



Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Independent Auditor's Report and Financial Statements

September 30, 2024



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September 30, 2024

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Independent Auditor's Report

Board of Directors
Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas (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 schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Forvis Mazars, LLP

**Houston, Texas
February 17, 2025**

**Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Management's Discussion and Analysis
September 30, 2024**

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	\$ 10,317,274	\$ 9,936,519
Capital assets	<u>20,146,770</u>	<u>20,334,595</u>
Total assets	<u>30,464,044</u>	<u>30,271,114</u>
Deferred outflows of resources	<u>335,318</u>	<u>383,086</u>
Total assets and deferred outflows of resources	<u>\$ 30,799,362</u>	<u>\$ 30,654,200</u>
Long-term liabilities	\$ 15,054,235	\$ 16,136,248
Other liabilities	<u>1,306,368</u>	<u>1,445,926</u>
Total liabilities	<u>16,360,603</u>	<u>17,582,174</u>

Summary of Net Position (Continued)

	<u>2024</u>	<u>2023</u>
Net position:		
Net investment in capital assets	\$ 5,400,895	\$ 4,581,433
Restricted	1,365,630	1,318,633
Unrestricted	<u>7,672,234</u>	<u>7,171,960</u>
Total net position	<u>\$ 14,438,759</u>	<u>\$ 13,072,026</u>

The total net position of the District increased by \$1,366,733, or about 10%. 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. 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

	<u>2024</u>	<u>2023</u>
Revenues:		
Property taxes	\$ 3,487,761	\$ 3,157,632
Charges for services	4,313,908	4,823,860
Other revenues	<u>651,387</u>	<u>591,453</u>
Total revenues	<u>8,453,056</u>	<u>8,572,945</u>
Expenses:		
Services	5,961,371	5,815,376
Depreciation	653,780	626,599
Debt service	<u>471,172</u>	<u>505,351</u>
Total expenses	<u>7,086,323</u>	<u>6,947,326</u>
Change in net position	1,366,733	1,625,619
Net position, beginning of year	<u>13,072,026</u>	<u>11,446,407</u>
Net position, end of year	<u>\$ 14,438,759</u>	<u>\$ 13,072,026</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 \$9,036,227, an increase of \$592,128 from the prior year.

The general fund's fund balance increased by \$504,849, primarily due to property taxes and service revenues and investment income exceeding service operation and capital outlay expenditures.

The water plant fund's fund balance increased by \$20,765 due to an increase in the District's share of the operating reserve.

**Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Management’s Discussion and Analysis
September 30, 2024**

(Continued)

The wastewater treatment plant fund’s fund balance increased by \$7,068 due to an increase in the District’s share of the operating reserve.

The debt service fund’s fund balance increased by \$70,115, primarily due to property tax revenues and investment income being greater than bond principal and interest requirements and contracted services expenditures.

The capital projects fund’s fund balance decreased by \$10,669, primarily due to an 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 property tax revenues and investment income as well as purchased services expenditures being higher than expected and water services revenues, regional water fee revenues and capital outlay expenditures being lower than expected. In addition, interfund transfers out were not budgeted for. The fund balance as of September 30, 2024, was expected to be \$6,494,900 and the actual end-of-year fund balance was \$7,640,492.

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	\$ 8,485,223	\$ 8,464,403
Construction in progress	9,390	188,804
Water facilities	4,512,761	4,173,218
Wastewater facilities	3,706,764	3,901,012
Drainage facilities	3,254,240	3,402,795
Park facilities	178,392	204,363
	<u>\$ 20,146,770</u>	<u>\$ 20,334,595</u>
Total capital assets		

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

Little Prong Creek slope repair and outfall replacement, Phase 2, additional engineering	\$ 570
Remote well generator	142,905
Replacement bar screen at the wastewater treatment plant	30,495
Water well No. 1 rehabilitation	234,043
SCADA communication system	14,244
Replacement 1600 amp automatic transfer switch	43,698
	<u>\$ 465,955</u>
Total additions to capital assets	

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	\$ 16,136,248
Decreases in long-term debt	<u>(1,082,013)</u>
Long-term debt payable, end of year	<u>\$ 15,054,235</u>

At September 30, 2024, the District had \$5,400,000 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 an underlying rating of “A” from Standard & Poor’s. The Series 2014 refunding, 2015 refunding and 2021 bonds carry a “AA” rating from Standard & Poor’s by virtue of bond insurance issued by Build America Mutual Assurance Corporation. The Series 2020 refunding bonds carry a “AA” rating from Standard & Poor’s by virtue of bond insurance issued by Assured Guaranty, Inc.

Other Relevant Factors

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (the City), the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City without the District’s consent, if the City complies with the procedures and requirements of Chapter 43, Texas Local Government Code.

Strategic Partnership Agreement

Effective May 8, 2012, the District entered into a Strategic Partnership Agreement (the Agreement) with the City which annexed certain portions of the District into the City for “limited purposes,” as described therein. Under the terms of the Agreement, the City agreed it will not annex the District as a whole for full purposes for 30 years. By law, if the City chooses to annex the District during the term of the Agreement, the Agreement’s annexation procedures will apply rather than those otherwise applicable under Chapter 43, Texas Local Government Code.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2024

	General Fund	Water Plant Fund	Wastewater Treatment Plant Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets								
Cash	\$ 224,387	\$ 320,107	\$ 154,916	\$ 99,110	\$ -	\$ 798,520	\$ -	\$ 798,520
Certificates of deposit	2,115,000	-	-	705,000	-	2,820,000	-	2,820,000
Short-term investments	5,241,468	-	-	185,100	-	5,426,568	-	5,426,568
Receivables:								
Property taxes	4,784	-	-	3,678	-	8,462	-	8,462
Service accounts	344,389	-	-	-	-	344,389	-	344,389
Accrued interest	45,504	-	-	14,523	-	60,027	-	60,027
Interfund receivable	-	-	-	2,676	-	2,676	(2,676)	-
Due from participants	-	823,084	144,896	-	-	967,980	(168,426)	799,554
Due from others	51,748	-	-	-	-	51,748	-	51,748
Prepaid expenditures	8,006	-	-	-	-	8,006	-	8,006
Capital assets (net of accumulated depreciation):								
Land and improvements	-	-	-	-	-	-	8,485,223	8,485,223
Construction in progress	-	-	-	-	-	-	9,390	9,390
Infrastructure	-	-	-	-	-	-	11,652,157	11,652,157
Total assets	8,035,286	1,143,191	299,812	1,010,087	-	10,488,376	19,975,668	30,464,044
Deferred Outflows of Resources								
Deferred amount on debt refundings	-	-	-	-	-	-	335,318	335,318
Total assets and deferred outflows of resources	\$ 8,035,286	\$ 1,143,191	\$ 299,812	\$ 1,010,087	\$ -	\$ 10,488,376	\$ 20,310,986	\$ 30,799,362

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2024

(Continued)

	<u>General Fund</u>	<u>Water Plant Fund</u>	<u>Wastewater Treatment Plant Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Liabilities								
Accounts payable	\$ 280,234	\$ 391,550	\$ 79,988	\$ 3,046	\$ -	\$ 754,818	\$ (168,426)	\$ 586,392
Accrued interest payable	-	-	-	-	-	-	33,783	33,783
Customer deposits	107,100	-	-	-	-	107,100	-	107,100
Operating deposits	-	446,576	131,710	-	-	578,286	-	578,286
Due to others	-	-	-	807	-	807	-	807
Interfund payable	2,676	-	-	-	-	2,676	(2,676)	-
Long-term liabilities:								
Due within one year	-	-	-	-	-	-	1,080,000	1,080,000
Due after one year	-	-	-	-	-	-	13,974,235	13,974,235
Total liabilities	<u>390,010</u>	<u>838,126</u>	<u>211,698</u>	<u>3,853</u>	<u>-</u>	<u>1,443,687</u>	<u>14,916,916</u>	<u>16,360,603</u>
Deferred Inflows of Resources								
Deferred property tax revenues	4,784	-	-	3,678	-	8,462	(8,462)	-
Fund Balances/Net Position								
Fund balances:								
Nonspendable, prepaid expenditures	8,006	-	-	-	-	8,006	(8,006)	-
Restricted, unlimited tax bonds	-	-	-	1,002,556	-	1,002,556	(1,002,556)	-
Committed:								
Water production and distribution	-	305,065	-	-	-	305,065	(305,065)	-
Wastewater treatment	-	-	88,114	-	-	88,114	(88,114)	-
Unassigned	7,632,486	-	-	-	-	7,632,486	(7,632,486)	-
Total fund balances	<u>7,640,492</u>	<u>305,065</u>	<u>88,114</u>	<u>1,002,556</u>	<u>-</u>	<u>9,036,227</u>	<u>(9,036,227)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,035,286</u>	<u>\$ 1,143,191</u>	<u>\$ 299,812</u>	<u>\$ 1,010,087</u>	<u>\$ -</u>	<u>\$ 10,488,376</u>		
Net position:								
Net investment in capital assets							5,400,895	5,400,895
Restricted for plant operations							393,179	393,179
Restricted for debt service							972,451	972,451
Unrestricted							7,672,234	7,672,234
Total net position							<u>\$ 14,438,759</u>	<u>\$ 14,438,759</u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Statement of Activities and Governmental Funds Revenues,
Expenditures and Changes in Fund Balances
Year Ended September 30, 2024

	<u>General Fund</u>	<u>Water Plant Fund</u>	<u>Wastewater Treatment Plant Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues								
Property taxes	\$ 2,038,035	\$ -	\$ -	\$ 1,510,497	\$ -	\$ 3,548,532	\$ (60,771)	\$ 3,487,761
Water service	492,378	3,902,918	-	-	-	4,395,296	(2,056,888)	2,338,408
Sewer service	622,637	-	848,475	-	-	1,471,112	(426,983)	1,044,129
Regional water fee	931,371	-	-	-	-	931,371	-	931,371
Penalty and interest	22,127	-	-	66,477	-	88,604	(13,940)	74,664
Tap connection and inspection fees	46,731	-	-	-	-	46,731	-	46,731
Investment income	416,588	2,185	-	87,415	239	506,427	-	506,427
Other income	35,489	-	76	-	-	35,565	(12,000)	23,565
Total revenues	4,605,356	3,905,103	848,551	1,664,389	239	11,023,638	(2,570,582)	8,453,056
Expenditures/Expenses								
Service operations:								
Purchased services	1,941,790	2,575,151	-	-	-	4,516,941	(1,941,790)	2,575,151
Regional water fee	-	59,350	-	-	-	59,350	-	59,350
Professional fees	147,436	31,773	3,442	26,660	-	209,311	7,729	217,040
Contracted services	543,174	23,149	24,839	46,260	-	637,422	56	637,478
Utilities	108,795	84,153	101,359	-	-	294,307	-	294,307
Repairs and maintenance	610,709	165,360	548,510	-	-	1,324,579	679,948	2,004,527
Other expenditures	96,746	26,150	37,686	13,041	45	173,668	(12,000)	161,668
Tap connections	11,850	-	-	-	-	11,850	-	11,850
Capital outlay	622,916	940,017	132,715	-	121	1,695,769	(1,695,769)	-
Depreciation	-	-	-	-	-	-	653,780	653,780
Debt service:								
Principal retirement	-	-	-	1,065,000	-	1,065,000	(1,065,000)	-
Interest and fees	-	-	-	443,313	-	443,313	27,859	471,172
Total expenditures/expenses	4,083,416	3,905,103	848,551	1,594,274	166	10,431,510	(3,345,187)	7,086,323
Excess of Revenues Over Expenditures	521,940	-	-	70,115	73	592,128	774,605	

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Statement of Activities and Governmental Funds Revenues,
Expenditures and Changes in Fund Balances
Year Ended September 30, 2024

(Continued)

	<u>General Fund</u>	<u>Water Plant Fund</u>	<u>Wastewater Treatment Plant Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Other Financing Sources (Uses)								
Interfund transfers in (out)	\$ (17,091)	\$ 20,765	\$ 7,068	\$ -	\$ (10,742)	\$ -	\$ -	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	504,849	20,765	7,068	70,115	(10,669)	592,128	(592,128)	
Change in Net Position							1,366,733	\$ 1,366,733
Fund Balances/Net Position								
Beginning of year	7,135,643	284,300	81,046	932,441	10,669	8,444,099	-	13,072,026
End of year	<u>\$ 7,640,492</u>	<u>\$ 305,065</u>	<u>\$ 88,114</u>	<u>\$ 1,002,556</u>	<u>\$ -</u>	<u>\$ 9,036,227</u>	<u>\$ -</u>	<u>\$ 14,438,759</u>

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

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas (the District), was created by an order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (the Commission), effective March 10, 1981, 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.

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Water Plant Fund – Accounts for revenues and expenditures involving specific revenue sources that are legally restricted to expenditures for specified purposes. The primary source of revenue is water service revenues.

Wastewater Treatment Plant Fund – Accounts for revenues and expenditures involving specific revenue sources that are legally restricted to expenditures for specified purposes. The primary source of revenue is sewer service revenues.

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

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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.

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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.

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
Drainage facilities	10-45
Parks and recreational facilities	10-20

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.

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Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

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.	\$ 20,146,770
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	8,462
Deferred amount on debt refundings for governmental activities are not financial resources and are not reported in the funds.	335,318
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	(33,783)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	<u>(15,054,235)</u>
Adjustment to fund balances to arrive at net position.	<u>\$ 5,402,532</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 of the items on the following page.

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Change in fund balances.	\$ 592,128
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense and noncapitalized costs exceeded capital outlay expenditures in the current period.	(187,825)
Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.	1,065,000
Revenues collected in the current year, which have previously been reported in the statement of activities, are reported as revenues in the governmental funds.	(74,711)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(27,859)</u>
Change in net position of governmental activities.	<u><u>\$ 1,366,733</u></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

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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 Texas CLASS, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Trustees, elected by the participants, has oversight of Texas CLASS. The District’s investments may be redeemed at any time. Texas CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques and limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. The District’s investments in Texas CLASS are reported at net asset value.

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

Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
Texas CLASS	\$ 5,426,568	\$ 5,426,568	\$ -	\$ -	\$ -

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 Texas CLASS were rated “AAAm” by Standard & Poor’s.

Summary of Carrying Values

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

Carrying value:	
Deposits	\$ 3,618,520
Investments	5,426,568
Total	<u>\$ 9,045,088</u>

Included in the following statement of net position captions:

Cash	\$ 798,520
Certificates of deposit	2,820,000
Short-term investments	5,426,568
Total	<u>\$ 9,045,088</u>

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Investment Income

Investment income of \$506,427 for the year ended September 30, 2024, consisted of interest income.

Fair Value Measurements

The District has the following recurring fair value measurement as of September 30, 2024:

- Pooled investments of \$5,426,568 are valued at fair value per share of the pool’s underlying portfolio.

Note 3. Capital Assets

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

<u>Governmental Activities</u>	<u>Balances, Beginning of Year</u>	<u>Additions</u>	<u>Reclassi- fications</u>	<u>Balances, End of Year</u>
Capital assets, non-depreciable:				
Land and improvements	\$ 8,464,403	\$ 570	\$ 20,250	\$ 8,485,223
Construction in progress	188,804	-	(179,414)	9,390
Total capital assets, non-depreciable	<u>8,653,207</u>	<u>570</u>	<u>(159,164)</u>	<u>8,494,613</u>
Capital assets, depreciable:				
Water production and distribution facilities	7,911,989	434,890	159,164	8,506,043
Wastewater collection and treatment facilities	7,815,704	30,495	-	7,846,199
Drainage facilities	6,790,571	-	-	6,790,571
Park facilities	412,264	-	-	412,264
Total capital assets, depreciable	<u>22,930,528</u>	<u>465,385</u>	<u>159,164</u>	<u>23,555,077</u>
Less accumulated depreciation:				
Water production and distribution facilities	(3,738,771)	(254,511)	-	(3,993,282)
Wastewater collection and treatment facilities	(3,914,692)	(224,743)	-	(4,139,435)
Drainage facilities	(3,387,776)	(148,555)	-	(3,536,331)
Park facilities	(207,901)	(25,971)	-	(233,872)
Total accumulated depreciation	<u>(11,249,140)</u>	<u>(653,780)</u>	<u>-</u>	<u>(11,902,920)</u>
Total governmental activities, net	<u>\$ 20,334,595</u>	<u>\$ (187,825)</u>	<u>\$ -</u>	<u>\$ 20,146,770</u>

Note 4. Long-Term Liabilities

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

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
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September 30, 2024

<u>Governmental Activities</u>	<u>Balances, Beginning of Year</u>	<u>Decreases</u>	<u>Balances, End of Year</u>	<u>Amounts Due in One Year</u>
Bonds payable:				
General obligation bonds	\$ 16,085,000	\$ 1,065,000	\$ 15,020,000	\$ 1,080,000
Add premiums on bonds	201,795	27,080	174,715	-
Less discounts on bonds	150,547	10,067	140,480	-
 Total governmental activities long-term liabilities	 <u>\$ 16,136,248</u>	 <u>\$ 1,082,013</u>	 <u>\$ 15,054,235</u>	 <u>\$ 1,080,000</u>

General Obligation Bonds

	<u>Refunding Series 2014</u>	<u>Refunding Series 2015</u>
Amounts outstanding, September 30, 2024	\$2,115,000	\$5,715,000
Interest rates	3.00% to 3.75%	2.250% to 3.375%
Maturity dates, serially beginning/ending	September 1, 2025/2028	September 1, 2025/2033
Interest payment dates	March 1/ September 1	March 1/ September 1
Callable dates*	September 1, 2022	September 1, 2023
	<u>Refunding Series 2020</u>	<u>Series 2021</u>
Amounts outstanding, September 30, 2024	\$1,905,000	\$5,285,000
Interest rates	2.00% to 3.00%	2.000% to 2.125%
Maturity dates, serially beginning/ending	September 1, 2025/2035	September 1, 2029/2038
Interest payment dates	March 1/ September 1	March 1/ September 1
Callable dates*	September 1, 2026	September 1, 2027

*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.

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<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,080,000	\$ 405,395	\$ 1,485,395
2026	1,120,000	370,169	1,490,169
2027	1,150,000	332,995	1,482,995
2028	1,155,000	296,256	1,451,256
2029	1,180,000	259,607	1,439,607
2030-2034	5,995,000	775,124	6,770,124
2035-2038	3,340,000	160,550	3,500,550
Total	<u>\$ 15,020,000</u>	<u>\$ 2,600,096</u>	<u>\$ 17,620,096</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	\$ 35,650,000
Bonds sold	30,250,000
Refunding bonds voted	33,500,000
Refunding bonds authorization used	1,795,477

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 \$0.2400 per \$100 of assessed valuation, which resulted in a tax levy of \$1,483,598 on the taxable valuation of \$618,166,080 for the 2023 tax year. The interest and principal requirements paid from the tax revenues and other available funds were \$1,505,143.

(B) During the current year, the District transferred \$10,742 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 November 3, 1981, voters authorized a maintenance tax not to exceed \$0.50 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended September 30, 2024, the District levied an ad valorem maintenance tax at the rate of \$0.3250 per \$100 of assessed valuation, which resulted in a tax levy of \$2,009,040 on the taxable valuation of \$618,166,080 for the 2023 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 7. Contracts With Other Districts

Waste Disposal Agreement

On April 27, 1999, the District and Fort Bend County Municipal Utility District No. 35 (District No. 35) entered into a waste disposal agreement. Under the terms of the agreement, which was last amended May 1, 2019, the District has 297,000 gallons per day of capacity and District No. 35 has 703,000 gallons per day of capacity.

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Operation and maintenance costs are to be shared based on active connections served by the plant. In the current year, the District's share of operating costs is \$365,957. The transactions for the plant during the current year are as shown below:

	<u>The District</u>	<u>District No. 35</u>	<u>Total</u>
Due from participants, beginning of year	\$ 49,480	\$ 96,673	\$ 146,153
Current year billings	365,957	482,518	848,475
Current year collections	<u>(379,269)</u>	<u>(470,463)</u>	<u>(849,732)</u>
Due from participants, end of year	<u>\$ 36,168</u>	<u>\$ 108,728</u>	<u>\$ 144,896</u>

District No. 35 and the District have deposited \$131,710 and \$88,114, respectively, as plant operating reserves.

Water Supply Agreement

On April 27, 1999, the District and District No. 35 entered into a water supply agreement. The agreement was last amended May 1, 2019. Under the agreement, 2,154 equivalent single-family connections (ESFC) are currently reserved for the District and 2,383 ESFCs are reserved for District No. 35.

Operation and maintenance costs are to be shared by the District and District No. 35 based on ESFCs served by the water plant. The District's share of operating costs in the current year was \$1,575,833, including \$1,006,018 in regional water authority fees.

The transactions for the water plant during the current year are as follows:

	<u>The District</u>	<u>District No. 35</u>	<u>Total</u>
Due from participants, beginning of year	\$ 149,875	\$ 641,483	\$ 791,358
Current year billings	1,575,833	2,327,085	3,902,918
Current year collections	<u>(1,593,450)</u>	<u>(2,277,742)</u>	<u>(3,871,192)</u>
Due from participants, end of year	<u>\$ 132,258</u>	<u>\$ 690,826</u>	<u>\$ 823,084</u>

District No. 35 and the District have deposited \$446,576 and \$305,065, respectively, as plant operating reserves.

Note 8. 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 9. Regional Water Authority

The District is within the boundaries of the North Fort Bend 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

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
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mandated by the Fort Bend Subsidence District, which regulates groundwater withdrawal. As of September 30, 2024, the Authority was billing the District \$4.55 per 1,000 gallons of water pumped from its wells and \$4.90 per 1,000 gallons of surface water purchased from the Authority. These amounts are subject to future adjustments.

Note 10. Strategic Partnership Agreement

Effective May 8, 2012, the District and the City of Houston (the City) entered into a Strategic Partnership Agreement (the Agreement) under which the City annexed a tract of land (the tract) within the boundaries of the District for limited purposes. The District continues to exercise all powers and functions of a municipal utility district as provided by law. As consideration for the District providing services as detailed in the Agreement, the City agrees to remit one-half of all sales and use tax revenues generated within the boundaries of the tract. As consideration for the sales tax payments 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. By law, if the City chooses to annex the District during the term of the Agreement, the Agreement's annexation procedures will apply rather than those otherwise applicable under Chapter 43, Texas Local Government Code. During the current year, the District recorded no revenues related to the Agreement.

Required Supplementary Information

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Budgetary Comparison Schedule – General Fund
Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property taxes	\$ 1,989,350	\$ 2,038,035	\$ 48,685
Water service	570,600	492,378	(78,222)
Sewer service	632,900	622,637	(10,263)
Regional water fee	1,127,280	931,371	(195,909)
Penalty and interest	11,300	22,127	10,827
Tap connection and inspection fees	8,700	46,731	38,031
Investment income	305,900	416,588	110,688
Other	40,900	35,489	(5,411)
	<u>4,686,930</u>	<u>4,605,356</u>	<u>(81,574)</u>
Expenditures			
Service operations:			
Purchased services	1,576,977	1,941,790	(364,813)
Professional fees	173,500	147,436	26,064
Contracted services	552,150	543,174	8,976
Utilities	114,450	108,795	5,655
Repairs and maintenance	588,900	610,709	(21,809)
Other expenditures	128,575	96,746	31,829
Tap connections	-	11,850	(11,850)
Capital outlay	2,193,121	622,916	1,570,205
	<u>5,327,673</u>	<u>4,083,416</u>	<u>1,244,257</u>
Excess (Deficiency) of Revenues Over Expenditures	(640,743)	521,940	1,162,683
Other Financing Uses			
Interfund transfers out	-	(17,091)	(17,091)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(640,743)	504,849	1,145,592
Fund Balance, Beginning of Year	<u>7,135,643</u>	<u>7,135,643</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 6,494,900</u>	<u>\$ 7,640,492</u>	<u>\$ 1,145,592</u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Budgetary Comparison Schedule – Water Plant Fund
Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Service fees:			
The District	\$ 1,830,392	\$ 1,575,833	\$ (254,559)
District No. 35	2,679,458	2,327,085	(352,373)
Investment income	2,400	2,185	(215)
	<u>4,512,250</u>	<u>3,905,103</u>	<u>(607,147)</u>
Expenditures			
Service operations:			
Purchased services	2,969,800	2,575,151	394,649
Regional water fee	-	59,350	(59,350)
Audit fees	2,900	2,700	200
Legal fees	5,000	1,260	3,740
Engineering fees	15,000	27,813	(12,813)
Mowing	5,600	5,821	(221)
Bookkeeping	14,500	15,106	(606)
Operator fees	10,600	8,043	2,557
Utilities	102,500	84,153	18,347
Repairs and maintenance	82,700	144,926	(62,226)
Telephone	2,700	3,401	(701)
Chemicals	29,600	14,613	14,987
Office supplies and postage	250	143	107
Insurance	15,900	16,546	(646)
Permit fees	3,200	-	3,200
Administrative	6,000	6,000	-
Other expenditures	1,100	60	1,040
Capital outlay	1,244,900	940,017	304,883
	<u>4,512,250</u>	<u>3,905,103</u>	<u>607,147</u>
Excess of Revenues Over Expenditures	-	-	-
Other Financing Sources			
Interfund transfers in	-	20,765	20,765
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	20,765	20,765
Fund Balance, Beginning of Year	284,300	284,300	-
Fund Balance, End of Year	<u>\$ 284,300</u>	<u>\$ 305,065</u>	<u>\$ 20,765</u>

**Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
 Budgetary Comparison Schedule – Wastewater Treatment Plant Fund
 Year Ended September 30, 2024**

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Service fees:			
The District	\$ 528,689	\$ 365,957	\$ (162,732)
District No. 35	790,261	482,518	(307,743)
Other income	-	76	76
	<u>1,318,950</u>	<u>848,551</u>	<u>(470,399)</u>
Total revenues			
Expenditures			
Service operations:			
Audit fees	2,700	2,700	-
Legal fees	3,000	-	3,000
Engineering fees	10,000	742	9,258
Bookkeeping fees	14,500	15,604	(1,104)
Operator fees	10,100	9,235	865
Garbage	3,100	3,200	(100)
Utilities	99,600	101,359	(1,759)
Repairs and maintenance	264,200	216,774	47,426
Sludge removal	139,500	178,650	(39,150)
Mowing	3,000	3,153	(153)
Chemicals	86,300	102,134	(15,834)
Laboratory	71,200	47,799	23,401
Telephone	2,100	2,640	(540)
Office supplies and postage	300	176	124
Insurance	16,600	17,201	(601)
Permit fees	9,400	8,389	1,011
Administrative charge	6,000	6,000	-
Other	1,100	80	1,020
Capital outlay	576,250	132,715	443,535
	<u>1,318,950</u>	<u>848,551</u>	<u>470,399</u>
Total expenditures			
Excess of Revenues Over Expenditures	-	-	-
Other Financing Sources			
Interfund transfers in	-	7,068	7,068
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses			
	-	7,068	7,068
Fund Balance, Beginning of Year	81,046	81,046	-
Fund Balance, End of Year	<u>\$ 81,046</u>	<u>\$ 88,114</u>	<u>\$ 7,068</u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Notes to Required Supplementary Information
September 30, 2024

Budgets and Budgetary Accounting

Annual operating budgets are prepared for the general, water plant and wastewater treatment plant funds by the District's Board and its consultants. The budgets reflect resources expected to be received during the current year and expenditures expected to be incurred. The Board of Directors is required to adopt the budgets prior to the start of its fiscal year. The budgets are not a spending limitation (a legally restricted appropriation). The original budgets of the general fund, water plant fund and wastewater treatment plant fund were not amended during fiscal year 2024.

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

Supplementary Information

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
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 12-23
- [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

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
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 checked="" 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 checked="" type="checkbox"/> Other <u>Street lighting</u> | | |

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:	\$ 20.00	10,000	N	\$ 1.25	10,001 to 15,000
				\$ 1.75	15,001 to 20,000
				\$ 2.25	20,001 to 30,000
				\$ 2.75	30,001 to 40,000
				\$ 3.25	40,001 to No Limit

Wastewater: \$ 38.56 0 Y

Regional water fee: \$ 4.90 1 N \$ 4.90 1,001 to No Limit

Does the District employ winter averaging for wastewater usage? Yes No

Total charges per 10,000 gallons usage (including fees): Water \$ 69.00 Wastewater \$ 38.56

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	-	-	x1.0	-
≤ 3/4"	1,010	1,002	x1.0	1,002
1"	88	88	x2.5	220
1 1/2"	4	4	x5.0	20
2"	32	32	x8.0	256
3"	-	-	x15.0	-
4"	1	1	x25.0	25
6"	-	-	x50.0	-
8"	6	6	x80.0	480
10"	-	-	x115.0	-
Total water	1,141	1,133		2,003
Total wastewater	1,085	1,080	x1.0	1,080

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

Gallons pumped into the system:	558,364
Gallons billed to customers:	506,492
Water accountability ratio (gallons billed/gallons pumped):	90.71%

*"ESFC" means equivalent single-family connections

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Schedule of General Fund Expenditures
Year Ended September 30, 2024

Personnel (including benefits)		\$ -
Professional Fees		
Auditing	\$ 23,900	
Legal	58,655	
Engineering	64,881	
Financial advisor	-	147,436
Purchased Services for Resale		
Bulk water and wastewater service purchases		1,941,790
Regional Water Fee		-
Contracted Services		
Bookkeeping	67,128	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	85,725	
Other contracted services	94,186	247,039
Utilities		108,795
Repairs and Maintenance		610,709
Administrative Expenditures		
Directors' fees	14,365	
Office supplies	9,910	
Insurance	5,563	
Other administrative expenditures	66,908	96,746
Capital Outlay		
Capitalized assets	570	
Expenditures not capitalized	622,346	622,916
Tap Connection Expenditures		11,850
Solid Waste Disposal		296,135
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		-
Total expenditures		<u>\$ 4,083,416</u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Schedule of Temporary Investments
September 30, 2024

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Face Amount</u>	<u>Accrued Interest Receivable</u>
General Fund				
Certificates of Deposit				
No. 3031000379	5.00%	12/15/24	\$ 235,000	\$ 6,245
No. 91300012225544	5.25%	05/09/25	235,000	1,656
No. 440058586	5.50%	10/12/24	235,000	5,914
No. 6790894	5.05%	02/20/25	235,000	1,333
No. 4205654	5.00%	06/14/25	235,000	3,477
No. 106638	5.13%	11/09/24	235,000	4,624
No. 6000029741	5.50%	01/14/25	235,000	9,171
No. 9009005598	5.11%	03/15/25	235,000	461
No. 6550131723	5.65%	10/22/24	235,000	12,623
Texas CLASS	5.06%	Demand	<u>5,241,468</u>	<u>-</u>
			<u>7,356,468</u>	<u>45,504</u>
Debt Service Fund				
Certificates of Deposit				
No. 91300012186732	5.25%	02/08/25	235,000	4,698
No. 6000068335	5.50%	02/07/25	235,000	4,958
No. 6550141117	5.40%	02/13/25	235,000	4,867
Texas CLASS	5.06%	Demand	<u>185,100</u>	<u>-</u>
			<u>890,100</u>	<u>14,523</u>
Totals			<u><u>\$ 8,246,568</u></u>	<u><u>\$ 60,027</u></u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Analysis of Taxes Levied and Receivable
Year Ended September 30, 2024

	<u>Maintenance Taxes</u>	<u>Debt Service Taxes</u>
Receivable, Beginning of Year	\$ 36,317	\$ 32,916
Additions and corrections to prior years' taxes	<u>(2,538)</u>	<u>(2,339)</u>
Adjusted receivable, beginning of year	<u>33,779</u>	<u>30,577</u>
2023 Original Tax Levy	2,023,872	1,494,552
Additions and corrections	<u>(14,832)</u>	<u>(10,954)</u>
Adjusted tax levy	<u>2,009,040</u>	<u>1,483,598</u>
Total to be accounted for	2,042,819	1,514,175
Tax collections: Current year	(2,005,038)	(1,480,643)
Prior years	<u>(32,997)</u>	<u>(29,854)</u>
Receivable, end of year	<u>\$ 4,784</u>	<u>\$ 3,678</u>
Receivable, by Years		
2023	\$ 4,002	\$ 2,955
2022	737	666
2021	23	29
2020	<u>22</u>	<u>28</u>
Receivable, end of year	<u>\$ 4,784</u>	<u>\$ 3,678</u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Analysis of Taxes Levied and Receivable
Year Ended September 30, 2024

(Continued)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Property Valuations				
Land	\$ 110,902,658	\$ 107,888,680	\$ 101,506,410	\$ 88,475,900
Improvements	611,413,810	511,567,255	372,597,027	361,265,130
Personal property	6,125,885	5,160,710	5,333,550	5,026,180
Exemptions	<u>(110,276,273)</u>	<u>(87,804,832)</u>	<u>(27,635,538)</u>	<u>(20,268,247)</u>
Total property valuations	<u>\$ 618,166,080</u>	<u>\$ 536,811,813</u>	<u>\$ 451,801,449</u>	<u>\$ 434,498,963</u>
Tax Rates per \$100 Valuation				
Debt service tax rates	\$ 0.2400	\$ 0.2800	\$ 0.3400	\$ 0.3400
Maintenance tax rates*	<u>0.3250</u>	<u>0.3100</u>	<u>0.2700</u>	<u>0.2700</u>
Total tax rates per \$100 valuation	<u>\$ 0.5650</u>	<u>\$ 0.5900</u>	<u>\$ 0.6100</u>	<u>\$ 0.6100</u>
Tax Levy	<u>\$ 3,492,638</u>	<u>\$ 3,167,190</u>	<u>\$ 2,755,989</u>	<u>\$ 2,650,445</u>
Percent of Taxes Collected to Taxes Levied**	<u>99%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>

*Maximum tax rate approved by voters: \$0.50 on November 3, 1981

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

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Schedule of Long-Term Debt Service Requirements by Years
September 30, 2024

<u>Due During Fiscal Years Ending September 30</u>	<u>Refunding Series 2014</u>		
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	<u>Total</u>
2025	\$ 565,000	\$ 75,838	\$ 640,838
2026	825,000	56,063	881,063
2027	365,000	27,188	392,188
2028	360,000	13,500	373,500
Totals	<u>\$ 2,115,000</u>	<u>\$ 172,589</u>	<u>\$ 2,287,589</u>

**Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Schedule of Long-Term Debt Service Requirements by Years
September 30, 2024**

(Continued)

<u>Due During Fiscal Years Ending September 30</u>	<u>Refunding Series 2015</u>		
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	<u>Total</u>
2025	\$ 140,000	\$ 181,069	\$ 321,069
2026	240,000	176,869	416,869
2027	735,000	169,669	904,669
2028	725,000	147,619	872,619
2029	990,000	125,869	1,115,869
2030	980,000	94,931	1,074,931
2031	970,000	63,081	1,033,081
2032	610,000	31,556	641,556
2033	325,000	10,969	335,969
Totals	<u>\$ 5,715,000</u>	<u>\$ 1,001,632</u>	<u>\$ 6,716,632</u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Schedule of Long-Term Debt Service Requirements by Years
September 30, 2024

(Continued)

<u>Due During Fiscal Years Ending September 30</u>	<u>Refunding Series 2020</u>		
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	<u>Total</u>
2025	\$ 375,000	\$ 41,850	\$ 416,850
2026	55,000	30,600	85,600
2027	50,000	29,500	79,500
2028	70,000	28,500	98,500
2029	90,000	27,100	117,100
2030	90,000	25,300	115,300
2031	100,000	23,500	123,500
2032	200,000	21,500	221,500
2033	195,000	17,500	212,500
2034	340,000	13,600	353,600
2035	340,000	6,800	346,800
Totals	<u>\$ 1,905,000</u>	<u>\$ 265,750</u>	<u>\$ 2,170,750</u>

**Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Schedule of Long-Term Debt Service Requirements by Years
September 30, 2024**

(Continued)

<u>Due During Fiscal Years Ending September 30</u>	<u>Series 2021</u>		
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	<u>Total</u>
2025	\$ -	\$ 106,638	\$ 106,638
2026	-	106,637	106,637
2027	-	106,638	106,638
2028	-	106,637	106,637
2029	100,000	106,638	206,638
2030	120,000	104,637	224,637
2031	140,000	102,238	242,238
2032	425,000	99,437	524,437
2033	750,000	90,938	840,938
2034	750,000	75,937	825,937
2035	750,000	60,938	810,938
2036	750,000	45,937	795,937
2037	750,000	30,938	780,938
2038	750,000	15,937	765,937
Totals	<u>\$ 5,285,000</u>	<u>\$ 1,160,125</u>	<u>\$ 6,445,125</u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Schedule of Long-Term Debt Service Requirements by Years
September 30, 2024

(Continued)

<u>Due During Fiscal Years Ending September 30</u>	<u>Annual Requirements For All Series</u>		
	<u>Total Principal Due</u>	<u>Total Interest Due</u>	<u>Total Principal and Interest Due</u>
2025	\$ 1,080,000	\$ 405,395	\$ 1,485,395
2026	1,120,000	370,169	1,490,169
2027	1,150,000	332,995	1,482,995
2028	1,155,000	296,256	1,451,256
2029	1,180,000	259,607	1,439,607
2030	1,190,000	224,868	1,414,868
2031	1,210,000	188,819	1,398,819
2032	1,235,000	152,493	1,387,493
2033	1,270,000	119,407	1,389,407
2034	1,090,000	89,537	1,179,537
2035	1,090,000	67,738	1,157,738
2036	750,000	45,937	795,937
2037	750,000	30,938	780,938
2038	750,000	15,937	765,937
Totals	<u>\$ 15,020,000</u>	<u>\$ 2,600,096</u>	<u>\$ 17,620,096</u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Changes in Long-Term Bonded Debt
Year Ended September 30, 2024

	Bond Issues				Totals
	Refunding Series 2014	Refunding Series 2015	Refunding Series 2020	Series 2021	
Interest rates	3.00% to 3.75%	2.250% to 3.375%	2.00% to 3.00%	2.000% to 2.125%	
Dates interest payable	March 1/ September 1	March 1/ September 1	March 1/ September 1	March 1/ September 1	
Maturity dates	September 1, 2025/2028	September 1, 2025/2033	September 1, 2025/2035	September 1, 2029/2038	
Bonds outstanding, beginning of current year	\$ 2,675,000	\$ 5,855,000	\$ 2,270,000	\$ 5,285,000	\$ 16,085,000
Retirements, principal	<u>560,000</u>	<u>140,000</u>	<u>365,000</u>	<u>-</u>	<u>1,065,000</u>
Bonds outstanding, end of current year	<u>\$ 2,115,000</u>	<u>\$ 5,715,000</u>	<u>\$ 1,905,000</u>	<u>\$ 5,285,000</u>	<u>\$ 15,020,000</u>
Interest paid during current year	<u>\$ 95,437</u>	<u>\$ 185,269</u>	<u>\$ 52,800</u>	<u>\$ 106,637</u>	<u>\$ 440,143</u>

Paying agent's name and address:

- Series 2014** - Computershare Trust Company, N.A., St. Paul, Minnesota
- Series 2015** - Regions Bank, Houston, Texas
- Series 2020** - Regions Bank, Houston, Texas
- Series 2021** - Regions Bank, Houston, Texas

Bond authority:

	Tax Bonds	Other Bonds	Refunding Bonds
Amount authorized by voters	\$ 35,650,000	\$ -	\$ 33,500,000
Amount issued	<u>\$ 30,250,000</u>	<u>\$ -</u>	<u>\$ 1,795,477</u>
Remaining to be issued	<u>\$ 5,400,000</u>	<u>\$ -</u>	<u>\$ 31,704,523</u>

Debt service fund cash and temporary investment balances as of September 30, 2024: \$ 989,210

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 1,258,578

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended September 30,

	Amounts				
	2024	2023	2022	2021	2020
General Fund					
Revenues					
Property taxes	\$ 2,038,035	\$ 1,635,073	\$ 1,213,336	\$ 1,171,987	\$ 1,140,068
Sales tax rebates	-	-	-	79	3,281
Water service	492,378	538,550	503,229	435,942	453,273
Sewer service	622,637	621,575	591,704	563,128	557,228
Regional water fee	931,371	1,099,805	1,066,238	753,187	785,336
Penalty and interest	22,127	13,309	21,682	19,784	15,932
Tap connection and inspection fees	46,731	9,620	78,795	134,375	4,490
Investment income	416,588	324,159	38,831	21,776	87,128
Other income	35,489	35,730	78,719	74,102	41,847
Total revenues	4,605,356	4,277,821	3,592,534	3,174,360	3,088,583
Expenditures					
Service operations:					
Purchased services	1,941,790	1,819,747	1,539,556	1,283,322	1,397,110
Professional fees	147,436	119,557	123,318	147,120	143,081
Contracted services	543,174	489,141	439,491	403,046	386,354
Utilities	108,795	111,537	102,672	97,853	98,604
Repairs and maintenance	610,709	580,115	528,901	404,259	413,992
Other expenditures	96,746	85,914	95,400	61,746	59,347
Tap connections	11,850	450	32,285	68,580	-
Capital outlay	622,916	430,499	75,388	191,492	101,009
Debt service, debt issuance costs	-	-	-	37,388	11,250
Total expenditures	4,083,416	3,636,960	2,937,011	2,694,806	2,610,747
Excess of Revenues Over Expenditures	521,940	640,861	655,523	479,554	477,836
Other Financing Sources (Uses)					
Interfund transfers in (out)	(17,091)	(62,496)	(7,475)	26,604	(73,122)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	504,849	578,365	648,048	506,158	404,714
Fund Balance, Beginning of Year	7,135,643	6,557,278	5,909,230	5,403,072	4,998,358
Fund Balance, End of Year	\$ 7,640,492	\$ 7,135,643	\$ 6,557,278	\$ 5,909,230	\$ 5,403,072
Total Active Retail Water Connections	1,133	1,130	1,124	1,078	991
Total Active Retail Wastewater Connections	1,080	1,076	1,069	1,024	942

Percent of Fund Total Revenues

<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
44.3 %	38.2 %	33.8 %	36.9 %	36.9 %
-	-	-	0.1	0.1
10.7	12.6	14.0	13.7	14.7
13.5	14.5	16.4	17.8	18.0
20.2	25.7	29.7	23.7	25.4
0.5	0.3	0.6	0.6	0.5
1.0	0.2	2.2	4.2	0.2
9.0	7.6	1.1	0.7	2.8
0.8	0.9	2.2	2.3	1.4
100.0	100.0	100.0	100.0	100.0
42.2	42.5	42.9	40.4	45.2
3.2	2.8	3.4	4.6	4.6
11.8	11.4	12.2	12.7	12.5
2.4	2.6	2.9	3.1	3.2
13.3	13.6	14.7	12.7	13.4
2.1	2.0	2.7	1.9	1.9
0.2	0.0	0.9	2.2	-
13.5	10.1	2.1	6.0	3.3
-	-	-	1.2	0.4
88.7	85.0	81.8	84.8	84.5
11.3 %	15.0 %	18.2 %	15.2 %	15.5 %

**Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
 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	\$ 1,510,497	\$ 1,479,314	\$ 1,527,904	\$ 1,475,836	\$ 1,435,972
Penalty and interest	66,477	23,132	18,386	13,437	19,759
Investment income	87,415	80,734	13,126	5,687	26,381
Other income	-	-	9	11	46
Total revenues	1,664,389	1,583,180	1,559,425	1,494,971	1,482,158
Expenditures					
Current:					
Professional fees	26,660	5,486	3,628	2,296	6,611
Contracted services	46,260	51,839	35,615	38,441	35,595
Other expenditures	13,041	9,039	10,052	5,846	8,826
Debt service:					
Principal retirement	1,065,000	1,050,000	1,030,000	1,030,000	975,000
Interest and fees	443,313	478,063	494,359	421,280	489,937
Debt issuance costs	-	-	-	134,437	-
Total expenditures	1,594,274	1,594,427	1,573,654	1,632,300	1,515,969
Excess (Deficiency) of Revenues Over Expenditures	70,115	(11,247)	(14,229)	(137,329)	(33,811)
Other Financing Sources (Uses)					
General obligation bonds issued	-	-	53,319	2,870,000	-
Deposit with escrow agent	-	-	-	(2,844,707)	-
Premium on debt issued	-	-	-	114,034	-
Total other financing sources	-	-	53,319	139,327	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	70,115	(11,247)	39,090	1,998	(33,811)
Fund Balance, Beginning of Year	932,441	943,688	904,598	902,600	936,411
Fund Balance, End of Year	\$ 1,002,556	\$ 932,441	\$ 943,688	\$ 904,598	\$ 902,600

Percent of Fund Total Revenues

<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
90.8 %	93.4 %	98.0 %	98.7 %	96.9 %
4.0	1.5	1.2	0.9	1.3
5.2	5.1	0.8	0.4	1.8
-	-	0.0	0.0	0.0
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
1.6	0.3	0.2	0.1	0.4
2.8	3.3	2.3	2.6	2.4
0.8	0.6	0.6	0.4	0.6
64.0	66.3	66.1	68.9	65.8
26.6	30.2	31.7	28.2	33.1
-	-	-	9.0	-
<u>95.8</u>	<u>100.7</u>	<u>100.9</u>	<u>109.2</u>	<u>102.3</u>
<u>4.2 %</u>	<u>(0.7) %</u>	<u>(0.9) %</u>	<u>(9.2) %</u>	<u>(2.3) %</u>

**Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
 Board Members, Key Personnel and Consultants
 Year Ended September 30, 2024**

Complete District mailing address:	Fort Bend County Municipal Utility District No. 34 c/o Schwartz, Page & Harding, L.L.P. 1300 Post Oak Boulevard, Suite 2400 Houston, Texas 77056
District business telephone number:	713.623.4531
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	May 28, 2024
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

<u>Board Members</u>	<u>Term of Office Elected & Expires</u>	<u>Fees*</u>	<u>Expense Reimbursements</u>	<u>Title at Year-End</u>
Billy E. Haehnel	Elected 05/24- 05/28	\$ 2,210	\$ -	President
James A. Marken	Elected 05/22- 05/26	3,536	1,844	Vice President
Jose Torres	Elected 05/22- 05/26	1,547	291	Secretary
Craig A. Hajovsky	Elected 05/22- 05/26	3,757	1,581	Assistant Secretary
Sean Piper	Elected 05/24- 05/28	3,315	1,780	Assistant Secretary

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

**Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Board Members, Key Personnel and Consultants
Year Ended September 30, 2024**

(Continued)

<u>Consultants</u>	<u>Date Hired</u>	<u>Fees and Expense Reimbursements</u>	<u>Title</u>
BGE, Inc.	08/27/13	\$ 110,908	Engineer
Bob Leared Interests	01/13/83	39,810	Tax Assessor/ Collector
Fort Bend Central Appraisal District	Legislative Action	23,348	Appraiser
Forvis Mazars, LLP	10/15/85	29,900	Auditor
Masterson Advisors LLC	05/22/18	-	Financial Advisor
Municipal Accounts & Consulting, L.P.	07/07/81	103,412	Bookkeeper
Municipal Operations & Consulting, Inc.	06/01/12	1,133,851	Operator
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	02/11/97	26,660	Delinquent Tax Attorney
Schwartz, Page & Harding, L.L.P.	06/22/81	64,187	General Counsel
<u>Investment Officers</u>			
Mark M. Burton and Ghia Lewis	07/27/04	N/A	Bookkeepers