



Weston Municipal Utility District Harris County, Texas

Independent Auditor's Report and Financial Statements

September 30, 2024



Weston Municipal Utility District
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Independent Auditor's Report

Board of Directors
Weston Municipal Utility District
Harris County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of Weston Municipal Utility District (the District), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of September 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Forvis Mazars, LLP

Houston, Texas
March 25, 2025

Overview of the Financial Statements

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

Notes to Financial Statements

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

Financial Analysis of the District as a Whole

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

Summary of Net Position

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 12,407,938	\$ 11,816,717
Capital assets	<u>20,376,765</u>	<u>20,238,175</u>
Total assets	<u>32,784,703</u>	<u>32,054,892</u>
Deferred outflows of resources	<u>140,667</u>	<u>165,643</u>
Total assets and deferred outflows of resources	<u><u>\$ 32,925,370</u></u>	<u><u>\$ 32,220,535</u></u>
Long-term liabilities	\$ 15,607,481	\$ 16,902,226
Other liabilities	<u>960,776</u>	<u>995,413</u>
Total liabilities	<u>16,568,257</u>	<u>17,897,639</u>

Summary of Net Position (Continued)

	2024	2023
Net position:		
Net investment in capital assets	\$ 4,909,951	\$ 3,501,592
Restricted	1,270,856	1,319,881
Unrestricted	10,176,306	9,501,423
Total net position	<u>\$ 16,357,113</u>	<u>\$ 14,322,896</u>

The total net position of the District increased by \$2,034,217, or about 14%. The majority of the increase in net position is related to tax revenues intended to pay principal on the District's bonded indebtedness, which is shown as long-term liabilities in the government-wide financial statements, as well as investment income. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Changes in Net Position

	2024	2023
Revenues:		
Property taxes	\$ 3,139,375	\$ 2,789,108
Sales tax rebates	874,157	938,334
Charges for services	2,422,507	2,275,666
Other revenues	791,899	837,032
Total revenues	<u>7,227,938</u>	<u>6,840,140</u>
Expenses:		
Services	3,777,624	4,447,513
Depreciation	780,774	749,170
Debt service	635,323	613,521
Total expenses	<u>5,193,721</u>	<u>5,810,204</u>
Change in net position	2,034,217	1,029,936
Net position, beginning of year	<u>14,322,896</u>	<u>13,292,960</u>
Net position, end of year	<u>\$ 16,357,113</u>	<u>\$ 14,322,896</u>

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended September 30, 2024, were \$11,412,218, an increase of \$665,699 from the prior year.

The general fund's fund balance increased by \$695,703. This increase was primarily related to property taxes, sales tax rebates and service revenues, investment income and a transfer received from the capital projects fund exceeding service operations and capital outlay expenditures.

The debt service fund's fund balance increased by \$142,538, primarily due to property taxes revenue and investment income exceeding bond principal and interest requirements.

The capital projects fund's fund balance decreased by \$172,542. This decrease was primarily due to a interfund transfer to the general fund.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to investment income and capital outlay expenditures being higher than anticipated as well as property taxes, water service and regional water fee revenues and regional water fee and repairs and maintenance expenditures being lower than anticipated. In addition, debt issuance costs incurred as well as insurance proceeds and an interfund transfer received were not included in the current year budget. The fund balance as of September 30, 2024, was expected to be \$9,137,427 and the actual end-of-year fund balance was \$10,086,380.

Capital Assets and Related Debt

Capital Assets

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

Capital Assets (Net of Accumulated Depreciation)

	<u>2024</u>	<u>2023</u>
Land and improvements	\$ 6,080,446	\$ 6,080,446
Construction in progress	280,934	-
Water facilities	6,949,944	6,787,624
Wastewater facilities	<u>7,065,441</u>	<u>7,370,105</u>
Total capital assets	<u><u>\$ 20,376,765</u></u>	<u><u>\$ 20,238,175</u></u>

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

Construction in progress related to the rehabilitation of the East and West water plants, including tanks, a motor control center and conversion to chloramine disinfection	\$ 280,934
350 horsepower motor	110,748
12" waterline replacement	33,302
Pump with ultrasonic transducer	8,898
Air diffusers	12,160
20 horsepower jockey pump	34,583
316 stainless steel motor	8,958
Rehabilitation of water well	<u>429,781</u>
Total additions to capital assets	<u><u>\$ 919,364</u></u>

Debt

The changes in the debt position of the District during the fiscal year ended September 30, 2024, are summarized as follows.

Long-term debt payable, beginning of year	\$ 16,902,226
Decreases in long-term debt	<u>(1,294,745)</u>
Long-term debt payable, end of year	<u>\$ 15,607,481</u>

At September 30, 2024, the District had \$3,555,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District.

The District's bonds carry underlying ratings of "A2" from Moody's Investors Service or "A+" from Standard & Poor's (S&P). The Series 2015A bonds carry an "AA" rating from S&P by virtue of bond insurance issued by Assured Guaranty, Inc. The Series 2014, Series 2015 refunding bonds and Series 2019 refunding bonds carry an "AA" rating from S&P by virtue of bond insurance issued by Build America Mutual Assurance Co.

Other Relevant Factors

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (the City), the District must conform to the City ordinance consenting to the creation of the District.

Strategic Partnership Agreement

Effective April 10, 2003, as amended August 1, 2005, the District and the City entered into a Strategic Partnership Agreement (the Agreement) under which the City annexed a tract of land (the tract) within the boundaries of the District for limited purposes. The District continues to exercise all powers and functions of a municipal utility district, as provided by law. As consideration for the District providing services detailed in the Agreement, the City agrees to remit one-half of all sales and use tax revenues generated within the boundaries of the tract. As consideration for the sales tax payments and the services provided by the City, the District agrees to continue to provide and develop water, sewer and drainage services within the District in lieu of full-purpose annexation. The City agrees it will not annex the District for full purposes or commence any action to annex the District during the term of the Agreement, which is 30 years.

Subsequent Event

On November 13, 2024, the District issued its Series 2024 unlimited tax bonds in the amount of \$3,555,000, at a net effective interest rate of approximately 3.88%. The bonds were sold to finance rehabilitation costs for water plant No. 1.

Weston Municipal Utility District
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 337,544	\$ 35,869	\$ -	\$ 373,413	\$ -	\$ 373,413
Certificates of deposit	2,636,682	-	-	2,636,682	-	2,636,682
Short-term investments	7,501,045	1,493,210	8,755	9,003,010	-	9,003,010
Receivables:						
Property taxes	23,996	37,827	-	61,823	-	61,823
Service accounts	83,871	-	-	83,871	-	83,871
Sales tax rebates	146,948	-	-	146,948	65,930	212,878
Accrued interest	36,261	-	-	36,261	-	36,261
Interfund receivables	242,438	98,987	-	341,425	(341,425)	-
Capital assets (net of accumulated depreciation):						
Land and improvements	-	-	-	-	6,080,446	6,080,446
Construction in progress	-	-	-	-	280,934	280,934
Infrastructure	-	-	-	-	14,015,385	14,015,385
Total assets	11,008,785	1,665,893	8,755	12,683,433	20,101,270	32,784,703
Deferred Outflows of Resources						
Deferred amount on debt refundings	-	-	-	-	140,667	140,667
Total assets and deferred outflows of resources	\$ 11,008,785	\$ 1,665,893	\$ 8,755	\$ 12,683,433	\$ 20,241,937	\$ 32,925,370

Weston Municipal Utility District
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2024

(Continued)

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	\$ 376,200	\$ 68,545	\$ -	\$ 444,745	\$ -	\$ 444,745
Accrued interest payable	-	-	-	-	92,809	92,809
Customer deposits	423,222	-	-	423,222	-	423,222
Interfund payables	98,987	242,438	-	341,425	(341,425)	-
Long-term liabilities:						
Due within one year	-	-	-	-	1,295,000	1,295,000
Due after one year	-	-	-	-	14,312,481	14,312,481
Total liabilities	898,409	310,983	-	1,209,392	15,358,865	16,568,257
Deferred Inflows of Resources						
Deferred property tax revenues	23,996	37,827	-	61,823	(61,823)	-
Fund Balances/Net Position						
Fund balances:						
Restricted:						
Unlimited tax bonds	-	1,317,083	-	1,317,083	(1,317,083)	-
Water and sewer	-	-	8,755	8,755	(8,755)	-
Assigned, future expenditures	146,932	-	-	146,932	(146,932)	-
Unassigned	9,939,448	-	-	9,939,448	(9,939,448)	-
Total fund balances	10,086,380	1,317,083	8,755	11,412,218	(11,412,218)	-
Total liabilities, deferred inflows of resources and fund balances	\$ 11,008,785	\$ 1,665,893	\$ 8,755	\$ 12,683,433		
Net position:						
Net investment in capital assets					4,909,951	4,909,951
Restricted for debt service					1,262,101	1,262,101
Restricted for capital projects					8,755	8,755
Unrestricted					10,176,306	10,176,306
Total net position					\$ 16,357,113	\$ 16,357,113

Weston Municipal Utility District
Statement of Activities and Governmental Funds Revenues,
Expenditures and Changes in Fund Balances
Year Ended September 30, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	\$ 1,204,346	\$ 1,937,514	\$ -	\$ 3,141,860	\$ (2,485)	\$ 3,139,375
Sales tax rebates	893,478	-	-	893,478	(19,321)	874,157
Water service	668,425	-	-	668,425	-	668,425
Sewer service	648,682	-	-	648,682	-	648,682
Regional water fee	1,105,400	-	-	1,105,400	-	1,105,400
Penalty and interest	27,798	23,406	-	51,204	(24,310)	26,894
Tap connection and inspection fees	23,331	-	-	23,331	-	23,331
Investment income	533,799	106,720	680	641,199	-	641,199
Other income	-	-	-	-	100,475	100,475
Total revenues	5,105,259	2,067,640	680	7,173,579	54,359	7,227,938
Expenditures/Expenses						
Service operations:						
Regional water fee	1,098,238	-	-	1,098,238	-	1,098,238
Professional fees	223,685	8,022	-	231,707	-	231,707
Contracted services	591,417	52,881	-	644,298	-	644,298
Utilities	239,787	-	-	239,787	-	239,787
Repairs and maintenance	1,370,073	-	-	1,370,073	-	1,370,073
Other expenditures	182,094	10,943	-	193,037	-	193,037
Tap connections	484	-	-	484	-	484
Capital outlay	919,364	-	-	919,364	(919,364)	-
Depreciation	-	-	-	-	780,774	780,774
Debt service:						
Principal retirement	-	1,255,000	-	1,255,000	(1,255,000)	-
Interest and fees	-	598,256	-	598,256	(21,044)	577,212
Debt issuance costs	58,111	-	-	58,111	-	58,111
Total expenditures/expenses	4,683,253	1,925,102	-	6,608,355	(1,414,634)	5,193,721
Excess of Revenues Over Expenditures	422,006	142,538	680	565,224	1,468,993	
Other Financing Sources (Uses)						
Interfund transfers in (out)	173,222	-	(173,222)	-	-	
Insurance proceeds	100,475	-	-	100,475	(100,475)	
Total other financing sources (uses)	273,697	-	(173,222)	100,475	(100,475)	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	695,703	142,538	(172,542)	665,699	(665,699)	
Change in Net Position					2,034,217	2,034,217
Fund Balances/Net Position						
Beginning of year	9,390,677	1,174,545	181,297	10,746,519	-	14,322,896
End of year	\$ 10,086,380	\$ 1,317,083	\$ 8,755	\$ 11,412,218	\$ -	\$ 16,357,113

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

Weston Municipal Utility District (the District) was created by an order of the Texas Water Rights Commission, now known as the Texas Commission on Environmental Quality (the Commission), effective August 15, 1973, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate waterworks, wastewater and drainage facilities and to provide such facilities and services to the customers of the District.

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

Reporting Entity

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

Government-Wide and Fund Financial Statements

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

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

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

The District presents the following major governmental funds:

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

Weston Municipal Utility District
Notes to Financial Statements
September 30, 2024

Debt Service Fund – The debt service fund is used to account for financial resources that are restricted, committed or assigned to expenditures for principal and interest related costs, as well as the financial resources being accumulated for future debt service.

Capital Projects Fund – The capital projects fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

Fund Balances – Governmental Funds

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

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Deferred Outflows and Inflows of Resources

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

Interfund Transactions

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

Pension Costs

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

Use of Estimates

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

Investments and Investment Income

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

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

Property Taxes

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

Weston Municipal Utility District
Notes to Financial Statements
September 30, 2024

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended September 30, 2024, include collections during the current period or within 60 days of year-end related to the 2023 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended September 30, 2024, the 2023 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

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

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

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

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

Deferred Amount on Debt Refundings

In the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt in a debt refunding is deferred and amortized to interest expense using the effective interest rate method over the remaining life of the old debt or the life of the new debt, whichever is shorter. Such amounts are classified as deferred outflows or inflows of resources.

Debt Issuance Costs

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

Long-Term Obligations

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

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

Weston Municipal Utility District
Notes to Financial Statements
September 30, 2024

Net Position/Fund Balances

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

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

Reconciliation of Government-Wide and Fund Financial Statements

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

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	\$ 20,376,765
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	61,823
Deferred amount on debt refundings for governmental activities are not financial resources and are not reported in the funds.	140,667
Tax rebates are not receivable in the current period and are not reported in the funds.	65,930
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	(92,809)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	<u>(15,607,481)</u>
Adjustment to fund balances to arrive at net position.	<u><u>\$ 4,944,895</u></u>

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

Change in fund balances.	\$ 665,699
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation expense in the current period.	138,590
Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.	1,255,000

Weston Municipal Utility District
Notes to Financial Statements
September 30, 2024

Revenues collected in the current year, which have previously been reported in the statement of activities, are reported as revenues in the governmental funds.	\$ (46,116)
Some expenses previously reported in the statement of activities are reported as expenditures in governmental funds.	<u>21,044</u>
Change in net position of governmental activities.	<u>\$ 2,034,217</u>

Note 2. Deposits, Investments and Investment Income

Deposits

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

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

At September 30, 2024, none of the District’s bank balances were exposed to custodial credit risk.

Investments

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

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

The District invests in TexPool, an external investment pool that is not registered with the Securities and Exchange Commission. The State Comptroller of Public Accounts of the State of Texas has oversight of TexPool. The District’s investments in TexPool are reported at amortized cost.

At September 30, 2024, the District had the following investments and maturities:

Type	Maturities in Years				
	Amortized Cost	Less Than 1	1-5	6-10	More Than 10
TexPool	\$ 9,003,010	\$ 9,003,010	\$ -	\$ -	\$ -

Weston Municipal Utility District
Notes to Financial Statements
September 30, 2024

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

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2024, the District's investments in TexPool were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet at September 30, 2024, as follows:

Carrying value:	
Deposits	\$ 3,010,095
Investments	<u>9,003,010</u>
Total	<u><u>\$ 12,013,105</u></u>

Included in the following statement of net position captions:

Cash	\$ 373,413
Certificates of deposit	2,636,682
Short-term investments	<u>9,003,010</u>
Total	<u><u>\$ 12,013,105</u></u>

Investment Income

Investment income of \$641,199 for the year ended September 30, 2024, consisted of interest income.

Note 3. Capital Assets

A summary of changes in capital assets for the year ended September 30, 2024, is presented below:

<u>Governmental Activities</u>	<u>Balances, Beginning of Year</u>	<u>Additions</u>	<u>Balances, End of Year</u>
Capital assets, non-depreciable:			
Land and improvements	\$ 6,080,446	\$ -	\$ 6,080,446
Construction in progress	<u>-</u>	<u>280,934</u>	<u>280,934</u>
Total capital assets, non-depreciable	<u>6,080,446</u>	<u>280,934</u>	<u>6,361,380</u>

Weston Municipal Utility District
Notes to Financial Statements
September 30, 2024

Governmental Activities (Continued)	Balances, Beginning of Year	Additions	Balances, End of Year
Capital assets, depreciable:			
Water production and distribution facilities	\$ 13,884,218	\$ 573,831	\$ 14,458,049
Wastewater collection and treatment facilities	11,581,436	64,599	11,646,035
Total capital assets, depreciable	25,465,654	638,430	26,104,084
Less accumulated depreciation:			
Water production and distribution facilities	(7,096,594)	(411,511)	(7,508,105)
Wastewater collection and treatment facilities	(4,211,331)	(369,263)	(4,580,594)
Total accumulated depreciation	(11,307,925)	(780,774)	(12,088,699)
Total governmental activities, net	\$ 20,238,175	\$ 138,590	\$ 20,376,765

Note 4. Long-Term Liabilities

Changes in long-term liabilities for the year ended September 30, 2024, were as follows:

Governmental Activities	Balances, Beginning of Year	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable:				
General obligation bonds	\$ 16,680,000	\$ 1,255,000	\$ 15,425,000	\$ 1,295,000
Less discounts on bonds	192,149	9,801	182,348	-
Add premiums on bonds	414,375	49,546	364,829	-
Total governmental activities long-term liabilities	\$ 16,902,226	\$ 1,294,745	\$ 15,607,481	\$ 1,295,000

General Obligation Bonds

	Series 2014	Refunding Series 2015
Amounts outstanding, September 30, 2024	\$7,075,000	\$335,000
Interest rates	2.00% to 4.00%	3.00%
Maturity dates, serially beginning/ending	August 1, 2025/2038	August 1, 2025
Interest payment dates	February 1/ August 1	February 1/ August 1
Callable dates*	August 1, 2022	August 1, 2023

*Or any date thereafter; callable at par plus accrued interest to the date of redemption.

Weston Municipal Utility District
Notes to Financial Statements
September 30, 2024

	Series 2015A	Refunding Series 2019
Amounts outstanding, September 30, 2024	\$1,825,000	\$6,190,000
Interest rates	2.000% to 3.625%	3.00% to 4.00%
Maturity dates, serially beginning/ending	August 1, 2025/2038	August 1, 2025/2032
Interest payment dates	February 1/ August 1	February 1/ August 1
Callable dates*	August 1, 2022	August 1, 2025

*Or any date thereafter; callable at par plus accrued interest to the date of redemption.

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at September 30, 2024:

Year	Principal	Interest	Total
2025	\$ 1,295,000	\$ 556,856	\$ 1,851,856
2026	1,285,000	511,656	1,796,656
2027	1,285,000	465,256	1,750,256
2028	1,210,000	418,513	1,628,513
2029	1,230,000	373,738	1,603,738
2030-2034	5,620,000	1,211,071	6,831,071
2035-2038	3,500,000	340,313	3,840,313
Total	<u>\$ 15,425,000</u>	<u>\$ 3,877,403</u>	<u>\$ 19,302,403</u>

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount.

Bonds voted	\$ 40,000,000
Bonds sold	36,445,000
Refunding bonds voted	60,000,000
Refunding bond authorization used	24,069,674

Note 5. Significant Bond Order and Commission Requirements

- (A) The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended September 30, 2024, the District levied an ad valorem debt service tax at the rate of \$0.1850 per \$100 of assessed valuation, which resulted in a tax levy of \$1,958,415 on the taxable valuation of \$1,058,603,198 for the 2023 tax year. The interest and principal requirements paid from the tax revenues and available resources were \$1,849,506.

- (B) The Bond Orders state that so long as any of the bonds or coupons remain outstanding, the District covenants that it will at all times keep insured such parts of the system as are customarily insured by municipal corporations and political subdivisions in Texas operating like properties in similar locations under the same circumstances with a responsible insurance company or companies against risk, accidents or casualties against which and to the extent insurance is customarily carried by such municipal corporations and political subdivisions; provided, however, that at any time while any contractor engaged in construction work shall be fully responsible therefore, the District shall not be required to carry such insurance. At September 30, 2024, the District had real and personal property and boiler and machinery coverage in the amount of \$23,061,256, general liability insurance with an aggregate limit of \$3,000,000 and pollution liability coverage of \$1,000,000.
- (C) The Commission required the District to escrow \$2,168,000 from the proceeds of its Series 2003 bonds. The Commission has previously approved the release of \$1,995,739 from escrow. During the current year, the remaining balance of \$172,261 was released from escrow.
- (D) During the current year, the District transferred \$173,222 from the capital projects fund to the general fund. The transfer was in accordance with the rules of the Commission.

Note 6. Maintenance Taxes

At an election held February 15, 1975, voters authorized a maintenance tax not to exceed \$0.95 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended September 30, 2024, the District levied an ad valorem maintenance tax at the rate of \$0.1150 per \$100 of assessed valuation, which resulted in a tax levy of \$1,217,394 on the taxable valuation of \$1,058,603,198 for the 2023 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 7. Strategic Partnership Agreement

Effective April 10, 2003, as amended August 1, 2005, the District and the City of Houston (the City) entered into a Strategic Partnership Agreement (the Agreement), under which the City annexed a tract of land (the tract) within the boundaries of the District for limited purposes. The District continues to exercise all powers and functions of a municipal utility district as provided by law. As consideration for the District providing services as detailed in the Agreement, the City agrees to remit one-half of all City sales and use tax revenues generated within the boundaries of the tract. As consideration for the sales tax payments by the City, the District agrees to continue to provide and develop water, sewer and drainage services within the District in lieu of full-purpose annexation. The City agrees it will not annex the District for full purposes or commence any action to annex the District during the term of the Agreement, which is 30 years. During the current fiscal year, the District recorded \$874,157 in revenues related to the Agreement.

Note 8. Regional Water Authority

The District is within the boundaries of the West Harris County Regional Water Authority (the Authority), which was created by the Texas Legislature. The Authority was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Harris-Galveston Subsidence District, which regulates groundwater withdrawal. As of September 30, 2024, the Authority was billing the District \$3.95 per 1,000 gallons of water pumped from its wells. This rate is subject to future increases. During the fiscal year, the District recorded expenditures of \$1,098,238 to the Authority.

Note 9. Risk Management

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

Note 10. Subsequent Event

On November 13, 2024, the District issued its Series 2024 unlimited tax bonds in the amount of \$3,555,000, at a net effective interest rate of approximately 3.88%. The bonds were sold to finance rehabilitation costs for water plant No. 1.

Required Supplementary Information

**Weston Municipal Utility District
Budgetary Comparison Schedule – General Fund
Year Ended September 30, 2024**

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 1,257,885	\$ 1,257,885	\$ 1,204,346	\$ (53,539)
Sales tax rebates	917,407	917,407	893,478	(23,929)
Water service	716,309	716,309	668,425	(47,884)
Sewer service	676,478	676,478	648,682	(27,796)
Regional water fee	1,234,467	1,234,467	1,105,400	(129,067)
Penalty and interest	76,976	76,976	27,798	(49,178)
Tap connection and inspection fees	29,500	29,500	23,331	(6,169)
Investment income	300,000	300,000	533,799	233,799
Total revenues	5,209,022	5,209,022	5,105,259	(103,763)
Expenditures				
Service operations:				
Regional water fee	1,681,522	1,681,522	1,098,238	583,284
Professional fees	255,000	255,000	223,685	31,315
Contracted services	552,623	579,373	591,417	(12,044)
Utilities	294,164	294,164	239,787	54,377
Repairs and maintenance	1,431,545	1,581,545	1,370,073	211,472
Other expenditures	168,868	203,868	182,094	21,774
Tap connections	-	500	484	16
Capital outlay	680,000	866,300	919,364	(53,064)
Debt service, debt issuance costs	-	-	58,111	(58,111)
Total expenditures	5,063,722	5,462,272	4,683,253	779,019
Excess (Deficiency) of Revenues Over Expenditures	145,300	(253,250)	422,006	675,256
Other Financing Sources				
Interfund transfers in	-	-	173,222	173,222
Insurance proceeds	-	-	100,475	100,475
Total other financing sources	-	-	273,697	273,697
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	145,300	(253,250)	695,703	948,953
Fund Balance, Beginning of Year	9,390,677	9,390,677	9,390,677	-
Fund Balance, End of Year	<u>\$ 9,535,977</u>	<u>\$ 9,137,427</u>	<u>\$ 10,086,380</u>	<u>\$ 948,953</u>

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the fiscal year and expenditures expected to be incurred. The Board of Directors is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was amended during fiscal year 2024.

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

Supplementary Information

Weston Municipal Utility District
Other Schedules Included Within This Report
September 30, 2024

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

- [X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 11-21
- [X] Schedule of Services and Rates
- [X] Schedule of General Fund Expenditures
- [X] Schedule of Temporary Investments
- [X] Analysis of Taxes Levied and Receivable
- [X] Schedule of Long-Term Debt Service Requirements by Years
- [X] Changes in Long-Term Bonded Debt
- [X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund –
Five Years
- [X] Board Members, Key Personnel and Consultants

**Weston Municipal Utility District
Schedule of Services and Rates
Year Ended September 30, 2024**

1. Services provided by the District:

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

2. Retail service providers

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

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate Per 1,000 Gallons Over Minimum</u>	<u>Usage Levels</u>
Water:	\$ 16.50	5,000	N	\$ 1.50	5,001 to No Limit
Wastewater:	\$ 20.00	1	Y		
Regional water fee:	\$ 4.35	1	N	\$ 4.35	1 to No Limit
Does the District employ winter averaging for wastewater usage?					Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Total charges per 10,000 gallons usage (including fees):				Water \$ 67.50	Wastewater \$ 20.00

b. Water and wastewater retail connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFC*</u>
Unmetered	2	2	x1.0	2
≤ 3/4"	833	824	x1.0	824
1"	23	23	x2.5	58
1 1/2"	29	28	x5.0	140
2"	78	76	x8.0	608
3"	4	4	x15.0	60
4"	3	3	x25.0	75
6"	7	7	x50.0	350
8"	6	6	x80.0	480
10"	-	-	x115.0	-
Total water	985	973		2,597
Total wastewater	890	881	x1.0	881

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

Gallons pumped into the system:	278,256
Gallons billed to customers:	254,306
Water accountability ratio (gallons billed/gallons pumped):	91.39%

*"ESFC" means equivalent single-family connections

**Weston Municipal Utility District
Schedule of General Fund Expenditures
Year Ended September 30, 2024**

Personnel (including benefits)		\$	-
Professional Fees			
Auditing	\$	24,100	
Legal		121,488	
Engineering		78,097	
Financial advisor		-	223,685
Purchased Services for Resale			
Bulk water and wastewater service purchases			-
Regional Water Fee			1,098,238
Contracted Services			
Bookkeeping		28,256	
General manager		-	
Appraisal district		-	
Tax collector		-	
Security		188,510	
Other contracted services		182,163	398,929
Utilities			239,787
Repairs and Maintenance			1,370,073
Administrative Expenditures			
Directors' fees		23,554	
Office supplies		-	
Insurance		55,118	
Other administrative expenditures		103,422	182,094
Capital Outlay			
Capitalized assets		489,583	
Expenditures not capitalized		429,781	919,364
Tap Connection Expenditures			484
Solid Waste Disposal			192,488
Fire Fighting			-
Parks and Recreation			-
Other Expenditures			58,111
Total expenditures		\$	<u><u>4,683,253</u></u>

**Weston Municipal Utility District
Schedule of Temporary Investments
September 30, 2024**

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Certificate of Deposit				
No. 6006203897	5.34%	12/30/24	\$ 2,636,682	\$ 36,261
TexPool	4.98%	Demand	7,501,045	-
			<u>10,137,727</u>	<u>36,261</u>
Debt Service Fund				
TexPool	4.98%	Demand	1,493,210	-
Capital Projects Fund				
TexPool	4.98%	Demand	5,585	-
TexPool	4.98%	Demand	3,170	-
			<u>8,755</u>	<u>-</u>
Totals			<u>\$ 11,639,692</u>	<u>\$ 36,261</u>

Weston Municipal Utility District
Analysis of Taxes Levied and Receivable
Year Ended September 30, 2024

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year	\$ 25,495	\$ 38,813
Additions and corrections to prior years' taxes	(14,547)	(21,887)
Adjusted receivable, beginning of year	10,948	16,926
2023 Original Tax Levy	1,225,819	1,971,969
Additions and corrections	(8,425)	(13,554)
Adjusted tax levy	1,217,394	1,958,415
Total to be accounted for	1,228,342	1,975,341
Tax (collections) repayments: Current year	(1,204,847)	(1,938,233)
Prior years	501	719
Receivable, end of year	<u>\$ 23,996</u>	<u>\$ 37,827</u>
Receivable, by Years		
2023	\$ 12,547	\$ 20,182
2022	5,518	8,277
2021	815	1,358
2020	711	1,017
2019	606	909
2018	935	1,372
2017	788	1,232
2016	785	1,220
2015	610	1,018
2014	173	280
2013	43	103
2012	98	48
2011	79	161
2010	120	271
2009	81	183
2008	87	196
Receivable, end of year	<u>\$ 23,996</u>	<u>\$ 37,827</u>

**Weston Municipal Utility District
Analysis of Taxes Levied and Receivable
Year Ended September 30, 2024**

(Continued)

	2023	2022	2021	2020
Property Valuations				
Land	\$ 215,860,893	\$ 199,582,716	\$ 198,764,607	\$ 189,549,839
Improvements	691,321,184	619,131,082	531,483,153	546,896,100
Personal property	251,916,758	244,668,071	195,612,731	259,768,762
Exemptions	<u>(100,495,637)</u>	<u>(80,682,157)</u>	<u>(59,067,115)</u>	<u>(65,998,924)</u>
Total property valuations	<u><u>\$ 1,058,603,198</u></u>	<u><u>\$ 982,699,712</u></u>	<u><u>\$ 866,793,376</u></u>	<u><u>\$ 930,215,777</u></u>
Tax Rates per \$100 Valuation				
Debt service tax rates	\$ 0.1850	\$ 0.1800	\$ 0.2000	\$ 0.2000
Maintenance tax rates*	<u>0.1150</u>	<u>0.1200</u>	<u>0.1200</u>	<u>0.1400</u>
Total tax rates per \$100 valuation	<u><u>\$ 0.3000</u></u>	<u><u>\$ 0.3000</u></u>	<u><u>\$ 0.3200</u></u>	<u><u>\$ 0.3400</u></u>
Tax Levy	<u><u>\$ 3,175,809</u></u>	<u><u>\$ 2,948,099</u></u>	<u><u>\$ 2,773,739</u></u>	<u><u>\$ 3,162,734</u></u>
Percent of Taxes Collected to Taxes Levied**	<u><u>99%</u></u>	<u><u>99%</u></u>	<u><u>99%</u></u>	<u><u>99%</u></u>

*Maximum tax rate approved by voters: \$0.95 on February 15, 1975

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

Weston Municipal Utility District
Schedule of Long-Term Debt Service Requirements by Years
September 30, 2024

Due During Fiscal Years Ending September 30	Series 2014		
	Principal Due August 1	Interest Due February 1, August 1	Total
2025	\$ 75,000	\$ 256,031	\$ 331,031
2026	250,000	253,781	503,781
2027	275,000	246,281	521,281
2028	300,000	237,688	537,688
2029	325,000	228,313	553,313
2030	375,000	217,344	592,344
2031	400,000	204,688	604,688
2032	425,000	191,188	616,188
2033	775,000	176,313	951,313
2034	775,000	149,188	924,188
2035	775,000	120,125	895,125
2036	775,000	91,063	866,063
2037	775,000	62,000	837,000
2038	775,000	31,000	806,000
Totals	<u>\$ 7,075,000</u>	<u>\$ 2,465,003</u>	<u>\$ 9,540,003</u>

Weston Municipal Utility District
Schedule of Long-Term Debt Service Requirements by Years
September 30, 2024

(Continued)

Due During Fiscal Years Ending September 30	Refunding Series 2015		
	Principal Due August 1	Interest Due February 1, August 1	Total
2025	\$ 335,000	\$ 10,050	\$ 345,050

Weston Municipal Utility District
Schedule of Long-Term Debt Service Requirements by Years
September 30, 2024

(Continued)

Due During Fiscal Years Ending September 30	Series 2015A		
	Principal Due August 1	Interest Due February 1, August 1	Total
2025	\$ 250,000	\$ 58,875	\$ 308,875
2026	250,000	51,375	301,375
2027	225,000	43,875	268,875
2028	100,000	37,125	137,125
2029	100,000	34,125	134,125
2030	100,000	31,125	131,125
2031	100,000	27,875	127,875
2032	100,000	24,625	124,625
2033	100,000	21,250	121,250
2034	100,000	17,875	117,875
2035	100,000	14,375	114,375
2036	100,000	10,875	110,875
2037	100,000	7,250	107,250
2038	100,000	3,625	103,625
Totals	<u>\$ 1,825,000</u>	<u>\$ 384,250</u>	<u>\$ 2,209,250</u>

Weston Municipal Utility District
Schedule of Long-Term Debt Service Requirements by Years
September 30, 2024

(Continued)

Due During Fiscal Years Ending September 30	Refunding Series 2019		
	Principal Due August 1	Interest Due February 1, August 1	Total
2025	\$ 635,000	\$ 231,900	\$ 866,900
2026	785,000	206,500	991,500
2027	785,000	175,100	960,100
2028	810,000	143,700	953,700
2029	805,000	111,300	916,300
2030	800,000	79,100	879,100
2031	790,000	47,100	837,100
2032	780,000	23,400	803,400
Totals	<u>\$ 6,190,000</u>	<u>\$ 1,018,100</u>	<u>\$ 7,208,100</u>

Weston Municipal Utility District
Schedule of Long-Term Debt Service Requirements by Years
September 30, 2024

(Continued)

Due During Fiscal Years Ending September 30	Annual Requirements For All Series		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2025	\$ 1,295,000	\$ 556,856	\$ 1,851,856
2026	1,285,000	511,656	1,796,656
2027	1,285,000	465,256	1,750,256
2028	1,210,000	418,513	1,628,513
2029	1,230,000	373,738	1,603,738
2030	1,275,000	327,569	1,602,569
2031	1,290,000	279,663	1,569,663
2032	1,305,000	239,213	1,544,213
2033	875,000	197,563	1,072,563
2034	875,000	167,063	1,042,063
2035	875,000	134,500	1,009,500
2036	875,000	101,938	976,938
2037	875,000	69,250	944,250
2038	875,000	34,625	909,625
Totals	<u>\$ 15,425,000</u>	<u>\$ 3,877,403</u>	<u>\$ 19,302,403</u>

Weston Municipal Utility District
Changes in Long-Term Bonded Debt
Year Ended September 30, 2024

	Bond Issues				Totals
	Series 2014	Refunding Series 2015	Series 2015A	Refunding Series 2019	
Interest rates	2.00% to 4.00%	3.00%	2.000% to 3.625%	3.00% to 4.00%	
Dates interest payable	February 1/ August 1	February 1/ August 1	February 1/ August 1	February 1/ August 1	
Maturity dates	August 1, 2025/2038	August 1, 2025	August 1, 2025/2038	August 1, 2025/2032	
Bonds outstanding, beginning of current year	\$ 7,150,000	\$ 675,000	\$ 2,075,000	\$ 6,780,000	\$ 16,680,000
Retirements, principal	75,000	340,000	250,000	590,000	1,255,000
Bonds outstanding, end of current year	<u>\$ 7,075,000</u>	<u>\$ 335,000</u>	<u>\$ 1,825,000</u>	<u>\$ 6,190,000</u>	<u>\$ 15,425,000</u>
Interest paid during current year	<u>\$ 258,281</u>	<u>\$ 20,250</u>	<u>\$ 66,375</u>	<u>\$ 249,600</u>	<u>\$ 594,506</u>

Paying agent's name and address:

Series 2014 - The Bank of New York Mellon Trust Company, N.A., Houston, Texas

Series 2015 - The Bank of New York Mellon Trust Company, N.A., Houston, Texas

Series 2015A - The Bank of New York Mellon Trust Company, N.A., Houston, Texas

Series 2019 - The Bank of New York Mellon Trust Company, N.A., Houston, Texas

Bond authority:

	Tax Bonds	Other Bonds	Refunding Bonds
Amount authorized by voters	\$ 40,000,000	\$ -	\$ 60,000,000
Amount issued	\$ 36,445,000	\$ -	\$ 24,069,674
Remaining to be issued	\$ 3,555,000	\$ -	\$ 35,930,326

Debt service fund cash and temporary investment balances as of September 30, 2024: \$ 1,529,079

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 1,378,743

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

	Amounts				
	2024	2023	2022	2021	2020
General Fund					
Revenues					
Property taxes	\$ 1,204,346	\$ 1,107,674	\$ 1,023,093	\$ 1,298,370	\$ 1,198,198
Sales tax rebates	893,478	934,970	1,024,063	801,987	569,835
Water service	668,425	599,099	519,153	448,783	431,153
Sewer service	648,682	562,770	476,110	450,330	428,000
Regional water fee	1,105,400	1,113,797	974,287	860,357	752,286
Penalty and interest	27,798	31,771	66,216	93,174	19,358
Tap connection and inspection fees	23,331	314,211	394,472	38,988	49,226
Investment income	533,799	358,032	47,929	34,649	114,178
Total revenues	5,105,259	5,022,324	4,525,323	4,026,638	3,562,234
Expenditures					
Service operations:					
Purchased services	-	116,667	449,263	261,654	263,608
Regional water fee	1,098,238	1,415,372	1,120,013	1,042,724	865,826
Professional fees	223,685	180,408	245,279	199,614	134,084
Contracted services	591,417	558,049	564,257	478,835	487,402
Utilities	239,787	233,702	220,678	182,764	151,954
Repairs and maintenance	1,370,073	1,517,440	1,160,463	655,759	765,788
Other expenditures	182,094	177,310	155,357	113,128	120,570
Tap connections	484	144,060	112,649	24,093	8,005
Capital outlay	919,364	252,792	735,543	980,516	181,220
Debt service, debt issuance costs	58,111	-	-	-	-
Total expenditures	4,683,253	4,595,800	4,763,502	3,939,087	2,978,457
Excess (Deficiency) of Revenues Over Expenditures	422,006	426,524	(238,179)	87,551	583,777
Other Financing Sources					
Interfund transfers in	173,222	585,477	-	-	-
Insurance proceeds	100,475	-	-	-	-
Total other financing sources	273,697	585,477	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	695,703	1,012,001	(238,179)	87,551	583,777
Fund Balance, Beginning of Year	9,390,677	8,378,676	8,616,855	8,529,304	7,945,527
Fund Balance, End of Year	\$ 10,086,380	\$ 9,390,677	\$ 8,378,676	\$ 8,616,855	\$ 8,529,304
Total Active Retail Water Connections	973	977	968	957	959
Total Active Retail Wastewater Connections	881	886	879	871	875

Percent of Fund Total Revenues				
2024	2023	2022	2021	2020
23.6 %	22.1 %	22.6 %	32.2 %	33.6 %
17.5	18.6	22.6	19.9	16.0
13.1	11.9	11.5	11.1	12.1
12.7	11.2	10.5	11.2	12.0
21.6	22.2	21.5	21.4	21.1
0.5	0.6	1.5	2.3	0.6
0.5	6.3	8.7	1.0	1.4
10.5	7.1	1.1	0.9	3.2
100.0	100.0	100.0	100.0	100.0
-	2.3	9.9	6.5	7.4
21.5	28.2	24.8	25.9	24.3
4.4	3.6	5.4	5.0	3.7
11.6	11.1	12.5	11.9	13.7
4.7	4.7	4.9	4.5	4.3
26.8	30.2	25.6	16.3	21.5
3.6	3.5	3.4	2.8	3.4
0.0	2.9	2.5	0.6	0.2
18.0	5.0	16.3	24.4	5.1
1.1	-	-	-	-
91.7	91.5	105.3	97.9	83.6
8.3 %	8.5 %	(5.3) %	2.1 %	16.4 %

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

	Amounts				
	2024	2023	2022	2021	2020
Debt Service Fund					
Revenues					
Property taxes	\$ 1,937,514	\$ 1,664,727	\$ 1,707,262	\$ 1,855,059	\$ 1,796,874
Penalty and interest	23,406	37,708	24,274	21,891	40,324
Investment income	106,720	89,779	13,663	2,150	12,873
Total revenues	2,067,640	1,792,214	1,745,199	1,879,100	1,850,071
Expenditures					
Current:					
Professional fees	8,022	11,922	4,987	7,549	10,571
Contracted services	52,881	39,514	35,829	42,955	40,663
Other expenditures	10,943	8,755	8,349	8,556	12,767
Debt service:					
Principal retirement	1,255,000	1,215,000	1,175,000	1,160,000	1,150,000
Interest and fees	598,256	633,956	669,206	701,681	730,913
Total expenditures	1,925,102	1,909,147	1,893,371	1,920,741	1,944,914
Excess (Deficiency) of Revenues Over Expenditures	142,538	(116,933)	(148,172)	(41,641)	(94,843)
Fund Balance, Beginning of Year	1,174,545	1,291,478	1,439,650	1,481,291	1,576,134
Fund Balance, End of Year	\$ 1,317,083	\$ 1,174,545	\$ 1,291,478	\$ 1,439,650	\$ 1,481,291

Percent of Fund Total Revenues				
2024	2023	2022	2021	2020
93.7 %	92.9 %	97.8 %	98.7 %	97.1 %
1.1	2.1	1.4	1.2	2.2
5.2	5.0	0.8	0.1	0.7
100.0	100.0	100.0	100.0	100.0
0.4	0.7	0.3	0.4	0.6
2.6	2.2	2.1	2.3	2.2
0.5	0.5	0.5	0.5	0.7
60.7	67.8	67.3	61.7	62.1
28.9	35.4	38.3	37.3	39.5
93.1	106.6	108.5	102.2	105.1
6.9 %	(6.6) %	(8.5) %	(2.2) %	(5.1) %

**Weston Municipal Utility District
Board Members, Key Personnel and Consultants
Year Ended September 30, 2024**

Complete District mailing address:	Weston Municipal Utility District c/o Norton Rose Fulbright US LLP 1301 McKinney, Suite 5100 Houston, Texas 77010-3095
District business telephone number:	713.651.5151
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	September 19, 2018
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-End
Timothy J. Connolly	Elected 05/22- 05/26	\$ 7,200	\$ 1,712	President
Bruce Anderson	Elected 05/22- 05/26	4,862	4,503	Vice President
Damon Williams	Elected 05/24- 05/28	3,094	918	Secretary
Breah Campbell	Appointed 10/23- 05/26	4,641	1,061	Assistant Secretary
Joe Rozelle	Elected 05/24- 05/28	3,757	1,247	Director

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

**Weston Municipal Utility District
Board Members, Key Personnel and Consultants
Year Ended September 30, 2024**

(Continued)

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Assessments of the Southwest, Inc.	03/10/00	\$ 24,762	Tax Assessor/ Collector
Forvis Mazars, LLP	09/12/85	24,100	Auditor
Harris Central Appraisal District	Legislative Action	34,420	Appraiser
IDS Engineering Group, Inc.	01/08/16	420,648	Engineer
Masterson Advisors LLC	05/11/18	-	Financial Advisor
Municipal District Services, LLC	03/01/12	1,367,877	Operator
Norton Rose Fulbright US LLP	11/15/74	124,838	Attorney
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	10/01/85	8,022	Delinquent Tax Attorney
VLB Bookkeeping Services	01/09/09	34,382	Bookkeeper
Investment Officer			
Vicki Busboom	04/17/09	N/A	Bookkeeper