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# **Jackrabbit Road Public Utility District Harris County, Texas**

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

July 31, 2023

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**Jackrabbit Road Public Utility District**  
**July 31, 2023**

**Contents**

<b>Independent Auditor's Report</b> .....	<b>1</b>
<b>Management's Discussion and Analysis</b> .....	<b>4</b>
<b>Basic Financial Statements</b>	
Statement of Net Position and Governmental Funds Balance Sheet .....	10
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances .....	12
Notes to Financial Statements .....	13
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule – General Fund .....	25
Budgetary Comparison Schedule – Special Revenue Fund .....	26
Notes to Required Supplementary Information .....	27
<b>Supplementary Information</b>	
Other Schedules Included Within This Report .....	28
Schedule of Services and Rates .....	29
Schedule of General Fund Expenditures .....	30
Schedule of Temporary Investments .....	31
Analysis of Taxes Levied and Receivable .....	32
Comparative Schedule of Revenues and Expenditures – General Fund – Five Years .....	34
Board Members, Key Personnel and Consultants .....	35



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## Independent Auditor's Report

Board of Directors  
Jackrabbit Road Public Utility District  
Harris County, Texas

### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of Jackrabbit Road Public Utility District (the District), as of and for the year ended July 31, 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 July 31, 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 schedules, 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  
December 8, 2023

# **Jackrabbit Road Public Utility District**

## **Management's Discussion and Analysis**

### **July 31, 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 recreation 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.

**Jackrabbit Road Public Utility District**  
**Management's Discussion and Analysis (Continued)**  
**July 31, 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 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 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.

**Jackrabbit Road Public Utility District**  
**Management's Discussion and Analysis (Continued)**  
**July 31, 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**

	<b>2023</b>	<b>2022</b>
Current and other assets	\$ 8,104,697	\$ 7,487,565
Capital assets	5,137,807	5,225,311
Total assets	\$ 13,242,504	\$ 12,712,876
Other liabilities	\$ 1,213,998	\$ 1,226,765
Net position:		
Net investment in capital assets	5,137,807	5,225,311
Restricted	84,191	76,202
Unrestricted	6,806,508	6,184,598
Total net position	\$ 12,028,506	\$ 11,486,111

The total net position of the District increased by \$542,395, or about 5 percent. The majority of the increase in net position is related to property taxes and charges for services revenues in excess of services operations expenses.

**Summary of Changes in Net Position**

	<b>2023</b>	<b>2022</b>
Revenues:		
Property taxes	\$ 1,237,098	\$ 1,131,779
City of Houston rebates	114,717	107,322
Charges for services	3,998,817	3,631,866
Other revenues	372,857	146,154
Total revenues	5,723,489	5,017,121



**Jackrabbit Road Public Utility District**  
**Management's Discussion and Analysis (Continued)**  
**July 31, 2023**

**Summary of Changes in Net Position (Continued)**

	<b>2023</b>	<b>2022</b>
Expenses:		
Services	\$ 4,834,867	\$ 4,250,466
Depreciation	346,227	356,935
Total expenses	5,181,094	4,607,401
Change in net position	542,395	409,720
Net position, beginning of year	11,486,111	11,076,391
Net position, end of year	\$ 12,028,506	\$ 11,486,111

**Financial Analysis of the District's Funds**

The District's combined fund balances as of the end of the fiscal year ended July 31, 2023, were \$6,766,137, an increase of \$615,371 from the prior year.

The general fund's fund balance increased by \$607,382, primarily due to property taxes, City of Houston rebates and service revenues and investment income exceeding service operations expenditures.

The special revenue fund's fund balance increased by \$7,989 due to a transfer from the general fund for an increase in the reserve balance.

**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 investment income and purchased services, contracted services and repairs and maintenance expenditures being higher than anticipated. In addition, capital outlay expenditures were budgeted but not incurred. The fund balance as of July 31, 2023, was expected to be \$6,398,013 and the actual end-of-year fund balance was \$6,681,946.

**Jackrabbit Road Public Utility District**  
**Management's Discussion and Analysis (Continued)**  
**July 31, 2023**

**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 as follows:

**Capital Assets (Net of Accumulated Depreciation)**

	<b>2023</b>	<b>2022</b>
Land and improvements	\$ 126,519	\$ 126,519
Construction in progress	9,427	42,443
Water facilities	1,480,326	1,600,133
Wastewater facilities	3,521,535	3,456,216
Total capital assets	\$ 5,137,807	\$ 5,225,311

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

Construction in progress related to engineering for clarifier No. 2 weir replacement	\$ 9,427
Wastewater treatment plant floodwall project	227,112
Replace centrifuge programmable logic control system and lift pump No. 1 and air header modifications at the wastewater treatment plant	22,184
Total additions to capital assets	\$ 258,723

**Debt**

At July 31, 2023, the District had \$14,440,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems to serve 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 for full purposes without the District's consent, except as set forth as follows.

**Jackrabbit Road Public Utility District**  
**Management's Discussion and Analysis (Continued)**  
**July 31, 2023**

Strategic Partnership Agreement

Effective August 1, 2006, the District entered into a Strategic Partnership Agreement (the Agreement) with the City to provide the terms and conditions under which services would be provided and funded by the parties and under which the District would continue to exist for an extended period if the land within the District would be annexed for full or limited purposes by the City. The terms of any such agreement would be determined by the City and the District, and could provide for the conversion of a limited purpose annexation to a general purpose annexation within ten years, or the payment of a fee in lieu of annexation.

Regional Water Authority

The District is within the boundaries of 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 July 31, 2023, the Authority imposed a groundwater pumpage fee of \$3.95 per 1,000 gallons of water pumped from permitted wells within its boundaries, as well as a surface water fee of \$4.35 per 1,000 gallons of surface water received.

**Jackrabbit Road Public Utility District**  
**Statement of Net Position and Governmental Funds Balance Sheet**  
**July 31, 2023**

	General Fund	Special Revenue Fund	Total	Adjustments	Statement of Net Position
<b>Assets</b>					
Cash	\$ 394,281	\$ 269,933	\$ 664,214	\$ -	\$ 664,214
Certificates of deposit	1,415,000	-	1,415,000	-	1,415,000
Short-term investments	5,059,027	-	5,059,027	-	5,059,027
Receivables:					
Property taxes	73,748	-	73,748	-	73,748
Service accounts	368,964	-	368,964	-	368,964
Tax rebates	19,721	-	19,721	10,182	29,903
Accrued penalty and interest	-	-	-	40,632	40,632
Accrued interest	20,393	-	20,393	-	20,393
Due from participants	-	508,406	508,406	(75,590)	432,816
Capital assets (net of accumulated depreciation):					
Land and improvements	-	-	-	126,519	126,519
Construction in progress	-	-	-	9,427	9,427
Infrastructure	-	-	-	5,001,861	5,001,861
Total assets	<u>\$ 7,351,134</u>	<u>\$ 778,339</u>	<u>\$ 8,129,473</u>	<u>\$ 5,113,031</u>	<u>\$ 13,242,504</u>

**Jackrabbit Road Public Utility District**  
**Statement of Net Position and Governmental Funds Balance Sheet (Continued)**  
**July 31, 2023**

	General Fund	Special Revenue Fund	Total	Adjustments	Statement of Net Position
<b>Liabilities</b>					
Accounts payable	\$ 356,892	\$ 388,385	\$ 745,277	\$ (75,590)	\$ 669,687
Customer deposits	238,548	-	238,548	-	238,548
Operating deposits	-	305,763	305,763	-	305,763
Total liabilities	<u>595,440</u>	<u>694,148</u>	<u>1,289,588</u>	<u>(75,590)</u>	<u>1,213,998</u>
<b>Deferred Inflows of Resources</b>					
Deferred property tax revenues	<u>73,748</u>	<u>0</u>	<u>73,748</u>	<u>(73,748)</u>	<u>0</u>
<b>Fund Balances/Net Position</b>					
Fund balances:					
Committed, wastewater treatment and collection	-	84,191	84,191	(84,191)	-
Unassigned	<u>6,681,946</u>	<u>-</u>	<u>6,681,946</u>	<u>(6,681,946)</u>	<u>-</u>
Total fund balances	<u>6,681,946</u>	<u>84,191</u>	<u>6,766,137</u>	<u>(6,766,137)</u>	<u>0</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,351,134</u>	<u>\$ 778,339</u>	<u>\$ 8,129,473</u>		
Net position:					
Investment in capital assets				5,137,807	5,137,807
Restricted for plant operations				84,191	84,191
Unrestricted				<u>6,806,508</u>	<u>6,806,508</u>
Total net position				<u>\$ 12,028,506</u>	<u>\$ 12,028,506</u>

**Jackrabbit Road Public Utility District**  
**Statement of Activities and Governmental Funds Revenues,**  
**Expenditures and Changes in Fund Balances**  
**Year Ended July 31, 2023**

	General Fund	Special Revenue Fund	Total	Adjustments	Statement of Activities
<b>Revenues</b>					
Property taxes	\$ 1,227,900	\$ -	\$ 1,227,900	\$ 9,198	\$ 1,237,098
City of Houston rebates	113,454	-	113,454	1,263	114,717
Water service	475,920	-	475,920	-	475,920
Sewer service	867,790	-	867,790	-	867,790
Surface water conversion	1,042,850	-	1,042,850	-	1,042,850
Bulk water sales	18,056	-	18,056	-	18,056
Service to other districts	-	2,903,088	2,903,088	(1,308,887)	1,594,201
Penalty and interest	104,864	-	104,864	4,067	108,931
Tap connection and inspection fees	2,095	-	2,095	-	2,095
Investment income	255,685	394	256,079	-	256,079
Other income	5,752	-	5,752	-	5,752
<b>Total revenues</b>	<b>4,114,366</b>	<b>2,903,482</b>	<b>7,017,848</b>	<b>(1,294,359)</b>	<b>5,723,489</b>
<b>Expenditures/Expenses</b>					
Service operations:					
Purchased services	1,569,371	128	1,569,499	(697,681)	871,818
Regional water fee	171,603	-	171,603	-	171,603
Professional fees	149,934	21,771	171,705	-	171,705
Contracted services	845,720	235,848	1,081,568	-	1,081,568
Utilities	57,613	353,829	411,442	-	411,442
Repairs and maintenance	589,680	1,259,422	1,849,102	52,109	1,901,211
Other expenditures	115,074	110,446	225,520	-	225,520
Capital outlay	-	922,038	922,038	(922,038)	-
Depreciation	-	-	-	346,227	346,227
<b>Total expenditures/expenses</b>	<b>3,498,995</b>	<b>2,903,482</b>	<b>6,402,477</b>	<b>(1,221,383)</b>	<b>5,181,094</b>
<b>Excess of Revenues Over Expenditures</b>	<b>615,371</b>	<b>-</b>	<b>615,371</b>	<b>(72,976)</b>	
<b>Other Financing Sources (Uses)</b>					
Interfund transfers in (out)	(7,989)	7,989	-	-	
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>607,382</b>	<b>7,989</b>	<b>615,371</b>	<b>(615,371)</b>	
<b>Change in Net Position</b>				<b>542,395</b>	<b>542,395</b>
<b>Fund Balances/Net Position</b>					
Beginning of year	6,074,564	76,202	6,150,766	-	11,486,111
End of year	\$ 6,681,946	\$ 84,191	\$ 6,766,137	\$ 0	\$ 12,028,506

# Jackrabbit Road Public Utility District

## Notes to Financial Statements

### July 31, 2023

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

Jackrabbit Road Public Utility District (the District) was created by an act of the 62<sup>nd</sup> Texas Legislature, effective June 4, 1971, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Texas Commission on Environmental Quality (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.

# Jackrabbit Road Public Utility District

## Notes to Financial Statements

### July 31, 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 funds:

*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.

*Special Revenue Fund* – Accounts for revenues and expenditures involving specific revenue sources that are legally restricted to expenditures for specified purposes. The primary source of revenue is participant fees.

#### **Fund Balances – Governmental Funds**

The fund balances for the District's governmental funds 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.



# Jackrabbit Road Public Utility District

## Notes to Financial Statements

### July 31, 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.

# Jackrabbit Road Public Utility District

## Notes to Financial Statements

### July 31, 2023

#### ***Interfund Transactions***

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

#### ***Pension Costs***

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

#### ***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.

**Jackrabbit Road Public Utility District**  
**Notes to Financial Statements**  
**July 31, 2023**

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 July 31, 2023, include collections during the current period or within 60 days of 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 July 31, 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.

**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:

	<b>Years</b>
Water production and distribution facilities	10-45
Wastewater collection and treatment facilities	10-45

**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 bond 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.

**Jackrabbit Road Public Utility District**  
**Notes to Financial Statements**  
**July 31, 2023**

**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.

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 balances in the governmental funds balance sheet are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	\$ 5,137,807
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	73,748
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.	40,632
Receivable for sales tax rebates is not available in the current period and is not reported in the funds.	<div style="border-top: 1px solid black; display: inline-block; width: 100%;">10,182</div>
Adjustment to fund balances to arrive at net position.	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">\$ 5,262,369</div>

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

Change in fund balances.	\$ 615,371
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 depreciation expense and noncapitalized costs exceeded capital outlay expenditures in the current year.	(87,504)

**Jackrabbit Road Public Utility District**  
**Notes to Financial Statements**  
**July 31, 2023**

Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported as revenues in the statement of activities.

\$ 14,528

Change in net position of governmental activities.

\$ 542,395

**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 July 31, 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.

**Jackrabbit Road Public Utility District**  
**Notes to Financial Statements**  
**July 31, 2023**

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.

At July 31, 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	\$ 5,059,027	\$ 5,059,027	\$ 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 July 31, 2023, the District's investments in Texas CLASS were rated "AAAm" by Standard & Poor's.

**Summary of Carrying Values**

The carrying values of deposits and investments shown previously are included in the balance sheet at July 31, 2023, as follows:

Carrying value:	
Deposits	\$ 2,079,214
Investments	5,059,027
Total	\$ 7,138,241

Included in the following statement of net position captions:

Cash	\$ 664,214
Certificates of deposit	1,415,000
Short-term investments	5,059,027
Total	\$ 7,138,241

**Jackrabbit Road Public Utility District**  
**Notes to Financial Statements**  
**July 31, 2023**

**Investment Income**

Investment income of \$256,079 for the year ended July 31, 2023, consisted of interest income.

**Fair Value Measurements**

The District has the following recurring fair value measurements as of July 31, 2023:

- Pooled investments of \$5,059,027 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 July 31, 2023, is presented below:

<b>Governmental Activities</b>	<b>Balances, Beginning of Year</b>	<b>Additions</b>	<b>Reclassifi- cations</b>	<b>Balances, End of Year</b>
Capital assets, non-depreciable:				
Land and improvements	\$ 126,519	\$ -	\$ -	\$ 126,519
Construction in progress	42,443	9,427	(42,443)	9,427
Total capital assets, non-depreciable	168,962	9,427	(42,443)	135,946
Capital assets, depreciable:				
Water production and distribution facilities	7,334,503	-	-	7,334,503
Wastewater collection and treatment facilities	8,585,196	249,296	42,443	8,876,935
Total capital assets, depreciable	15,919,699	249,296	42,443	16,211,438
Less accumulated depreciation:				
Water production and distribution facilities	(5,734,370)	(119,807)	-	(5,854,177)
Wastewater collection and treatment facilities	(5,128,980)	(226,420)	-	(5,355,400)
Total accumulated depreciation	(10,863,350)	(346,227)	0	(11,209,577)
Total governmental activities, net	\$ 5,225,311	\$ (87,504)	\$ 0	\$ 5,137,807

**Jackrabbit Road Public Utility District**  
**Notes to Financial Statements**  
**July 31, 2023**

**Note 4: Long-term Liabilities**

As of July 31, 2023, the District had no bonded indebtedness. The following schedule represents the District's authorization for issuing bonds in the future:

Bonds voted	\$ 26,795,000
Bonds sold	12,355,000
Refunding bonds voted	21,795,000
Refunding bond authorization used	1,955,000

**Note 5: Regional Wastewater Treatment Facilities**

The District entered into contracts for regional wastewater treatment facilities (the facilities) with Harris County Utility District No. 6 (District No. 6), Barker-Cypress Municipal Utility District (Barker-Cypress), Harris County Municipal Utility District No. 136 (District No. 136), Harris County Municipal Utility District No. 183 (District No. 183) and DSHI, Inc., which has been assigned to Harris County Municipal Utility District No. 276 (District No. 276) (the participants). The contracts dated March 20, 1973, September 10, 1975, April 11, 1978, February 5, 1979, and January 10, 1984, are for terms of 35 to 40 years, some of which have been extended beyond the expiration date of their initial term. The contracts provide for the District to operate the facilities and for the sharing of operating costs in relation to the treatment capacity owned by each participant. The facilities can only be utilized by utility districts.

In prior years, the participants established a two-month operating reserve. The District's contribution is shown as fund equity in the special revenue fund.

Operating reserves at July 31, 2023, are as shown below:

District No. 6	\$ 118,663
Barker-Cypress	85,244
District No. 136	38,216
District No. 183	48,549
District No. 276	15,091
The District	<u>84,191</u>
Total operating reserves	<u>\$ 389,954</u>

During the current year, the total costs billed to the participants were \$2,903,088. The District's pro rata share of costs was \$697,681.



**Jackrabbit Road Public Utility District**  
**Notes to Financial Statements**  
**July 31, 2023**

Operating costs are shared by the participants based on their owned capacity. The current ownership allocations are as follows:

District No. 6	1,552,000
Barker-Cypress	1,115,000
District No. 136	500,000
District No. 183	635,000
District No. 276	197,500
The District	1,100,500
Total gallons per day	5,100,000

**Note 6: Maintenance Taxes**

At an election held November 5, 2013, 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 July 31, 2023, the District levied an ad valorem maintenance tax at the rate of \$0.26650 per \$100 of assessed valuation, which resulted in a tax levy of \$1,247,591 on the taxable valuation of \$468,143,983 for the 2022 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

**Note 7: Strategic Partnership Agreement**

Effective August 1, 2006, the District and the City of Houston (the City) entered into a Strategic Partnership Agreement (the Agreement) under which the City annexed a tract of land (the tract) within the boundaries of the District for limited purposes. The District continues to exercise all powers and functions of a municipal utility district as provided by law. As consideration for the District providing services as detailed in the Agreement, the City agrees to remit one-half of all sales and use tax revenues generated within the boundaries of the tract. As consideration for the sales tax payments and the services provided by the City, the District agrees to continue to provide and develop water, sewer and drainage services within the District in lieu of full-purpose annexation. The City agrees it will not annex the District for full purposes or commence any action to annex the District during the term of the Agreement, which is 30 years. During the current year, the District recorded \$114,717 in revenues related to the Agreement.

**Note 8: 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

**Jackrabbit Road Public Utility District**  
**Notes to Financial Statements**  
**July 31, 2023**

groundwater to surface water in order to meet conversion requirements mandated by the Harris-Galveston Subsidence District, which regulates groundwater withdrawal. As of July 31, 2023, the Authority was billing the District \$3.95 per 1,000 gallons of water pumped from its wells and \$4.35 per 1,000 gallons of surface water supplied to the District. These amounts are subject to future adjustments.

**Note 9: 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**

**Jackrabbit Road Public Utility District**  
**Budgetary Comparison Schedule – General Fund**  
**Year Ended July 31, 2023**

	<b>Original Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Property taxes	\$ 1,229,835	\$ 1,227,900	\$ (1,935)
City of Houston rebates	107,638	113,454	5,816
Water service	466,062	475,920	9,858
Sewer service	859,184	867,790	8,606
Surface water conversion	1,018,741	1,042,850	24,109
Bulk water sales	15,000	18,056	3,056
Penalty and interest	71,243	104,864	33,621
Tap connection and inspection fees	1,792	2,095	303
Investment income	61,162	255,685	194,523
Other income	-	5,752	5,752
	<u>3,830,657</u>	<u>4,114,366</u>	<u>283,709</u>
<b>Expenditures</b>			
Service operations:			
Purchased services	1,167,304	1,569,371	(402,067)
Regional water fee	144,846	171,603	(26,757)
Professional fees	137,950	149,934	(11,984)
Contracted services	784,133	845,720	(61,587)
Utilities	57,602	57,613	(11)
Repairs and maintenance	423,377	589,680	(166,303)
Other expenditures	78,902	115,074	(36,172)
Capital outlay	705,105	-	705,105
	<u>3,499,219</u>	<u>3,498,995</u>	<u>224</u>
<b>Excess of Revenues Over Expenditures</b>	331,438	615,371	283,933
<b>Other Financing Uses</b>			
Interfund transfers out	(7,989)	(7,989)	-
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	323,449	607,382	283,933
<b>Fund Balance, Beginning of Year</b>	<u>6,074,564</u>	<u>6,074,564</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 6,398,013</u>	<u>\$ 6,681,946</u>	<u>\$ 283,933</u>

**Jackrabbit Road Public Utility District**  
**Budgetary Comparison Schedule – Special Revenue Fund**  
**Year Ended July 31, 2023**

	<b>Original Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Service to other districts	\$ 2,339,734	\$ 2,903,088	\$ 563,354
Investment income	15	394	379
	<u>2,339,749</u>	<u>2,903,482</u>	<u>563,733</u>
<b>Expenditures</b>			
Service operations:			
Purchased services	1,966	128	1,838
Professional fees	27,450	21,771	5,679
Contracted services	234,964	235,848	(884)
Utilities	327,149	353,829	(26,680)
Repairs and maintenance	682,293	1,259,422	(577,129)
Other expenditures	115,927	110,446	5,481
Capital outlay	950,000	922,038	27,962
	<u>2,339,749</u>	<u>2,903,482</u>	<u>(563,733)</u>
<b>Excess of Revenues Over Expenditures</b>	-	-	-
<b>Other Financing Sources</b>			
Interfund transfers in	-	7,989	7,989
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	-	7,989	7,989
<b>Fund Balance, Beginning of Year</b>	<u>76,202</u>	<u>76,202</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 76,202</u>	<u>\$ 84,191</u>	<u>\$ 7,989</u>

**Jackrabbit Road Public Utility District**  
**Notes to Required Supplementary Information**  
**July 31, 2023**

***Budgets and Budgetary Accounting***

Annual operating budgets are prepared for the general and special revenue funds by the District's consultants. The budgets reflect resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budgets prior to the start of its fiscal year. The budgets are not a spending limitation (a legally restricted appropriation). The original budgets of the general fund and the special revenue fund were not amended during fiscal 2023.

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

## **Supplementary Information**

**Jackrabbit Road Public Utility District**  
**Other Schedules Included Within This Report**  
**July 31, 2023**

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

- Notes Required by the Water District Accounting Manual  
See "Notes to Financial Statements," Pages 13-24
- Schedule of Services and Rates
- Schedule of General Fund Expenditures
- Schedule of Temporary Investments
- 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
- Comparative Schedule of Revenues and Expenditures – General Fund – Five Years
- Board Members, Key Personnel and Consultants



# Jackrabbit Road Public Utility District

## Schedule of Services and Rates

### Year Ended July 31, 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 type="checkbox"/> Parks/Recreation	<input type="checkbox"/> Fire Protection	<input checked="" type="checkbox"/> Security
<input checked="" type="checkbox"/> Solid Waste/Garbage	<input type="checkbox"/> Flood Control	<input type="checkbox"/> Roads
<input checked="" 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):

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1,000 Gallons Over Minimum	Usage Levels
Water:	\$ 11.00	10,000	N	\$ 1.75	10,001 to 20,000
				\$ 2.25	20,001 to 30,000
				\$ 2.75	30,001 to No Limit
Wastewater:	\$ 11.00 *	0	Y		
Regional water fee:	\$ 4.56	0	N	\$ 4.56	1 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 \$ 56.60	Wastewater \$ 11.00

b. Water and wastewater retail connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC**
Unmetered	-	-	x1.0	-
≤ 3/4"	2,341	2,312	x1.0	2,312
1"	52	51	x2.5	128
1 1/2"	11	11	x5.0	55
2"	24	22	x8.0	176
3"	2	2	x15.0	30
4"	-	-	x25.0	-
6"	-	-	x50.0	-
8"	-	-	x80.0	-
10"	-	-	x115.0	-
Total water	2,430	2,398		2,701
Total wastewater	2,414	2,383	x1.0	2,383

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

Gallons pumped into the system:	260,428
Gallons billed to customers:	240,520
Water accountability ratio (gallons billed/gallons pumped):	92.36%

\*Users in the GlenCairn subdivision have a minimum charge of \$29.45.

\*\*"ESFC" means equivalent single-family connections

**Jackrabbit Road Public Utility District**  
**Schedule of General Fund Expenditures**  
**Year Ended July 31, 2023**

<b>Personnel (including benefits)</b>		\$	-
<b>Professional Fees</b>			
Auditing	\$	20,000	
Legal		87,448	
Engineering		42,486	
Financial advisor		-	149,934
		<hr/>	
<b>Purchased Services for Resale</b>			
Bulk water and wastewater service purchases			1,569,371
<b>Regional Water Fee</b>			171,603
<b>Contracted Services</b>			
Bookkeeping		63,108	
General manager		-	
Appraisal district		8,820	
Tax collector		39,901	
Security		37,600	
Other contracted services		260,528	409,957
		<hr/>	
<b>Utilities</b>			57,613
<b>Repairs and Maintenance</b>			589,680
<b>Administrative Expenditures</b>			
Directors' fees		13,720	
Office supplies		8,380	
Insurance		18,447	
Other administrative expenditures		67,514	108,061
		<hr/>	
<b>Capital Outlay</b>			
Capitalized assets		-	
Expenditures not capitalized		-	-
		<hr/>	
<b>Tap Connection Expenditures</b>			-
<b>Solid Waste Disposal</b>			435,763
<b>Fire Fighting</b>			-
<b>Parks and Recreation</b>			-
<b>Other Expenditures</b>			7,013
			<hr/>
Total expenditures		\$	<u><u>3,498,995</u></u>

**Jackrabbit Road Public Utility District**  
**Schedule of Temporary Investments**  
**July 31, 2023**

	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Face Amount</b>	<b>Accrued Interest Receivable</b>
<b>General Fund</b>				
Certificates of Deposit				
No. 91300012041253	4.40%	11/24/23	\$ 235,000	\$ 4,363
No. 440005441	3.50%	10/04/23	240,000	6,904
No. 105023	5.17%	04/22/24	235,000	133
No. 6000059821	5.00%	05/22/24	235,000	129
No. 9009005217	4.69%	02/27/24	235,000	4,650
No. 6550123127	4.25%	08/26/23	235,000	4,214
Texas CLASS	5.44%	Demand	<u>5,059,027</u>	<u>-</u>
Totals			<u>\$ 6,474,027</u>	<u>\$ 20,393</u>

**Jackrabbit Road Public Utility District**  
**Analysis of Taxes Levied and Receivable**  
**Year Ended July 31, 2023**

	<b>Maintenance Taxes</b>
<b>Receivable, Beginning of Year</b>	\$ 64,550
Additions and corrections to prior years' taxes	(10,493)
Adjusted receivable, beginning of year	54,057
 <b>2022 Original Tax Levy</b>	 1,124,846
Additions and corrections	122,745
Adjusted tax levy	1,247,591
Total to be accounted for	1,301,648
Tax collections: Current year	(1,216,996)
Prior years	(10,904)
Receivable, end of year	\$ 73,748
 <b>Receivable, by Years</b>	
2022	\$ 30,595
2021	8,510
2020	7,036
2019	5,170
2018	3,968
2017	2,911
2016	2,617
2015	2,056
2014	1,735
2013	1,294
2012	1,381
2011 and prior	6,475
Receivable, end of year	\$ 73,748

**Jackrabbit Road Public Utility District**  
**Analysis of Taxes Levied and Receivable (Continued)**  
**Year Ended July 31, 2023**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Property Valuations</b>				
Land	\$ 136,164,465	\$ 135,253,287	\$ 110,991,091	\$ 94,417,637
Improvements	403,941,468	334,925,058	327,852,304	302,813,293
Personal property	15,684,398	12,736,167	12,389,784	10,268,849
Exemptions	<u>(87,646,348)</u>	<u>(81,349,133)</u>	<u>(77,072,411)</u>	<u>(72,931,674)</u>
Total property valuations	<u>\$ 468,143,983</u>	<u>\$ 401,565,379</u>	<u>\$ 374,160,768</u>	<u>\$ 334,568,105</u>
<b>Tax Rates per \$100 Valuation</b>				
Maintenance tax rates*	<u>\$ 0.26650</u>	<u>\$ 0.28400</u>	<u>\$ 0.29725</u>	<u>\$ 0.30000</u>
<b>Tax Levy</b>	<u>\$ 1,247,591</u>	<u>\$ 1,140,432</u>	<u>\$ 1,112,447</u>	<u>\$ 1,003,746</u>
<b>Percent of Taxes Collected to Taxes Levied**</b>				
	<u>98%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>

\*Maximum tax rate approved by voters: \$0.50 per \$100 of assessed value, approved on November 5, 2013

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

**Jackrabbit Road Public Utility District**  
**Comparative Schedule of Revenues and Expenditures – General Fund**  
**Five Years Ended July 31,**

	Amounts				
	2023	2022	2021	2020	2019
<b>General Fund</b>					
<b>Revenues</b>					
Property taxes	\$ 1,227,900	\$ 1,122,911	\$ 1,122,526	\$ 963,214	\$ 900,186
City of Houston rebates	113,454	106,783	94,955	72,944	80,475
Water service	475,920	459,506	450,198	450,785	466,454
Sewer service	867,790	824,962	812,323	786,956	445,703
Surface water conversion	1,042,850	959,050	893,379	850,064	734,496
Bulk water sales	18,056	28,148	7,275	-	-
Penalty and interest	104,864	88,383	94,603	66,985	65,784
Tap connection and inspection fees	2,095	1,479	600	875	1,475
Investment income	255,685	22,228	23,166	84,376	89,276
Other income	5,752	27,931	7,547	2,144	1,487
Total revenues	<u>4,114,366</u>	<u>3,641,381</u>	<u>3,506,572</u>	<u>3,278,343</u>	<u>2,785,336</u>
<b>Expenditures</b>					
Service operations:					
Purchased services	1,569,371	1,215,472	1,181,963	1,145,887	938,243
Regional water fee	171,603	179,855	110,564	59,120	104,130
Professional fees	149,934	153,342	124,268	114,359	144,465
Contracted services	845,720	771,414	723,035	757,242	346,982
Utilities	57,613	65,992	50,854	39,457	50,069
Repairs and maintenance	589,680	429,958	394,651	409,998	356,706
Other expenditures	115,074	100,044	122,612	87,019	107,453
Capital outlay	-	-	109,857	278,238	75,241
Total expenditures	<u>3,498,995</u>	<u>2,916,077</u>	<u>2,817,804</u>	<u>2,891,320</u>	<u>2,123,289</u>
<b>Excess of Revenues Over Expenditures</b>	<u>615,371</u>	<u>725,304</u>	<u>688,768</u>	<u>387,023</u>	<u>662,047</u>
<b>Other Financing Sources (Uses)</b>					
Interfund transfers in (out)	(7,989)	81,856	(13,780)	(46,405)	(20,608)
Insurance proceeds	-	-	-	-	116,911
Reimbursement from government entity	-	-	-	-	45,419
Total other financing sources (uses)	<u>(7,989)</u>	<u>81,856</u>	<u>(13,780)</u>	<u>(46,405)</u>	<u>141,722</u>
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<u>607,382</u>	<u>807,160</u>	<u>674,988</u>	<u>340,618</u>	<u>803,769</u>
<b>Fund Balance, Beginning of Year</b>	<u>6,074,564</u>	<u>5,267,404</u>	<u>4,592,416</u>	<u>4,251,798</u>	<u>3,448,029</u>
<b>Fund Balance, End of Year</b>	<u>\$ 6,681,946</u>	<u>\$ 6,074,564</u>	<u>\$ 5,267,404</u>	<u>\$ 4,592,416</u>	<u>\$ 4,251,798</u>
<b>Total Active Retail Water Connections</b>	<u>2,398</u>	<u>2,411</u>	<u>2,398</u>	<u>2,408</u>	<u>2,414</u>
<b>Total Active Retail Wastewater Connections</b>	<u>2,383</u>	<u>2,395</u>	<u>2,384</u>	<u>2,394</u>	<u>2,400</u>

**Percent of Fund Total Revenues**

<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
29.8 %	30.9 %	32.0 %	29.4 %	32.3 %
2.8	2.9	2.7	2.2	2.9
11.6	12.6	12.8	13.8	16.8
21.1	22.7	23.2	24.0	16.0
25.4	26.3	25.5	25.9	26.4
0.4	0.8	0.2	-	-
2.5	2.4	2.7	2.0	2.4
0.1	0.0	0.0	0.0	0.0
6.2	0.6	0.7	2.6	3.2
0.1	0.8	0.2	0.1	0.0
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
38.1	33.4	33.7	34.9	33.7
4.2	4.9	3.2	1.8	3.7
3.6	4.2	3.5	3.5	5.8
20.6	21.2	20.6	23.1	12.5
1.4	1.8	1.5	1.2	1.8
14.3	11.8	11.3	12.5	12.2
2.8	2.8	3.5	2.7	3.9
-	-	3.1	8.5	2.7
<u>85.0</u>	<u>80.1</u>	<u>80.4</u>	<u>88.2</u>	<u>76.3</u>
<u>15.0 %</u>	<u>19.9 %</u>	<u>19.6 %</u>	<u>11.8 %</u>	<u>23.7 %</u>

**Jackrabbit Road Public Utility District  
Board Members, Key Personnel and Consultants  
Year Ended July 31, 2023**

Complete District mailing address:	Jackrabbit Road Public Utility District c/o Schwartz, Page & Harding, L.L.P. 1300 Post Oak Boulevard, Suite 2400 Houston, Texas 77056
District business telephone number:	713.623.4531
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	June 13, 2023
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
Charles L. Falknor	Elected 05/22- 05/26	\$ 3,355	\$ 2,501	President
Ross L. Bell	Elected 05/20- 05/24	3,055	1,085	Vice President
Michael Goings	Elected 05/22- 05/26	2,905	1,304	Secretary
James Horn	Appointed 05/21- 05/24	3,134	2,831	Assistant Secretary
Gary Streit	Appointed 06/23- 05/24	371	0	Assistant Secretary
Michael J. Kopeccky	Elected 05/20- 06/23	900	0	Resigned

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



**Jackrabbit Road Public Utility District**  
**Board Members, Key Personnel and Consultants (Continued)**  
**Year Ended July 31, 2023**

<b>Consultants</b>	<b>Date Hired</b>	<b>Fees and Expense Reimbursements</b>	<b>Title</b>
FORVIS, LLP	06/10/86	\$ 25,800	Auditor
Harris Central Appraisal District	Legislative Action	8,820	Appraiser
Inframark, LLC	10/14/80	1,466,095	Operator
Masterson Advisors LLC	05/08/18	0	Financial Advisor
Municipal Accounts & Consulting, L.P.	04/08/03	83,322	Bookkeeper
Sander Engineering Corporation	08/08/89	172,419	Engineer
Schwartz, Page & Harding, L.L.P.	02/18/72	84,821	General Counsel
Ted A. Cox, P.C.	12/10/02	7,145	Delinquent Tax Attorney
Wheeler & Associates, Inc.	01/29/76	60,712	Tax Assessor/ Collector
<b>Investment Officers</b>			
Mark M. Burton and Ghia Lewis	04/08/03	N/A	Bookkeepers