

SAINT GEORGE PLACE MANAGEMENT DISTRICT

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2021

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

SAINT GEORGE PLACE MANAGEMENT DISTRICT

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Saint George Place Management District
Harris County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of Saint George Place Management District (the "District") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Board of Directors
Saint George Place Management District

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the Water District Financial Management Guide is presented for purposes of additional analysis and 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. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

March 21, 2022

**SAINT GEORGE PLACE MANAGEMENT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Management’s discussion and analysis of the Saint George Place Management District’s (the “District”) financial performance provides an overview of the District’s financial activities for the year ended December 31, 2021. Please read it in conjunction with the District’s financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has one governmental fund type. The General Fund accounts for resources not accounted for in another fund, property tax revenues as well as general, landscaping, security and administrative expenditures.

**SAINT GEORGE PLACE MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$143,350 as of December 31, 2021. The following is a comparative analysis of the Statement of Net Position as of December 31, 2021, and December 31, 2020:

SAINT GEORGE PLACE MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2021	2020	Change Positive (Negative)
Total Assets	\$ 634,125	\$ 651,210	\$ (17,085)
Total Liabilities	\$ 31,483	\$ 38,755	\$ 7,272
Deferred Inflows of Resources	\$ 459,292	\$ 443,575	\$ (15,717)
Net Position:			
Unrestricted	\$ 143,350	\$ 168,880	\$ (25,530)
Total Net Position	<u>\$ 143,350</u>	<u>\$ 168,880</u>	<u>\$ (25,530)</u>

The following table provides a comparative analysis of the District's operations for the years ending December 31, 2021, and December 31, 2020.

	Summary of Changes in the Statement of Activities		
	2021	2020	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 437,266	\$ 480,285	\$ (43,019)
Other Revenues	34,997	27,847	7,150
Total Revenues	\$ 472,263	\$ 508,132	\$ (35,869)
Expenses for Services	497,793	478,319	(19,474)
Change in Net Position	\$ (25,530)	\$ 29,813	\$ (55,343)
Net Position, Beginning of Year	168,880	139,067	29,813
Net Position, End of Year	<u>\$ 143,350</u>	<u>\$ 168,880</u>	<u>\$ (25,530)</u>

**SAINT GEORGE PLACE MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The District's General Fund fund balance as of December 31, 2021, was \$133,811, a decrease of \$27,763 from the prior year, primarily due to operating expenditures exceeding property tax revenue.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the fiscal year. Actual revenues were \$17,778 less than budgeted revenues due to lower than anticipated revenues across all categories except miscellaneous revenues. Actual expenditures were \$9,257 less than budgeted expenditures primarily due to lower than anticipated costs for landscaping and security.

CAPITAL ASSETS

The District does not have any capital assets as of December 31, 2021.

LONG-TERM DEBT ACTIVITY

The District does not have any long-term bond debt as of December 31, 2021.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Saint George Place Management District, c/o Hawes Hill & Associates, LLP, P.O. Box 22167, Houston, TX, 77227-2167.

**SAINT GEORGE PLACE MANAGEMENT DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2021**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Cash	\$ 130,492	\$	\$ 130,492
Investments	198,162		198,162
Receivables:			
Property Taxes	304,471		304,471
Other	<u>1,000</u>		<u>1,000</u>
TOTAL ASSETS	<u>\$ 634,125</u>	<u>\$ -0-</u>	<u>\$ 634,125</u>
LIABILITIES			
Accounts Payable	<u>\$ 31,483</u>	<u>\$</u>	<u>\$ 31,483</u>
TOTAL LIABILITIES	<u>\$ 31,483</u>	<u>\$ -0-</u>	<u>\$ 31,483</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	<u>\$ 468,831</u>	<u>\$ (9,539)</u>	<u>\$ 459,292</u>
FUND BALANCE			
Assigned to 2022 Budget Deficit	\$ 95,730	\$ (95,730)	\$
Unassigned	<u>38,081</u>	<u>(38,081)</u>	<u></u>
TOTAL FUND BALANCE	<u>\$ 133,811</u>	<u>\$ (133,811)</u>	<u>\$ -0-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 634,125</u>		
NET POSITION			
Unrestricted		<u>143,350</u>	<u>143,350</u>
TOTAL NET POSITION		<u>\$ 143,350</u>	<u>\$ 143,350</u>

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

SAINT GEORGE PLACE MANAGEMENT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

Total Fund Balance - Governmental Fund	\$ 133,811
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Deferred inflows of resources related to property tax revenues for the 2020 and prior tax levies became part of recognized revenue in the governmental activities of the District.

9,539

Total Net Position - Governmental Activities

\$ 143,350

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

SAINT GEORGE PLACE MANAGEMENT DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property Tax Revenues	\$ 435,033	\$ 2,233	\$ 437,266
Penalty and Interest	5,711		5,711
Investment Revenues	302		302
Zone Enforcement Fee	12,000		12,000
Miscellaneous Revenues	16,984		16,984
TOTAL REVENUES	\$ 470,030	\$ 2,233	\$ 472,263
EXPENDITURES/EXPENSES			
Service Operations:			
Professional Fees	\$ 20,579	\$	\$ 20,579
Contracted Services	68,487		68,487
Landscaping	94,239		94,239
Management Fee	13,200		13,200
Repairs and Maintenance	16,902		16,902
Security	274,282		274,282
Other	10,104		10,104
TOTAL EXPENDITURES/EXPENSES	\$ 497,793	\$ -0-	\$ 497,793
NET CHANGE IN FUND BALANCE	\$ (27,763)	\$ 27,763	\$
CHANGE IN NET POSITION		(25,530)	(25,530)
FUND BALANCE/NET POSITION - JANUARY 1, 2021	161,574	7,306	168,880
FUND BALANCE/NET POSITION - DECEMBER 31, 2021	\$ 133,811	\$ 9,539	\$ 143,350

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

**SAINT GEORGE PLACE MANAGEMENT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balance - Governmental Fund \$ (27,763)

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

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.

2,233

Change in Net Position - Governmental Activities \$ (25,530)

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

SAINT GEORGE PLACE MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1. CREATION OF DISTRICT

The Saint George Place Management District, (the “District”) was created, by order effective August 11, 2016, by the Texas Commission on Environmental Quality under the terms and conditions of Article XVI, Section 59, and Article III, Section 52 and 52a of the Texas Constitution, and Chapter 375 of the Texas Local Government Code and Chapter 49 of the Texas Water Code. Pursuant to the provisions of the Act creating the District, the District is empowered to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, arts and entertainment, economic development, safety, and the public welfare. The Board of Directors held its first meeting on August 17, 2016.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Texas Commission on Environmental Quality.

The District is a political subdivision of the State of Texas governed by an appointed board. GASB has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately appointed governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statements as component units.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

SAINT GEORGE PLACE MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

- * Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- * Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- * Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

SAINT GEORGE PLACE MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

Governmental Funds

The District has one governmental fund and considers it a major fund.

General Fund - To account for resources not required to be accounted for in another fund, property tax revenues as well as general, landscaping, security and administrative expenditures.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include 2020 tax levy collections during the period October 1, 2020, to December 31, 2021. In addition, taxes collected from January 1, 2021, to December 31, 2021 for the 2019 and prior tax levies are included in revenue. The 2021 tax levy has been fully deferred to meet planned operating expenditures for the 2022 fiscal year.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

SAINT GEORGE PLACE MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include office equipment and fixtures and vehicles, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. The District has no capital assets.

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and amended budget amounts, if amended, compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Directors are considered to be wages subject to federal income tax withholding for payroll tax purposes only.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. The District's fund balances are classified using the following hierarchy:

SAINT GEORGE PLACE MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. The District does not have any restricted fund balances.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has assigned \$95,730 of the General Fund fund balance for a projected budget deficit for the year ending December 31, 2022.

Unassigned: all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

SAINT GEORGE PLACE MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the Authority of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District’s deposits was \$130,492 and the bank balance was \$153,890. The District was not exposed to custodial credit risk.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at December 31, 2021, as listed below:

	Cash
GENERAL FUND	\$ 130,492

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest District funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District’s investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas Cooperative Liquid Assets Securities System Trust (“Texas CLASS), an external investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. Wells Fargo Bank N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District’s position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from Texas CLASS.

SAINT GEORGE PLACE MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of December 31, 2021, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
Texas CLASS	<u>\$ 198,162</u>	<u>\$ 198,162</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2021, the District’s investment in Texas CLASS was rated AAAM by Standard and Poor’s. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in Texas CLASS to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District.

NOTE 4. MAINTENANCE TAX

On November 8, 2016, the voters of the District approved the levy and collection of a maximum maintenance tax rate of \$0.115 per \$100 of assessed valuation of taxable property within the District. During the year ended December 31, 2021, the District levied an ad valorem maintenance tax rate of \$0.115 per \$100 of assessed valuation, which resulted in a tax levy of \$459,292 on the adjusted taxable valuation of \$399,384,440 for the 2021 tax year.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

NOTE 5. 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. The District participates in the Texas Municipal League Intergovernmental Risk Pool (TML) to provide general liability, automobile liability, errors and omissions and workers compensation coverage. The District, along with other participating entities, contributes annual amounts determined by TML’s management. As claims arise they are submitted and paid by TML. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

SAINT GEORGE PLACE MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6. ZONING ENFORCEMENT SERVICES

On August 8, 2017, the District entered into the Agreement Regarding Zoning Enforcement Services with Saint George Place Redevelopment Authority (the "Authority") and Reinvestment Zone No. One, City of Houston, Texas (the "Zone"). The Zone, the District and the Authority (collectively, the "Parties") understand that the efficient enforcement of the Zoning Ordinance is in their common best interests, and that the District has the resources and expertise to best carry out such enforcement. The Zone delegates to the District the enforcement of the Zoning Ordinance on behalf of the Zone. The Authority agrees to pay the District \$1,000 per month for the enforcement of the Zone Ordinance.

SAINT GEORGE PLACE MANAGEMENT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2021

SAINT GEORGE PLACE MANAGEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property Taxes	\$ 459,733	\$ 435,033	\$ (24,700)
Penalty and Interest	7,000	5,711	(1,289)
Investment Revenues	5,075	302	(4,773)
Zone Reinforcement Fee	13,200	12,000	(1,200)
Miscellaneous Revenues	<u>2,800</u>	<u>16,984</u>	<u>14,184</u>
TOTAL REVENUES	<u>\$ 487,808</u>	<u>\$ 470,030</u>	<u>\$ (17,778)</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 16,500	\$ 20,579	\$ (4,079)
Contracted Services	64,050	68,487	(4,437)
Landscaping	108,700	94,239	14,461
Management Fee	13,200	13,200	
Repairs and Maintenance	1,500	16,902	(15,402)
Security	290,000	274,282	15,718
Other	<u>13,100</u>	<u>10,104</u>	<u>2,996</u>
TOTAL EXPENDITURES	<u>\$ 507,050</u>	<u>\$ 497,793</u>	<u>\$ 9,257</u>
NET CHANGE IN FUND BALANCE	\$ (19,242)	\$ (27,763)	\$ (8,521)
FUND BALANCE - JANUARY 1, 2021	<u>161,574</u>	<u>161,574</u>	<u> </u>
FUND BALANCE - DECEMBER 31, 2021	<u>\$ 142,332</u>	<u>\$ 133,811</u>	<u>\$ (8,521)</u>

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SAINT GEORGE PLACE MANAGEMENT DISTRICT

SUPPLEMENTARY INFORMATION REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

DECEMBER 31, 2021

**SAINT GEORGE PLACE MANAGEMENT DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021**

PROFESSIONAL FEES:	
Auditing	\$ 6,500
Legal	10,912
Delinquent Tax Attorney	<u>3,167</u>
TOTAL PROFESSIONAL FEES	<u>\$ 20,579</u>
CONTRACTED SERVICES:	
Administration	\$ 21,467
Bookkeeping	24,434
Tax Assessor/Collector	10,586
Zone Enforcement	<u>12,000</u>
TOTAL CONTRACTED SERVICES	<u>\$ 68,487</u>
LANDSCAPING	<u>\$ 94,239</u>
MANAGEMENT FEES - CIVIC ASSOCIATION	<u>\$ 13,200</u>
UTILITIES	<u>\$ 790</u>
REPAIRS AND MAINTENANCE	<u>\$ 16,902</u>
ADMINISTRATIVE EXPENDITURES:	
Insurance	\$ 1,196
Office Supplies	3,284
Travel and Meetings	598
Other	<u>2,631</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 7,709</u>
SECURITY	<u>\$ 274,282</u>
OTHER EXPENDITURES:	
Mosquito Abatement	<u>\$ 1,605</u>
TOTAL EXPENDITURES	<u>\$ 497,793</u>

SAINT GEORGE PLACE MANAGEMENT DISTRICT
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Fund</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u> Texas CLASS	XXXX0001	Varies	Daily	<u>\$ 198,162</u>	<u>\$ -0-</u>

**SAINT GEORGE PLACE MANAGEMENT DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Maintenance Taxes	
TAXES RECEIVABLE - JANUARY 1, 2021	\$ 280,058	
Adjustments to Beginning Balance	(6,309)	\$ 273,749
Original 2021 Tax Levy	\$ 446,486	
Adjustment to 2021 Tax Levy	12,806	459,292
TOTAL TO BE ACCOUNTED FOR		\$ 733,041
TAX COLLECTIONS:		
Prior Years	\$ 264,210	
Current Year	164,360	428,570
TAXES RECEIVABLE - DECEMBER 31, 2021		\$ 304,471
TAXES RECEIVABLE BY YEAR:		
2021		\$ 294,932
2020		5,915
2019		2,023
2018		1,426
2017		130
2016		45
TOTAL		\$ 304,471

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**SAINT GEORGE PLACE MANAGEMENT DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
PROPERTY VALUATIONS:				
Land, Improvements, Personal Property, Exemptions	<u>\$ 399,384,440</u>	<u>\$ 385,691,111</u>	<u>\$ 415,648,125</u>	<u>\$ 406,709,765</u>
TAX RATES PER \$100 VALUATION:				
Maintenance**	<u>\$ 0.115</u>	<u>\$ 0.115</u>	<u>\$ 0.115</u>	<u>\$ 0.115</u>
ADJUSTED TAX LEVY*	<u>\$ 459,292</u>	<u>\$ 443,575</u>	<u>\$ 477,996</u>	<u>\$ 467,719</u>
PERCENTAGE OF TAX COLLECTED TO TAXES LEVIED	<u>35.79 %</u>	<u>98.67 %</u>	<u>99.58 %</u>	<u>99.70 %</u>

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

** Maintenance Tax – Maximum tax rate of \$0.115 per \$100 of assessed valuation was approved by the voters on November 8, 2016.

**SAINT GEORGE PLACE MANAGEMENT DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS**

	Amounts			
	2021	2020	2019	2018
REVENUES				
Property Taxes	\$ 435,033	\$ 479,789	\$ 463,597	\$ 477,221
Penalty and Interest	5,711	11,200	11,699	17,335
Investment Revenues	302	2,841	6,093	675
Zone Enforcement Fee	12,000	12,000	12,000	12,000
Miscellaneous Revenues	16,984	1,806	10,730	7,980
TOTAL REVENUES	<u>\$ 470,030</u>	<u>\$ 507,636</u>	<u>\$ 504,119</u>	<u>\$ 515,211</u>
EXPENDITURES				
Service Operations:				
Professional Fees	\$ 20,579	\$ 18,828	\$ 15,084	\$ 21,845
Contracted Services	68,487	62,299	55,025	54,778
Landscaping	94,239	90,992	69,483	83,442
Management Fee	13,200	13,200	13,200	13,200
Repairs and Maintenance	16,902	2,145	808	3,774
Security	274,282	277,191	276,001	277,570
Other	10,104	13,664	11,475	8,950
TOTAL EXPENDITURES	<u>\$ 497,793</u>	<u>\$ 478,319</u>	<u>\$ 441,076</u>	<u>\$ 463,559</u>
NET CHANGE IN FUND BALANCE	\$ (27,763)	\$ 29,317	\$ 63,043	\$ 51,652
BEGINNING FUND BALANCE	<u>161,574</u>	<u>132,257</u>	<u>69,214</u>	<u>17,562</u>
ENDING FUND BALANCE	<u>\$ 133,811</u>	<u>\$ 161,574</u>	<u>\$ 132,257</u>	<u>\$ 69,214</u>

Percentage of Total Revenues

<u>2017</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 452,784	92.5 %	94.4 %	92.0 %	92.7 %	96.9 %
9,810	1.2	2.2	2.3	3.4	2.1
358	0.1	0.6	1.2	0.1	0.1
	2.6	2.4	2.4	2.3	
4,208	3.6	0.4	2.1	1.5	0.9
\$ 467,160	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
\$ 13,542	4.4 %	3.7 %	3.0 %	4.2 %	2.9 %
39,731	14.6	12.3	10.9	10.6	8.5
61,157	20.0	17.9	13.8	16.2	13.1
9,900	2.8	2.6	2.6	2.6	2.1
1,835	3.6	0.4	0.2	0.7	0.4
241,327	58.4	54.6	54.7	53.9	51.7
65,357	2.1	2.7	2.3	1.7	14.0
\$ 432,849	105.9 %	94.2 %	87.5 %	89.9 %	92.7 %
\$ 34,311	(5.9) %	5.8 %	12.5 %	10.1 %	7.3 %
(16,749)					
\$ 17,562					

**SAINT GEORGE PLACE MANAGEMENT DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
DECEMBER 31, 2021**

District Mailing Address - Saint George Place Management District
c/o Hawes Hill & Associates, LLP
9610 Long Point Road, Suite 150
Houston, TX 77055

District Telephone Number - (713) 595-1200

Board Members	Term of Office (Appointed)	Fees for the year ended December 31, 2021	Expense Reimbursements for the year ended December 31, 2021	<u>Title</u>
William G. Hutz	08/16 06/18* (Appointed)	\$ -0-	\$ -0-	Position 1/ Chairman
Mike Reckles	06/17 06/18* (Appointed)	\$ -0-	\$ -0-	Position 2/ Vice Chairman
Steve Rochelle	08/16 06/18* (Appointed)	\$ -0-	\$ -0-	Position 3
Christine Stewart	09/17 06/18* (Appointed)	\$ -0-	\$ -0-	Position 4 Secretary
Weston Robinson	11/17 06/18* (Appointed)	\$ -0-	\$ -0-	Position 5
Mary Ryder	08/16 06/20* (Appointed)	\$ -0-	\$ -0-	Position 6
Gary Baumgartner	08/16 06/20* (Appointed)	\$ -0-	\$ -0-	Position 7
Bob Prather	08/16 06/20* (Appointed)	\$ -0-	\$ -0-	Position 8
Cecilia Willis	09/19 06/20* (Appointed)	\$ -0-	\$ -0-	Position 9

* As of the date of this report, the expired terms have not been reappointed by the City.

**SAINT GEORGE PLACE MANAGEMENT DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
DECEMBER 31, 2021**

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2021</u>	<u>Title</u>
Allen Boone Humphries Robinson LLP	09/13/16	\$ 10,912	Attorney
McCall Gibson Swedlund Barfoot PLLC	11/14/17	\$ 6,500	Auditor
Municipal Accounts and Consulting	09/13/16	\$ 24,450	Bookkeeper
Perdue Brandon Fielder Collins & Mott, LLP	01/10/17	\$ 2,667	Delinquent Tax Attorney
Hawes Hill & Associates, LLP	09/13/16	\$ 33,467	District Administrator
Equi-Tax, Inc.	09/13/16	\$ 7,157	Tax Assessor/ Collector

