

CONTINUING DISCLOSURE SUBMISSION DATED MARCH 28, 2023

**MONTGOMERY COUNTY WATER CONTROL  
& IMPROVEMENT DISTRICT NO. 1**

(A political subdivision of the State of Texas located within Montgomery County, Texas)

**- Financial Highlights -  
(Unaudited)**

2022 Taxable Assessed Valuation (100% of Market Value)		\$554,292,928	(a)
Direct Debt			
Outstanding Bonds (As of March 1, 2023)		\$23,969,997	
Estimated Overlapping Debt		<u>20,732,321</u>	
Direct and Estimated Overlapping Debt		<u>\$44,702,318</u>	
Direct Debt Ratios:			
Direct Debt to Value		4.32%	
Direct & Estimated Overlapping Debt to Value		8.06%	
2022 Tax Rate per \$100 of Assessed Value			
Debt Service		\$0.3000	
Maintenance		<u>0.4165</u>	
Total		<u>\$0.7165</u>	
	<b><i>Current</i></b>	<b><i>Total</i></b>	
2021 Tax Collection Percentage	98.62%	100.32%	
Five-Year Average (2017/2021) Collection Percentage	98.46%	99.78%	
Average Annual Debt Service Requirements (2023/2045)		\$1,540,986	
Maximum Annual Debt Service Requirements (2024)		\$1,600,193	
Tax Rate Required to pay (at 98%):			
Average (2023/2045)		\$0.284	
Maximum (2024)		\$0.295	
Fund Balances as of February 28, 2023			
General Fund		\$5,527,556	
Debt Service Fund		\$1,291,520	
Capital Projects Fund		\$5,384,768	
Tax Fund		\$40,200	

(a) Certified by the Montgomery Central Appraisal District ("Appraisal District"). See "TAX PROCEDURES."

## Development of the District

Land within the District has been developed as the residential subdivisions of Timber Ridge, Timberlakes, Spring Acres, Timberwood, Grogan's Mill and Woodmill Creek Section 1; the apartment complex of Wyndemere Estates (360 units); the apartment complex of Broadstone Woodmill Creek Apartments (381 units); the apartment complex of Sierra Pines (341 units); the Townhomes at Woodmill Creek (171 units); the approximately 35 unit Grogan's Ridge Office Condominiums; the Cedarstone office complex (5 office buildings); and the office development of Stream Realty (two office buildings). As of August 2022, there were 1,171 active equivalent single-family connections to the utility system in the District.

The following is a table identifying current residential land usage:

	<u>Platted Lots</u>	<u>Floodplain</u>	<u>Developable</u>
Spring Acres 1 & 2	34	34	0
Timberlake 1	388	96	292
Timberlake 2	315	57	258
Timberlake 3	389	31	358
Timber Ridge 2	240	32	208
Timber Ridge 3	440	143	297
Timberwood	40	0	40
Grogan's Mill	21	0	21
Wyndemere Estates (apartments)	1	0	1
Stream Realty (office buildings)	2	0	2
Cedarstone (commercial)	1	0	1
Alliance Realty (apartments)	1	0	1
Woodmill Creek Section 1 (single family)	64	0	64
Broadstone Woodmill Creek (apartments)	1	0	1
Townhomes at Woodmill Creek (townhomes)	1	0	1
Grogans Office Condos	1	0	1

**Estimated Overlapping Debt**

The following table indicates the indebtedness, defined as outstanding bonds payable from ad valorem taxes, of governmental entities within which the District is located and the estimated percentages and amounts of such indebtedness attributable to property within the District. This information is based upon data secured from the individual jurisdiction and/or the Texas Municipal Reports. Such figures do not indicate the tax burden levied by the applicable taxing jurisdictions for operation and maintenance or for other purposes. See "TAX DATA--Estimated Overlapping Taxes."

<u>Jurisdiction</u>	<u>Debt As Of March 1, 2023</u>	<u>Overlapping Percent</u>	<u>Overlapping Amount</u>
Conroe Independent School District	\$1,550,285,000	1.066%	\$16,526,038
Lone Star College District	602,965,000	0.218%	1,314,464
Montgomery County	441,665,000	0.651%	2,875,239
The Woodlands Township	20,220,000	0.082%	<u>16,580</u>
Estimated Overlapping Debt			\$20,732,321
The District			<u>23,969,997</u>
Total Direct & Estimated Overlapping Debt			<u>\$44,702,318</u>

## Historical Operations of the Debt Service Fund

The following statement sets forth in condensed form the historical operations of the District's Debt Service Fund. Such information has been prepared based upon information obtained from the District's audited financial statements. Reference is made to such statements for further and complete information.

	<i><u>Fiscal Years Ended September 30,</u></i>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues					
Tax Revenues	\$1,265,460	\$1,118,005	\$1,122,530	\$1,114,059	\$1,162,549
Penalty & Interest	50,728	47,411	54,940	32,295	35,671
Investment Income	<u>7,205</u>	<u>1,704</u>	<u>13,619</u>	<u>23,787</u>	<u>16,244</u>
Total Revenues	\$1,323,393	\$1,167,120	\$1,191,089	\$1,170,141	\$1,214,464
Expenditures					
Principal Retirement	\$745,000	\$685,000	\$625,000	\$610,000	\$595,000
Interest & Fees	489,263	413,411	517,896	534,511	541,906
Costs of Collection	<u>74,096</u>	<u>78,993</u>	<u>63,835</u>	<u>59,308</u>	<u>63,894</u>
Total Expenditures	<u>\$1,308,359</u>	<u>\$1,177,404</u>	<u>\$1,206,731</u>	<u>\$1,203,819</u>	<u>\$1,200,800</u>
Net Revenues (Expense)	\$15,034	(\$10,284)	(\$15,642)	(\$33,678)	\$13,664
Beginning Fund Balance (10-1)	667,928	684,548	700,190	733,868	720,204
Net Cost of Refunding Bonds	<u>0</u>	<u>(6,336)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Fund Balance (9-30)	<u>\$682,962</u>	<u>\$667,928</u>	<u>\$684,548</u>	<u>\$700,190</u>	<u>\$733,868</u>
Cash & Investments (9-30)	<u>\$926,175</u>	<u>\$904,082</u>	<u>\$807,118</u>	<u>\$827,761</u>	<u>\$851,132</u>

## Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per \$100 assessed valuation which would be required to meet debt service requirements on the Bonds if no growth occurs in the District beyond the 2022 Taxable Valuation of \$554,292,928. The foregoing further assumes collection of 98% of taxes levied.

Average Annual Debt Service Requirements (2023/2045)	\$1,540,986
Tax Rate of \$0.284 on the 2022 Assessed Valuation produces	\$1,542,708
Maximum Annual Debt Service Requirements (2024)	\$1,600,193 <sup>\$160</sup>
Tax Rate of \$0.295 on the 2022 Assessed Valuation produces	\$1,602,461

**Analysis of Tax Base**

Based on information provided to the District by its Tax Assessor/Collector, the following represents the composition of property comprising the tax roll valuations indicated:

	<u>2022 Tax Year</u>		<u>2021 Tax Year</u>		<u>2020 Tax Year</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Land	\$53,334,390	9.29%	\$46,213,030	10.46%	\$48,153,890	12.15%
Improvements	504,782,612	87.90%	383,113,672	86.69%	335,532,222	84.69%
Personal	<u>16,165,209</u>	<u>2.80%</u>	<u>12,632,906</u>	<u>2.86%</u>	<u>12,521,128</u>	<u>3.16%</u>
Total Appraised Value	\$574,282,211	100.00%	\$441,959,608	100.00%	\$396,207,240	100.00%
Less: Exemptions	<u>(59,214,905)</u>		<u>(35,600,978)</u>		<u>(35,366,200)</u>	
Total Taxable Value	<u>\$515,067,306</u>		<u>\$406,358,630</u>		<u>\$360,841,040</u>	

	<u>2019 Tax Year</u>		<u>2018 Tax Year</u>		<u>2017 Tax Year</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Land	\$47,144,570	12.31%	\$47,316,820	13.01%	\$39,469,350	11.33%
Improvements	321,664,572	84.01%	301,794,040	82.95%	296,265,100	85.04%
Personal	<u>14,078,693</u>	<u>3.68%</u>	<u>14,715,445</u>	<u>4.04%</u>	<u>12,643,767</u>	<u>3.63%</u>
Total Appraised Value	\$382,887,835	100.00%	\$363,826,305	100.00%	\$348,378,217	100.00%
Less: Exemptions	<u>(34,219,797)</u>		<u>(31,399,269)</u>		<u>(31,598,860)</u>	
Total Taxable Value	<u>\$348,668,038</u>		<u>\$332,427,036</u>		<u>\$316,779,357</u>	

Note: Numbers presented above may represent values as certified by the Appraisal District and may differ from assessed values shown elsewhere herein.

## Tax Collection History

The following table sets forth the historical tax collection experience of the District for the tax years indicated. Such table has been prepared based upon information from District records. Reference is made to such records and statements for further and complete information:

<u>Tax Year</u>	<u>Assessed Valuation</u>	<u>Debt Rate</u>	<u>M&amp;O Rate</u>	<u>Total Rate</u>	<u>Levy</u>	<u>Percent Current</u>	<u>Percent Total</u>	<u>Yr End Sept 30</u>
1997	\$51,892,170	\$0.9514	\$0.1885	\$1.1399	\$590,286	97.89%	100.89%	1998
1998	52,938,934	0.9115	0.2021	1.1136	587,498	98.11%	100.26%	1999
1999	52,377,135	0.7151	0.2190	0.9341	489,924	97.22%	99.49%	2000
2000	53,528,712	0.7036	0.2342	0.9378	499,570	96.78%	98.66%	2001
2001	62,284,506	0.6000	0.2500	0.8500	528,670	96.86%	99.27%	2002
2002	66,391,565	0.5700	0.2500	0.8200	544,645	96.54%	99.15%	2003
2003	70,433,112	0.5400	0.2800	0.8200	577,254	97.46%	100.77%	2004
2004	77,043,312	0.5300	0.2900	0.8200	629,476	96.89%	99.31%	2005
2005	83,371,891	0.4900	0.3300	0.8200	683,805	96.39%	98.08%	2006
2006	87,632,987	0.4600	0.3600	0.8200	717,951	97.19%	100.97%	2007
2007	99,417,996	0.4150	0.3600	0.7750	770,489	96.25%	98.13%	2008
2008	105,952,129	0.3975	0.3775	0.7750	821,129	96.97%	100.95%	2009
2009	133,080,227	0.4600	0.3150	0.7750	1,035,280	97.96%	99.80%	2010
2010	116,518,200	0.4350	0.3400	0.7750	938,635	97.90%	98.38%	2011
2011	128,942,686	0.5000	0.3100	0.8100	1,049,971	98.58%	98.24%	2012
2012	137,385,136	0.5100	0.3000	0.8100	1,113,288	98.55%	99.53%	2013
2013	162,049,528	0.5100	0.3000	0.8100	1,289,724	98.34%	100.56%	2014
2014	202,982,605	0.5100	0.3000	0.8100	1,644,282	98.88%	100.42%	2015
2015	255,008,569	0.3700	0.3900	0.7600	1,944,087	98.62%	99.06%	2016
2016	295,632,824	0.3200	0.4400	0.7600	2,248,211	98.71%	99.28%	2017
2017	316,820,667	0.3650	0.4170	0.7820	2,481,146	98.78%	100.29%	2018
2018	332,489,832	0.3400	0.4420	0.7820	2,602,540	97.78%	98.40%	2019
2019	348,715,046	0.3226	0.4276	0.7476	2,620,343	98.30%	100.03%	2020
2020	360,573,518	0.3100	0.4376	0.7476	2,698,496	98.84%	99.85%	2021
2021	405,973,817	0.3100	0.4376	0.7476	3,038,104	98.62%	100.32%	2022
2022	554,292,928	0.3000	0.4165	0.7165	3,971,195	94.93%	95.94%	2023 (a)

(a) Collections through January 31, 2023 only.

**Principal Taxpayers**

The following table sets forth the District's principal taxpayers and was provided by the District's Tax Assessor/Collector based upon the 2022 and 2021 certified tax rolls (which reflect ownership of property as of January 1, 2021 and 2020, respectively) according to the records of the Appraisal District:

<u>Name of Taxpayer</u>	<u>Type of Property</u>	<u>2022 Taxable Value</u>	<u>% of '22 A.V.</u>	<u>2021 Taxable Value</u>	<u>% of '21 A.V.</u>
VA-MF Woodlands LLC	Apartments	\$59,700,000	10.91%	\$27,956,880	6.88%
Sawdust Road Apartments	Apartments	55,800,000	10.20%	37,095,600	9.13%
AR--Wyndemere Ltd	Apartments	52,500,000	9.59%	35,555,000	8.75%
FRMF-Woodlands LP	Townhomes	47,800,000	8.73%	25,534,260	6.28%
WW Sierra Pines LP	Apartments	46,210,260	8.44%	31,275,670	7.70%
CLF Sierra LLC	Office Bldg	26,000,000	4.75%	26,500,000	6.52%
SR/CLF Sawdust Venture	Office Bldg	19,254,000	3.52%	22,500,000	5.54%
GROC LLC	Land & Improv	6,219,750	1.14%	6,219,750	1.53%
Camden Woodmill Creek	Acreage/Lots	5,098,890	0.93%	3,906,030	0.96%
CET Limited	Acreage	3,200,190	0.58%	(a)	
Spectrum Gulf Coast LLC	Cable Utility	(a)		2,957,260	0.73%
Total--Top Ten		<u>\$321,783,090</u>	<u>58.79%</u>	<u>\$219,500,450</u>	<u>54.02%</u>

(a) Not among top ten this year.

**Estimated Overlapping Taxes**

Property within the District is subject to taxation by several taxing authorities in addition to the District. Under Texas law, a tax lien attaches to property to secure the payment of all taxes, penalty, and interest for the year, on January 1 of that year. The tax lien on property in favor of the District is on a parity with tax liens of other taxing jurisdictions. In addition to ad valorem taxes required to make debt service payments on bonded debt of the District and of such other jurisdictions, certain taxing jurisdictions are authorized by Texas law to assess, levy, and collect ad valorem taxes for operation, maintenance, administrative, and/or general revenue purposes.

<u>Taxing Entities</u>	<u>2022 Tax Rates</u>
Conroe Independent School District	\$1.11460
Lone Star College District	0.10780
Montgomery County	0.37420
Montgomery Co. Emergency Service District No. 14	0.10000
Montgomery Co. Hospital District	<u>0.05025</u>
Overlapping Taxes (a)	\$1.74685
The District	<u>0.71650</u>
Total Direct & Overlapping Taxes (a)	<u>\$2.46335</u>

(a) A few houses are also located within The Woodlands Township, which levied a \$0.18500 tax rate for 2022.

## Historical Operations of the General Fund

The following statement sets forth in condensed form the historical operations of the District's General Fund. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Such information has been prepared based upon information obtained from the District's audited financial statements, to which reference is hereby made for further and complete information.

	<i><u>Fiscal Years Ended September 30</u></i>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>					
Property Taxes	\$1,782,398	\$1,576,331	\$1,498,575	\$1,446,866	\$1,325,860
Water Service	1,213,195	1,055,203	1,000,721	889,431	922,767
Sewer Service	1,184,377	1,132,607	1,081,029	1,142,616	928,388
Tap Fees	24,044	4,500	51,237	134,010	6,300
Other Revenues	<u>247,589</u>	<u>148,547</u>	<u>185,354</u>	<u>247,943</u>	<u>217,589</u>
Total Revenues	\$4,451,603	\$3,917,188	\$3,816,916	\$3,860,866	\$3,400,904
<b>Expenditures</b>					
Salaries & Benefits	\$816,701	\$758,731	\$711,641	\$676,360	\$622,623
Professional Fees	330,051	221,448	168,928	204,723	117,385
Contracted Services	303,821	244,910	265,081	227,109	222,815
Utilities	175,068	191,874	159,717	170,106	170,160
Repairs & Maintenance	512,720	622,468	922,453	800,380	612,491
Other Expenditures	<u>1,439,432</u>	<u>889,486</u>	<u>960,779</u>	<u>739,702</u>	<u>736,848</u>
Total Expenditures	<u>\$3,577,793</u>	<u>\$2,928,917</u>	<u>\$3,188,599</u>	<u>\$2,818,380</u>	<u>\$2,482,322</u>
<b>Net Revenues (Expend.)</b>	<u>\$873,810</u>	<u>\$988,271</u>	<u>\$628,317</u>	<u>\$1,042,486</u>	<u>\$918,582</u>
<b>Beginning Fund Balances</b>	4,423,226	3,686,482	4,034,143	3,106,858	2,395,326
Capital Improvements	(1,970,244)	(251,527)	(864,854)	(115,201)	(207,050)
Transfer from Other Funds	<u>239,766</u>	<u>0</u>	<u>(111,124)</u>	<u>0</u>	<u>0</u>
<b>Year-End Fund Balance</b>	<u>\$3,566,558</u>	<u>\$4,423,226</u>	<u>\$3,686,482</u>	<u>\$4,034,143</u>	<u>\$3,106,858</u>
<b>Cash/Invest's at Year-End (a)</b>	<u>\$3,200,580</u>	<u>\$4,228,157</u>	<u>\$3,550,978</u>	<u>\$3,558,399</u>	<u>\$2,588,328</u>
<b>Percent of Annual Expenses</b>	89.46%	144.36%	111.36%	126.26%	104.27%
<b>Active Water Connections</b>	1,125	1,182	1,178	1,156	1,129

(a) Net of security deposits.





# Montgomery Co WCID 1

## Sales Tax Collection History

<u>Fiscal Year</u>	<u>Sales Tax</u>	<u>Equivalent</u>	<u>Tax Rate</u>	<u>% of Adj</u>	<u>Ass'd Value</u>	<u>Levy</u>
<u>End 9/30</u>	<u>Receipts</u>	<u>Tax Year</u>	<u>Equivalent</u>	<u>Tax Levy</u>		
2016	542	2015	0.0002	0.03%	255,008,569	1,944,087
2017	2,040	2016	0.0007	0.09%	295,588,022	2,248,211
2018	18,673	2017	0.0059	0.75%	316,779,357	2,481,146
2019	24,645	2018	0.0074	0.95%	332,451,542	2,602,540
2020	31,690	2019	0.0091	1.21%	348,894,590	2,620,343
2021	52,241	2020	0.0145	1.94%	360,841,040	2,698,496
2022	142,063	2021	0.0350	4.68%	406,087,387	3,038,104

Financials(AutoRecovered)

Sales Tax

6/21/2023

Prepared by Bill Blitch

# Montgomery Co WCID 1

## Tax Collection History

Year	Assessed		Tax Rates			Levy	Current Collections		Total Collections		Yr End Sept 30
	Value	Debt	M&O	Total	Amount		Percent	Amount	Percent		
1991	\$47,645,633	\$0.7450	\$0.2000	\$0.9450	\$452,632	\$442,108	97.67%	\$455,243	100.58%	1992	
1992	48,100,364	0.0718	0.8732	0.9450	458,095	445,773	97.31%	451,002	98.45%	1993	
1993	52,794,097	0.6773	0.2135	0.8908	472,949	461,005	97.47%	469,557	99.28%	1994	
1994	54,395,220	0.6800	0.2315	0.9115	497,840	478,639	96.14%	485,918	97.61%	1995	
1995	46,540,417	0.9700	0.2000	1.1700	545,563	530,495	97.24%	541,168	99.19%	1996	
1996	51,693,877	0.9369	0.1753	1.1122	576,675	562,532	97.55%	574,149	99.56%	1997	
1997	51,621,242	0.9514	0.1885	1.1399	590,286	577,841	97.89%	595,557	100.89%	1998	
1998	52,536,161	0.9115	0.2021	1.1136	587,498	576,411	98.11%	589,020	100.26%	1999	
1999	52,366,979	0.7151	0.2190	0.9341	489,924	476,293	97.22%	487,408	99.49%	2000	
2000	52,967,413	0.7036	0.2342	0.9378	499,570	483,506	96.78%	492,872	98.66%	2001	
2001	62,161,515	0.6000	0.2500	0.8500	528,670	512,067	96.86%	524,799	99.27%	2002	
2002	66,390,651	0.5700	0.2500	0.8200	544,645	525,774	96.54%	540,017	99.15%	2003	
2003	70,304,021	0.5400	0.2800	0.8200	577,254	562,574	97.46%	581,720	100.77%	2004	
2004	76,689,495	0.5300	0.2900	0.8200	629,476	609,892	96.89%	625,150	99.31%	2005	
2005	83,282,208	0.4900	0.3300	0.8200	683,805	659,135	96.39%	670,660	98.08%	2006	
2006	87,483,109	0.4600	0.3600	0.8200	717,951	697,809	97.19%	724,919	100.97%	2007	
2007	99,743,216	0.4150	0.3600	0.7750	770,489	741,583	96.25%	756,071	98.13%	2008	
2008	106,222,050	0.3975	0.3775	0.7750	821,129	796,220	96.97%	828,890	100.95%	2009	
2009	133,080,227	0.4650	0.3100	0.7750	1,035,280	1,014,205	97.96%	1,033,244	99.80%	2010	
2010	116,518,200	0.4350	0.3400	0.7750	938,635	918,938	97.90%	932,850	99.38%	2011	
2011	128,942,686	0.5000	0.3100	0.8100	1,049,971	1,035,078	98.58%	1,031,493	98.24%	2012	
2012	137,385,136	0.5100	0.3000	0.8100	1,113,288	1,093,781	98.25%	1,108,101	99.53%	2013	
2013	162,049,528	0.5100	0.3000	0.8100	1,289,724	1,268,376	98.34%	1,296,937	100.56%	2014	
2014	202,959,905	0.5100	0.3000	0.8100	1,644,282	1,625,800	98.88%	1,651,210	100.42%	2015	
2015	255,008,569	0.3700	0.3900	0.7600	1,944,087	1,917,209	98.62%	1,925,894	99.06%	2016	
2016	295,632,824	0.3200	0.4400	0.7600	2,248,211	2,219,179	98.71%	2,231,920	99.28%	2017	
2017	316,820,667	0.3650	0.4170	0.7820	2,481,146	2,450,780	98.78%	2,488,409	100.29%	2018	
2018	332,532,162	0.3400	0.4420	0.7820	2,602,540	2,544,803	97.78%	2,560,925	98.40%	2019	
2019	348,758,658	0.3200	0.4276	0.7476	2,620,343	2,575,676	98.30%	2,621,105	100.03%	2020	
2020	360,641,108	0.3100	0.4376	0.7476	2,698,496	2,667,294	98.84%	2,694,336	99.85%	2021	
2021	405,472,421	0.3100	0.4376	0.7476	3,038,104	2,996,099	98.62%	3,047,858	100.32%	2022	
2022	540,298,227	0.3000	0.4165	0.7165	3,871,236	3,769,654	97.38%	3,810,946	98.44%	2023	

(b) Collex thru Mar 31, 2023

5-Year Average (2017/2021)	98.46%	99.78%
10-Year Average (2012/2021)	98.51%	99.77%