

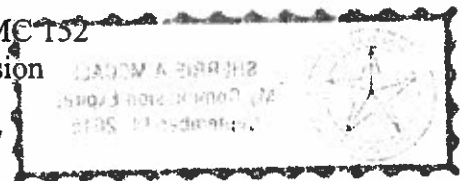
TEXAS WATER CODE SECTION 49.194
Filing of Audits, Affidavits, and Financial Reports

- (a) After the board has approved the audit, it shall submit a copy of the report to the executive director for filing within 135 days after the close of the district's fiscal year.
- (b) If the board refuses to approve the annual audit report, the board shall submit a copy of the report to the executive director for filing within 135 days after the close of the district's fiscal year, accompanied by a statement from the board explaining the reasons for its failure to approve the report.
- (c) Copies of the audit, the annual financial dormancy affidavit, or annual financial report described in Sections 49.197 and 49.198 shall be filed annually in the office of the district.
- (d) Each district shall file with the executive director an annual filing affidavit in a format prescribed by the executive director, executed by a duly authorized representative of the board, stating that all copies of the annual audit report, annual financial dormancy affidavit, or annual financial report have been filed under this section.
- (e) The annual filing affidavit shall be submitted with the applicable annual document when it is submitted to the executive director for filing as prescribed by this subchapter.
- (f) The executive director shall file with the attorney general the names of any districts that do not comply with the provisions of this subchapter.

THE ANNUAL FILING AFFIDAVIT IS PRINTED ON THE OTHER SIDE

Please review the affidavit, making sure it has been fully completed, signed, and notarized. Attach the affidavit to the audit report before mailing. Submit the completed affidavit and audit report to:

Reports & Supervision Team – MC 152
TCEQ – Water Utilities Division
P.O. Box 13087
Austin, Texas 78711-3087



INTERNATIONAL MANAGEMENT DISTRICT
HARRIS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2011
REVISED

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

INTERNATIONAL MANAGEMENT DISTRICT

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2011

REVISED

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Board of Directors
International Management District
Harris County, Texas

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities and major fund of the International Management District (the "District"), as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements as listed in the preceding table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 7 to the financial statements, the District has revised and reissued its December 31, 2011, financial statements.

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, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Directors
International Management District

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 6 and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund on page 21 be presented to supplement the basic financial statements. Such information, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants

April 26, 2012

**INTERNATIONAL MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED DECEMBER 31, 2011**

Management's discussion and analysis of the International Management District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2011. Please read it in conjunction with the District's financial statements, which begin on page 7.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Assets and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances. This report also includes 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 portion of these statements provides 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 first of the government-wide statements is the Statement of Net Assets. This information is found in the Statement of Net Assets column on page 7. The Statement of Net Assets is the District-wide statement of its financial position presenting information that includes all of the District's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets 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 government-wide portion of Statement of Activities on page 9 reports how the District's net assets 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 and considers it a major fund. The General Fund accounts for resources from assessment revenues, costs and general expenditures.

**INTERNATIONAL MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED DECEMBER 31, 2011**

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 Assets on page 8 and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in the Fund Balances to the Statement of Activities on page 10 explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 11 through 19 in this report.

OTHER INFORMATION

In addition to the basic 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 assets may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by \$611,891 as of December 31, 2011.

The following is a comparative analysis of government-wide changes in net assets.

**INTERNATIONAL MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED DECEMBER 31, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	<u>Summary of the Changes in the Statement of Net Assets</u>		
	<u>2011</u>	<u>2010</u>	<u>Change Positive (Negative)</u>
Current and Other Assets	\$ 1,361,671	\$ 1,758,008	\$ (396,337)
Capital Assets (Net of Accumulated Depreciation)	<u>1,117,379</u>	<u>42,611</u>	<u>1,074,768</u>
Total Assets	<u>\$ 2,479,050</u>	<u>\$ 1,800,619</u>	<u>\$ 678,431</u>
Long-term Liabilities	\$ 600,000	\$	\$ (600,000)
Other Liabilities	<u>1,267,159</u>	<u>1,258,053</u>	<u>(9,106)</u>
Total Liabilities	<u>\$ 1,867,159</u>	<u>\$ 1,258,053</u>	<u>\$ (609,106)</u>
Net Assets:			
Invested in Capital Assets	517,379	42,611	474,768
Unrestricted	<u>94,512</u>	<u>499,955</u>	<u>(405,443)</u>
Total Net Assets	<u>\$ 611,891</u>	<u>\$ 542,566</u>	<u>\$ 69,325</u>

The following table provides a summary of the District's operations for the years ended December 31, 2011, and December 31, 2010. The District net assets increased by \$69,325.

	<u>Summary of the Changes in the Statement of Activities</u>		
	<u>2011</u>	<u>2010</u>	<u>Change Positive (Negative)</u>
Revenues:			
Assessment Revenue	\$ 1,114,204	\$ 1,232,994	\$ (118,790)
Other Revenues	<u>64,079</u>	<u>70,820</u>	<u>(6,741)</u>
Total Revenues	\$ 1,178,283	\$ 1,303,814	\$ (125,531)
Expenses for Services	<u>1,108,958</u>	<u>1,077,829</u>	<u>(31,129)</u>
Change in Net Assets	\$ 69,325	\$ 225,985	\$ (156,660)
Net Assets, Beginning of Year	<u>542,566</u>	<u>316,581</u>	<u>225,985</u>
Net Assets, End of Year	<u>\$ 611,891</u>	<u>\$ 542,566</u>	<u>\$ 69,325</u>

**INTERNATIONAL MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED DECEMBER 31, 2011**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's General Fund fund balance as of December 31, 2011 was \$60,772. The current year decrease of \$375,130 was primarily due to the District's payment to the City of Houston for a Hike and Bike Trail development project.

BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the current fiscal year. Actual revenues were \$24,599 more than budgeted revenues. Actual expenditures were \$520,349 less than budgeted expenditures. Actual note proceeds were \$172,755 less than budgeted. See the budget to actual comparison on page 21.

CAPITAL ASSETS

The District's investment in capital assets as of December 31, 2011, amounts to \$1,117,379 (net of accumulated depreciation). This investment in capital assets includes equipment and furniture and leasehold improvements.

<u>Capital Assets At Year-End, Net of Accumulated Depreciation</u>	
Construction in Progress	\$ 1,084,031
Leasehold Improvements	29,709
Equipment & Furniture	<u>3,639</u>
Total Net Capital Assets	<u>\$ 1,117,379</u>

Additional information on the District's capital assets can be found in Note 5 of this report.

LONG-TERM DEBT ACTIVITY

At the end of the current fiscal year, the district had total debt payable of \$600,000. The changes in the debt service position of the District during the fiscal year ended December 31, 2011, are summarized as follows:

Note Payable, January 1, 2011	\$ -0-
Add: Note Proceeds Received	<u>600,000</u>
Note Payable, December 31, 2011	<u>\$ 600,000</u>

CONTACTING THE DISTRICT'S FINANCIAL 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 International Management District, c/o Hawes Hill Calderon LLP, P. O. Box 22167, Houston, Texas 77227-2167.

**INTERNATIONAL MANAGEMENT DISTRICT
STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2011**

	General Fund	Adjustments	Statement of Net Assets
ASSETS			
Cash, Note 5	\$ 310,219	\$	\$ 310,219
Receivables:			
Assessments Fees	1,017,863		1,017,863
Penalty and Interest	8,362		8,362
Accrued Interest	74		74
Prepaid Costs	25,153		25,153
Construction in Progress, Note 5		1,084,031	1,084,031
Capital Assets (Net of Accumulated Depreciation), Note 5		<u>33,348</u>	<u>33,348</u>
TOTAL ASSETS	<u>\$ 1,361,671</u>	<u>\$ 1,117,379</u>	<u>\$ 2,479,050</u>
LIABILITIES			
Accounts Payable	\$ 83,834	\$	\$ 83,834
Accrued Interest Payable		710	710
Due to Taxpayers	8,444		8,444
Deferred Assessment Revenue	1,200,259	(26,088)	1,174,171
Deferred Penalty and Interest Revenues	8,362	(8,362)	
Long Term Liabilities:			
Due After One Year, Note 6		<u>600,000</u>	<u>600,000</u>
TOTAL LIABILITIES	<u>\$ 1,300,899</u>	<u>\$ 566,260</u>	<u>\$ 1,867,159</u>
FUND BALANCE/NET ASSETS			
FUND BALANCE			
Nonspendable: Prepaid Costs	\$ 25,153	\$ (25,153)	\$
Unassigned	<u>35,619</u>	<u>(35,619)</u>	<u></u>
TOTAL FUND BALANCE	<u>\$ 60,772</u>	<u>\$ (60,772)</u>	<u>\$ -0-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,361,671</u>		
NET ASSETS			
Invested in Capital Assets, Net of Related Debt		\$ 517,379	\$ 517,379
Unrestricted		<u>94,512</u>	<u>94,512</u>
TOTAL NET ASSETS		<u>\$ 611,891</u>	<u>\$ 611,891</u>

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

**INTERNATIONAL MANAGEMENT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011**

Total Fund Balance – Governmental Fund	\$ 60,772
Amounts reported for governmental activities in the Statements of Net Assets are different because:	
Construction in progress in governmental activities is not a financial resource and therefore is not reported as an asset in the governmental funds.	1,084,031
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	33,348
Deferred assessment revenues for the 2010 and prior levies became part of recognized revenue in the governmental activities of the District.	26,088
Deferred penalty and interest revenues for 2010 and prior levies became part of recognized revenue in the governmental activities of the District.	8,362
Accrued interest on long-term liabilities is not payable with current financial resources and therefore is not reported in the governmental funds.	(710)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. These liabilities at year end consist of:	
Notes Payable After One Year	(600,000)
Total Net Assets – Governmental Activities	\$ 611,891

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

**INTERNATIONAL MANAGEMENT DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General Fund	Adjustments	Statement of Activities
REVENUES			
Assessment Revenue	\$ 1,152,169	\$ (37,965)	\$ 1,114,204
Penalty and Interest	49,493	8,362	57,855
Investment Revenues	1,224		1,224
Miscellaneous Revenues	<u>5,000</u>		<u>5,000</u>
TOTAL REVENUES	<u>\$ 1,207,886</u>	<u>\$ (29,603)</u>	<u>\$ 1,178,283</u>
EXPENDITURES/EXPENSES			
Service Operations:			
Administrative:			
Professional Fees	\$ 66,775	\$	\$ 66,775
Contracted Services	44,350		44,350
Depreciation, Note 5		9,263	9,263
Other	37,306		37,306
Urban Design & Beautification	1,328,234	(1,084,031)	244,203
Public Safety and Security	553,537		553,537
Business and Economic Development	139,809		139,809
Community Development	7,750		7,750
Debt Service:			
Interest	<u>5,255</u>	<u>710</u>	<u>5,965</u>
TOTAL EXPENDITURES/EXPENSES	<u>\$ 2,183,016</u>	<u>\$ (1,074,058)</u>	<u>\$ 1,108,958</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (975,130)</u>	<u>\$ 1,044,455</u>	<u>\$ 69,325</u>
OTHER FINANCING SOURCES (USES)			
Note Proceeds, Note 6	<u>\$ 600,000</u>	<u>\$ (600,000)</u>	<u>\$</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 600,000</u>	<u>\$ (600,000)</u>	<u>\$ -0-</u>
NET CHANGE IN FUND BALANCE	\$ (375,130)	\$ 375,130	\$
CHANGE IN NET ASSETS		69,325	69,325
FUND BALANCE/NET ASSETS – JANUARY 1, 2011	<u>435,902</u>	<u>106,664</u>	<u>542,566</u>
FUND BALANCE/NET ASSETS – DECEMBER 31, 2011	<u>\$ 60,772</u>	<u>\$ 551,119</u>	<u>\$ 611,891</u>

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

**INTERNATIONAL 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, 2011**

Net Change in Fund Balance - Governmental Fund	\$ (375,130)
Amounts reported for governmental activities in the Statements of Activities are different because:	
Governmental funds report assessment revenue and penalty and interest revenue when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the assessments are levied.	(29,603)
Governmental funds report capital expenditures in the period purchased. However, in the Statement of Net Assets, capital assets are increased by new purchases.	1,084,031
Governmental funds do not account for depreciation. However, in the Statement of Net Assets, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(9,263)
Governmental funds report note interest payments as expenditures in the year paid. However, in the Statement of Activities, note interest is accrued through the fiscal year end.	(710)
Governmental funds record proceeds from notes as an other financing source. However, in the Statement of Net Assets, proceeds from notes are recorded as a liability and the Statement of Activities is not affected.	<u>(600,000)</u>
Change in Net Assets - Governmental Activities	<u>\$ 69,325</u>

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

INTERNATIONAL MANAGEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1. CREATION OF DISTRICT

The International Management District (the "District") was created, effective June 15, 2007, by the Texas Legislature under provisions of House Bill No. 4004, of the 80th Legislature, Regular Session, 2007, codified as Chapter 3849, Texas Special District Local Laws 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 in the District. The Board of Directors held its first meeting on September 6, 2007.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic 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 Commission.

GASB has established the criteria for determining whether or not a given entity is a component unit. The criteria are: (1) is the potential component unit a legally separate entity, (2) does the primary government appoint a voting majority of the potential component unit's board, (3) is the primary government able to impose its will on the potential component unit, (4) is there a financial benefit or burden relationship. The District was created as an independent management district. The District does not meet the criteria for inclusion as a component unit of any entity nor does any other entity meet the component unit criteria for inclusion in the District's basic financial statements.

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.

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 Assets and a Statement of Activities. It requires the classification of net assets into three components: Invested in Capital Assets, Net of Related Debt; Restricted; and Unrestricted. These classifications are defined as follows:

INTERNATIONAL MANAGEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- Invested in Capital Assets, Net of Related Debt – This component of net assets 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 Assets – This component of net assets consists of external constraints placed on the use of net 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 Assets – This component of net assets consists of net assets that do not meet the definition of “Restricted” or “Invested in Capital Assets, Net of Related Debt.”

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 Assets and the Statement of Activities display information about the District as a whole. The District’s Statement of Net Assets 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 Assets 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 Assets.

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.

Fund Financial Statements

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

INTERNATIONAL MANAGEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, assessment revenues, costs and general 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.

Annual assessments considered available by the District and included in revenue include the 2010 assessment collected during the period October 1, 2010, to December 31, 2011. In addition, assessments collected from January 1, 2011, to December 31, 2011, for the 2009 and prior assessment levies are included in revenues. The 2011 annual assessment has been fully deferred to meet the operating expenditures for the 2012 fiscal year.

Amounts transferred from one fund to another fund are reported as an other financing source or use. 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.

Capital Assets

Capital assets, which include equipment and furniture, as well as leasehold improvements, are reported in the government-wide Statement of Net Assets. 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. Interest costs, including developer interest, engineering fees and certain other costs are capitalized as part of the asset.

**INTERNATIONAL MANAGEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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. Estimated useful lives are as follows:

	Years
Equipment and Furniture	7
Leasehold Improvements	Life of Lease

Budgeting

In compliance with governmental accounting principles, the Board of Directors annually adopts an unappropriated budget for the General Fund. The budget was not amended during the current fiscal 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 Assets 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 assets, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net assets.

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.

INTERNATIONAL MANAGEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances

The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions* which requires the classification of fund balances in governmental funds using the following hierarchy:

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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 not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

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

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.

Subsequent Events

In preparing these financial statements, management has evaluated and disclosed all material subsequent events through April 26, 2012, which is the date these statements were available to be issued.

INTERNATIONAL MANAGEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

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.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$310,219 and the bank balance was \$333,651. The bank balance was fully covered by federal depository insurance.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Assets at December 31, 2011, as listed below:

	<u>Cash</u>
TOTAL DEPOSITS	<u>\$ 310,219</u>

Investments

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

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. Authorized investments are summarized as follows: (1) obligations of the United States or its agencies and instrumentalities, (2) direct obligations of the State of Texas or its agencies and instrumentalities,

INTERNATIONAL MANAGEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

(3) certain collateralized mortgage obligations, (4) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its 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, (5) certain A rated or higher obligations of states, agencies, counties, cities, and other political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) insured or collateralized certificates of deposit, (8) certain fully collateralized repurchase agreements secured by delivery, (9) certain bankers' acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

As of December 31, 2011, the District did not have any investments.

NOTE 4. ANNUAL AD VALOREM ASSESSMENT

In accordance with the Act creating the District, the District may levy ad valorem taxes or assessment fees in accordance with Chapter 375, Local Government Code, to provide improvements and services for a project or activity the District is authorized to acquire, construct, improve, or provide under this Act.

On July 24, 2008, an order was approved granting a petition for a service plan and an assessment roll for the District. The order authorized levying annual assessments of \$0.10 per \$100 of valuation as listed in the 2008 assessed rolls against property within the District for a ten-year period.

For the 2011 assessment year, the District levied an ad valorem assessment of \$0.10 per \$100 of assessed valuation, resulting in an assessment of \$1,174,171 on the taxable valuation of \$1,174,626,951. The 2011 assessment has been fully deferred to meet the operating expenditures for the 2012 fiscal year.

The District's calendar for collection of the assessments is as follows:

- | | |
|-----------------|--|
| Levy Date | - October 1 or as soon thereafter as practicable. |
| Lien Date | - January 1 |
| Due Date | - Not later than January 31. |
| Delinquent Date | - February 1, at which time the taxpayer is liable for penalty and interest. |

INTERNATIONAL MANAGEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011:

	<u>January 1, 2011</u>	<u>Additions</u>	<u>December 31, 2011</u>
Capital Assets at Not Being Depreciation			
Construction in Progress	\$ -0-	\$ 1,084,031	\$ 1,084,031
Capital Assets at Historical Costs Subject to Depreciation			
Leasehold Improvements	\$ 43,000	\$	\$ 43,000
Equipment and Furniture	<u>4,640</u>	<u> </u>	<u>4,640</u>
Total Capital Assets at Historical Costs Subject to Depreciation	<u>\$ 47,640</u>	<u>\$ -0-</u>	<u>\$ 47,640</u>
Less Accumulated Depreciation			
Leasehold Improvements	\$ 4,691	\$ 8,600	\$ 13,291
Equipment and Furniture	<u>338</u>	<u>663</u>	<u>1,001</u>
Total Accumulated Depreciation	<u>\$ 5,029</u>	<u>\$ 9,263</u>	<u>\$ 14,292</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 42,611</u>	<u>\$ (9,263)</u>	<u>\$ 33,348</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 42,611</u>	<u>\$ 1,074,768</u>	<u>\$ 1,117,379</u>

NOTE 6. NOTES PAYABLE

On June 23, 2011, the District entered into a \$750,000 note agreement with Amegy Bank N.A. to fund the District's contribution to the construction of a Hike and Bike trail development project by the City of Houston, see Note 7. The first draw against this note was made August 12, 2011, and the note was activated. Interest on this note is payable monthly as it accrues until December 23, 2012. This note is due and payable in monthly installments in an amount sufficient to pay off the amount advanced, commencing on January 23, 2013, and continuing regularly through December 23, 2017. The following is a summary of transactions regarding notes payable for the year ended December 31, 2011:

Note Payable, January 1, 2011	\$ -0-
Add: Note Proceeds Received	<u>600,000</u>
Note Payable, December 31, 2011	<u>\$ 600,000</u>

INTERNATIONAL MANAGEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 7. INTERLOCAL AGREEMENT WITH THE CITY OF HOUSTON

The District entered into an agreement with the City of Houston, Texas ("City") to develop Hike and Bike multi-use trails for public use. The City and the Texas Department of Transportation ("TxDOT") entered into the Advance Funding Agreement for Transportation Enhancement Projects for this project and four others and the District has agreed to partner with the City to meet the obligations under the TxDOT contract. The total estimated cost of the project is \$2,007,843, TxDOT has agreed to fund the 80% federal share totaling \$1,606,274, the City will provide the 20% non-federal share in the TxDOT contract totaling \$401,569. During the current fiscal year, the District paid 100% of the non-federal share to the City. The City will manage all aspects of the project. The District will be responsible for operation and maintenance services upon completion.

These financial statements have been revised and reissued to record the \$401,569 payment to the City as an asset of the District. As of the date of this report, the Hike and Bike trail is still under construction and the payment to the City has been included in Construction in Progress.

INTERNATIONAL MANAGEMENT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2011

**INTERNATIONAL MANAGEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Assessment Revenue	\$ 1,150,887	\$ 1,152,169	\$ 1,282
Penalty and Interest	30,000	49,493	19,493
Investment Revenues	2,400	1,224	(1,176)
Miscellaneous Revenues	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
TOTAL REVENUES	<u>\$ 1,183,287</u>	<u>\$ 1,207,886</u>	<u>\$ 24,599</u>
EXPENDITURES			
Service Operations:			
Administrative:			
Professional Fees	\$ 28,500	\$ 66,775	\$ (38,275)
Contracted Services	44,705	44,350	355
Other	43,800	37,306	6,494
Urban Design & Beautification	1,391,159	1,328,234	62,925
Public Safety and Security	567,342	553,537	13,805
Business and Economic Development	206,290	139,809	66,481
Community Development	20,000	7,750	12,250
Debt Service:			
Interest	<u>5,255</u>	<u>5,255</u>	<u>(5,255)</u>
TOTAL EXPENDITURES	<u>\$ 2,301,796</u>	<u>\$ 2,183,016</u>	<u>\$ 118,780</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (1,118,509)</u>	<u>\$ (975,130)</u>	<u>\$ 143,379</u>
OTHER FINANCING SOURCES (USES)			
Note Proceeds	<u>772,755</u>	<u>600,000</u>	<u>(172,755)</u>
NET CHANGE IN FUND BALANCE	\$ (345,754)	\$ (375,130)	\$ (29,376)
FUND BALANCE – JANUARY 1, 2011	<u>435,902</u>	<u>435,902</u>	<u> </u>
FUND BALANCE – DECEMBER 31, 2011	<u>\$ 90,148</u>	<u>\$ 60,772</u>	<u>\$ (29,376)</u>

See accompanying independent auditor's report.

**INTERNATIONAL MANAGEMENT DISTRICT
SUPPLEMENTARY INFORMATION REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**

DECEMBER 31, 2011

**INTERNATIONAL MANAGEMENT DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2011**

PERSONNEL EXPENDITURES (Including Benefits)	\$ <u>-0-</u>
PROFESSIONAL FEES:	
Auditing	\$ 7,000
Legal	<u>59,775</u>
TOTAL PROFESSIONAL FEES	\$ <u>66,775</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 10,602
Management Consultant	17,780
Assessment Collector	<u>15,968</u>
TOTAL CONTRACTED SERVICES	\$ <u>44,350</u>
URBAN DESIGN & BEAUTIFICATION	\$ <u>1,328,234</u>
BUSINESS AND ECONOMIC DEVELOPMENT	\$ <u>139,809</u>
MOBILITY AND TRANSPORTATION	\$ <u>-0-</u>
PUBLIC SAFETY AND SECURITY	\$ <u>553,537</u>
COMMUNITY DEVELOPMENT	\$ <u>7,750</u>
ADMINISTRATIVE EXPENDITURES:	
Insurance	\$ 1,321
Legal Notices	910
Office Supplies and Postage	9,439
Other	<u>25,636</u>
TOTAL ADMINISTRATIVE EXPENDITURES	\$ <u>37,306</u>
CAPITAL OUTLAY:	
Capitalized Assets	\$
Expenditures not Capitalized	<u> </u>
TOTAL CAPITAL OUTLAY	\$ <u>-0-</u>
DEBT SERVICE:	
Interest Expense	\$ <u>5,255</u>
TOTAL EXPENDITURES	\$ <u>2,183,016</u>

See accompanying independent auditor's report.

**INTERNATIONAL MANAGEMENT DISTRICT
CHANGES IN ASSESSMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Assessments	
ASSESSMENTS RECEIVABLE – JANUARY 1, 2011	\$ 1,018,875	
Adjustments to Beginning Balance	(36,684)	\$ 982,191
Original 2011 Assessment Levy	\$ 1,175,197	
Adjustment to 2011 Assessment Levy	(1,026)	1,174,171
TOTAL TO BE ACCOUNTED FOR		\$ 2,156,362
ASSESSMENT COLLECTIONS:		
Prior Years	\$ 956,103	
Current Year	182,396	1,138,499
ASSESSMENT RECEIVABLE – DECEMBER 31, 2011		\$ 1,017,863
ASSESSMENT RECEIVABLE BY YEAR:		
2011		\$ 991,775
2010		14,054
2009		4,387
2008		7,647
		\$ 1,017,863

See accompanying independent auditor's report.

**INTERNATIONAL MANAGEMENT DISTRICT
CHANGES IN ASSESSMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
PROPERTY VALUATIONS: Land, Improvements, Personal Property, Exemptions	<u>\$ 1,174,626,851</u>	<u>\$ 1,151,230,702</u>	<u>\$ 1,292,501,464</u>	<u>\$ 1,250,833,242</u>
ASSESSMENT RATES PER \$100 VALUATION: Assessment	<u>\$ 0.10</u>	<u>\$ 0.10</u>	<u>\$ 0.10</u>	<u>\$ 0.10</u>
ADJUSTED ASSESSMENT LEVY*	<u>\$ 1,174,171</u>	<u>\$ 1,150,887</u>	<u>\$ 1,292,502</u>	<u>\$ 1,250,834</u>
PERCENT OF ASSESSMENT COLLECTED TO ASSESSMENT LEVIED	<u>15.53%</u>	<u>98.78%</u>	<u>99.66%</u>	<u>99.39%</u>

* Based upon adjusted assessment at time of audit for the period in which the assessment was levied.

See accompanying independent auditor's report.

**INTERNATIONAL MANAGEMENT DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FOUR YEARS**

	Amount		
	2011	2010	2009
REVENUES			
Assessment Revenue	\$1,152,169	\$ 1,233,009	\$ 1,204,725
Penalty and Interest	49,493	68,304	60,345
Investment Revenues	1,224	2,016	4,127
Miscellaneous Revenues	<u>5,000</u>	<u>500</u>	<u> </u>
TOTAL REVENUES	<u>\$1,207,886</u>	<u>\$ 1,303,829</u>	<u>\$ 1,269,197</u>
EXPENDITURES			
Service Operations:			
Administrative			
Professional Fees	\$ 66,775	\$ 57,063	\$ 40,670
Contracted Services	44,350	43,032	36,964
Other	37,306	55,259	40,728
Creation Costs			187,672
Mobility and Transportation			94,673
Urban Design & Beatification	645,772	271,603	174,485
Public Safety and Security	553,537	563,497	407,666
Business and Economic Development	139,809	81,346	33,826
Community Development	7,750	1,000	
Capital Outlay:			
Urban Design & Beatification	682,462		
Public Safety and Security		47,640	
Debt Service:			
Interest	<u>5,255</u>	<u> </u>	<u> </u>
TOTAL EXPENDITURES	<u>\$2,183,016</u>	<u>\$ 1,120,440</u>	<u>\$ 1,016,684</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (975,130)</u>	<u>\$ 183,389</u>	<u>\$ 252,513</u>
OTHER FINANCING SOURCES (USES)			
Note Proceeds	<u>\$ 600,000</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
NET CHANGE IN FUND BALANCE	\$ (375,130)	\$ 183,389	\$ 252,513
BEGINNING FUND BALANCE	<u>435,902</u>	<u>252,513</u>	<u>-0-</u>
ENDING FUND BALANCE	<u>\$ 60,772</u>	<u>\$ 435,902</u>	<u>\$ 252,513</u>

* First year audit, no activity

See accompanying independent auditor's report.

<u>Amount</u>	<u>Percentage of Total Revenue</u>			
<u>2008 *</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008 *</u>
\$	95.4%	94.6%	94.9%	%
	4.1	5.2	4.8	
	0.1	0.2	0.3	
	<u>0.4</u>			
<u>\$ -0-</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
\$	5.5%	4.4%	3.2%	%
	3.7	3.3	2.9	
	3.1	4.2	3.2	
			14.8	
			7.5	
	53.5	20.8	13.7	
	45.8	43.2	32.1	
	11.6	6.2	2.7	
	0.6	0.1		
	56.5			
		3.7		
	<u>0.4</u>			
<u>\$ -0-</u>	<u>180.7%</u>	<u>85.9%</u>	<u>80.1%</u>	<u>0.0%</u>
<u>\$ -0-</u>	<u>(80.7)%</u>	<u>14.1%</u>	<u>19.9%</u>	<u>0.0%</u>
<u>\$ -0-</u>				
<u>\$ -0-</u>				
<u>\$ -0-</u>				

See accompanying independent auditor's report.

**INTERNATIONAL MANAGEMENT DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
DECEMBER 31, 2011**

District Mailing Address - International Management District
c/o Hawes Hill Calderon LLP
P. O. Box 22167
Houston, TX 77227-2167

District Telephone Number - (713) 595-1200

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended <u>December 31, 2011</u>	Expense Reimbursements for the year ended <u>December 31, 2011</u>	<u>Title</u>
Gladys Brumfield	06/09 06/13 (Appointed)	\$ -0-	\$ -0-	Position 1
Fred Bhandara	06/09 06/13 (Appointed)	\$ -0-	\$ -0-	Position 2/ Vice Chairman
Karen Loper	06/09 06/13 (Appointed)	\$ -0-	\$ -0-	Position 3/ Secretary
Thuy Vu	06/09 06/13 (Appointed)	\$ -0-	\$ -0-	Position 4
Anthony Le	01/10 06/13 (Appointed)	\$ -0-	\$ -0-	Position 5
H.D. Chambers	10/11 06/13 (Appointed)	\$ -0-	\$ -0-	Position 6
Leeshan Birney	06/07 06/11 (Appointed)	\$ -0-	\$ -0-	Position 7

See accompanying independent auditor's report.

**INTERNATIONAL MANAGEMENT DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
DECEMBER 31, 2011**

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended <u>December 31, 2011</u>	Expense Reimbursements for the year ended <u>December 31, 2011</u>	<u>Title</u>
Stephen Le	06/07 06/11 (Appointed)	\$ -0-	\$ -0-	Position 8
Vacant		\$ -0-	\$ -0-	Position 9
Vican Tan Sun	06/07 06/11 (Appointed)	\$ -0-	\$ -0-	Position 10
Wea Lee	06/07 06/11 (Appointed)	\$ -0-	\$ -0-	Position 11/ Chairman

Submission date of most recent District Registration Form (TWC Sections 36.054 and 49.054):
January 27, 2012.

See accompanying independent auditor's report.

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**INTERNATIONAL MANAGEMENT DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
DECEMBER 31, 2011**

Consultants:	Date Hired	Fees for the year ended December 31, 2011	Title
Allen Boone Humphries Robinson LLP 3200 Southwest Freeway, Suite 2600 Houston, TX 77027	09/06/07	\$ 42,128	Attorney
McCall Gibson Swedlund Barfoot PLLC 13100 Wortham Center Drive, Suite 235 Houston, TX 770655610	04/02/09	\$ 7,000	Auditor
Municipal Accounts & Consulting, LP 1300 Post Oak Boulevard, Suite 1600 Houston, TX 77056	08/01/08	\$ 11,881	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott 1235 North Loop West, Suite 600 Houston, TX 77008	07/01/09	\$ 16,521	Delinquent Assessment Attorney
Hawes Hill Calderon LLP 10103 Fondren, Suite 300 Houston, TX 77227-2167	09/06/07	\$ 268,707	Administrative Services
Mark M. Burton 1300 Post Oak Boulevard, Suite 1600 Houston, TX 77056	12/08	\$ -0-	Investment Officer
Equi-Tax, Inc. P.O. Box 73109 Houston, TX 77273	05/01/08	\$ 15,968	Assessment Collector
Harris County 1001 Preston, Suite 610 Houston, TX 77002	03/15/09	\$ 314,218	Law Enforcement Services

See accompanying independent auditor's report.