
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	<u>2,235,556</u>	<u>2,551,395</u>	<u>(2,042,328)</u>	<u>1,083,832</u>	<u>247,924</u>
Fund Balance, Beginning of Year	<u>13,696,557</u>	<u>11,145,162</u>	<u>13,187,490</u>	<u>12,103,658</u>	<u>11,855,734</u>
Fund Balance, End of Year	<u>\$ 15,932,113</u>	<u>\$ 13,696,557</u>	<u>\$ 11,145,162</u>	<u>\$ 13,187,490</u>	<u>\$ 12,103,658</u>
Total Active Retail Water Connections	<u>2,346</u>	<u>2,340</u>	<u>2,343</u>	<u>2,337</u>	<u>2,335</u>
Total Active Retail Wastewater Connections	<u>2,230</u>	<u>2,226</u>	<u>2,228</u>	<u>2,223</u>	<u>2,220</u>

Percent of Fund Total Revenues

2023	2022	2021	2020	2019
43.7 %	49.2 %	49.0 %	45.1 %	47.2 %
12.4	14.0	15.0	15.6	15.2
6.7	7.8	9.2	8.8	9.4
25.2	26.6	25.9	25.2	21.8
0.9	0.7	0.4	0.4	0.9
0.2	0.1	0.1	-	0.1
10.4	1.6	0.4	2.3	5.4
0.5	0.0	-	2.6	0.0
100.0	100.0	100.0	100.0	100.0
0.0	0.3	0.0	0.0	0.0
17.0	14.2	22.6	24.8	23.3
3.3	3.3	3.2	3.1	3.4
3.6	3.8	3.2	2.9	2.7
4.3	3.4	3.3	4.0	4.6
3.3	2.8	2.9	3.2	3.3
12.7	14.2	14.4	17.6	18.9
2.6	2.8	3.2	2.8	3.2
0.1	-	0.1	-	-
-	-	-	0.7	1.1
21.3	14.1	44.6	20.6	34.5
68.2	58.9	97.5	79.7	95.0
31.8 %	41.1 %	2.5 %	20.3 %	5.0 %

Nottingham Country Municipal Utility District
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Five Years Ended September 30,

	Amounts				
	2023	2022	2021	2020	2019
Debt Service Fund					
Revenues					
Property taxes	\$ -	\$ -	\$ 769,279	\$ 860,211	\$ 844,548
Penalty and interest	-	-	34,086	28,751	21,953
Investment income	-	15	722	4,473	17,027
Total revenues	<u>0</u>	<u>15</u>	<u>804,087</u>	<u>893,435</u>	<u>883,528</u>
Expenditures					
Current:					
Professional fees	-	-	9,765	9,263	6,045
Contracted services	-	-	58,692	58,538	60,475
Other expenditures	-	-	7,243	7,969	2,414
Debt service:					
Principal retirement	-	-	3,065,000	735,000	735,000
Interest and fees	-	-	65,105	126,775	152,350
Total expenditures	<u>0</u>	<u>0</u>	<u>3,205,805</u>	<u>937,545</u>	<u>956,284</u>
Excess (Deficiency) of Revenues Over Expenditures	-	15	(2,401,718)	(44,110)	(72,756)
Other Financing Sources (Uses)					
Interfund transfers in (out)	-	(65,884)	2,168,043	-	-
Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	(65,869)	(233,675)	(44,110)	(72,756)
Fund Balance, Beginning of Year	<u>0</u>	<u>65,869</u>	<u>299,544</u>	<u>343,654</u>	<u>416,410</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 65,869</u>	<u>\$ 299,544</u>	<u>\$ 343,654</u>

Percent of Fund Total Revenues

2023	2022	2021	2020	2019
- %	- %	95.7 %	96.3 %	95.6 %
-	-	4.2	3.2	2.5
-	100.0	0.1	0.5	1.9
<u>0.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
-	-	1.2	1.0	0.7
-	-	7.3	6.5	6.8
-	-	0.9	0.9	0.3
-	-	381.2	82.3	83.2
-	-	8.1	14.2	17.2
<u>0.0</u>	<u>0.0</u>	<u>398.7</u>	<u>104.9</u>	<u>108.2</u>
<u>0.0 %</u>	<u>100.0 %</u>	<u>(298.7) %</u>	<u>(4.9) %</u>	<u>(8.2) %</u>

Nottingham Country Municipal Utility District
Board Members, Key Personnel and Consultants
Year Ended September 30, 2023

Complete District mailing address:	Nottingham Country Municipal Utility District c/o Allen Boone Humphries Robinson LLP 3200 Southwest Freeway, Suite 2600 Houston, Texas 77027
District business telephone number:	713.860.6400
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	May 18, 2022
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-end
Ronald E. Hudson	Elected 05/20- 05/24	\$ 2,463	\$ 1,344	President
Vaughan Brown	Elected 05/20- 05/24	3,797	2,411	Vice President
Alan Wiggins	Elected 05/22- 05/26	4,168	2,831	Secretary
Wade K. Skelton	Elected 05/22- 05/26	1,642	290	Assistant Vice President
Dennis Moon	Elected 05/22- 05/26	2,597	1,075	Assistant Secretary

*Fees are the amounts actually paid to a director during the District's fiscal year.

Nottingham Country Municipal Utility District
Board Members, Key Personnel and Consultants (Continued)
Year Ended September 30, 2023

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Allen Boone Humphries Robinson LLP	07/28/03	\$ 128,050	General Counsel
FORVIS, LLP	09/21/98	21,800	Auditor
Harris Central Appraisal District	Legislative Action	22,180	Appraiser
IDS Engineering Group	09/15/03	261,055	Engineer
KGA/DeForest Design, LLC	01/05/06	17,581	Landscape Architect
Masterson Advisors LLC	05/21/18	0	Financial Advisor
Municipal Accounts & Consulting, L.P.	05/18/20	55,836	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/16/92	8,437	Delinquent Tax Attorney
Si Environmental LLC	05/15/12	727,998	Operator
Tax Tech, Inc.	01/01/08	39,945	Tax Assessor/ Collector
Investment Officers			
Mark M. Burton and Ghia Lewis	06/15/20	N/A	Bookkeepers