



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

**Independent Auditor's Report, Financial Statements,
and Supplementary Information**

September 30, 2025



Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
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September 30, 2025

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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 (District), as of and for the year ended September 30, 2025, 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, 2025, 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 GAAS, 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 16, 2026**

**Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Management's Discussion and Analysis
Year Ended September 30, 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 (Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities that 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.

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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>2025</u>	<u>2024</u>
Current and other assets	\$ 11,387,987	\$ 10,317,274
Capital assets	19,506,793	20,146,770
Total assets	<u>30,894,780</u>	<u>30,464,044</u>
Deferred outflows of resources	285,903	335,318
Total assets and deferred outflows of resources	<u>\$ 31,180,683</u>	<u>\$ 30,799,362</u>
Long-term liabilities	\$ 13,956,685	\$ 15,054,235
Other liabilities	1,200,231	1,306,368
Total liabilities	<u>15,156,916</u>	<u>16,360,603</u>

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Management’s Discussion and Analysis
Year Ended September 30, 2025**

Summary of Net Position (Continued)

	<u>2025</u>	<u>2024</u>
Net position		
Net investment in capital assets	\$ 5,836,011	\$ 5,400,895
Restricted	1,269,933	1,365,630
Unrestricted	<u>8,917,823</u>	<u>7,672,234</u>
Total net position	<u>\$ 16,023,767</u>	<u>\$ 14,438,759</u>

The total net position of the District increased by \$1,585,008, or about 11%. The majority of the increase in net position is related to investment income as well as 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>2025</u>	<u>2024</u>
Revenues		
Property taxes	\$ 3,593,285	\$ 3,487,761
Sales tax rebates	2,596	-
Charges for services	4,680,713	4,313,908
Other revenues	<u>570,504</u>	<u>651,387</u>
Total revenues	<u>8,847,098</u>	<u>8,453,056</u>
Expenses		
Services	6,176,437	5,961,371
Depreciation	648,054	653,780
Debt service	<u>437,599</u>	<u>471,172</u>
Total expenses	<u>7,262,090</u>	<u>7,086,323</u>
Change in net position	1,585,008	1,366,733
Net position, beginning of year	<u>14,438,759</u>	<u>13,072,026</u>
Net position, end of year	<u>\$ 16,023,767</u>	<u>\$ 14,438,759</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, 2025 were \$10,207,063, an increase of \$1,170,836 from the prior year.

The general fund’s fund balance increased by \$1,270,528 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 decreased by \$60,080 due to a decrease in the District’s share of the operating reserve.

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The wastewater treatment plant fund’s fund balance decreased by \$4,754 due to a decrease in the District’s share of the operating reserve.

The debt service fund’s fund balance decreased by \$34,858 primarily due to bond principal and interest requirements being greater than property tax revenues.

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 and regional water fee revenues as well as purchased services and repairs and maintenance expenditures being higher than expected and capital outlay expenditures and professional fees expenditures being lower than expected. In addition, interfund transfers in were not budgeted for. The fund balance as of September 30, 2025 was expected to be \$7,780,613, and the actual end-of-year fund balance was \$8,911,020.

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>2025</u>	<u>2024</u>
Land and improvements	\$ 8,485,223	\$ 8,485,223
Construction in progress	9,390	9,390
Water facilities	4,265,439	4,512,761
Wastewater facilities	3,488,635	3,706,764
Drainage facilities	3,105,685	3,254,240
Park facilities	152,421	178,392
	<u>\$ 19,506,793</u>	<u>\$ 20,146,770</u>

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

Remote well generator	\$ 2,027
HydroRanger at lift station No. 1	<u>6,050</u>
Total additions to capital assets	<u>\$ 8,077</u>

Debt

The changes in the debt position of the District during the fiscal year ended September 30, 2025 are summarized as follows:

Long-term debt payable, beginning of year	\$ 15,054,235
Decreases in long-term debt	<u>(1,097,550)</u>
Long-term debt payable, end of year	<u>\$ 13,956,685</u>

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At September 30, 2025, 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 (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 (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, 2025

	General Fund	Water Plant Fund	Wastewater Treatment Plant Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
Assets							
Cash	\$ 282,425	\$ 401,417	\$ 137,725	\$ 31,582	\$ 853,149	\$ -	\$ 853,149
Certificates of deposit	2,350,000	-	-	705,000	3,055,000	-	3,055,000
Short-term investments	6,314,599	-	-	227,110	6,541,709	-	6,541,709
Receivables							
Property taxes	6,803	-	-	4,737	11,540	-	11,540
Service accounts	349,117	-	-	-	349,117	-	349,117
Accrued interest	33,822	-	-	4,263	38,085	-	38,085
Interfund receivable	-	-	-	3,653	3,653	(3,653)	-
Due from participants	-	548,003	131,784	-	679,787	(160,204)	519,583
Due from others	10,923	-	-	-	10,923	-	10,923
Prepaid expenditures	8,881	-	-	-	8,881	-	8,881
Capital assets (net of accumulated depreciation)							
Land and improvements	-	-	-	-	-	8,485,223	8,485,223
Construction in progress	-	-	-	-	-	9,390	9,390
Infrastructure	-	-	-	-	-	11,012,180	11,012,180
Total Assets	9,356,570	949,420	269,509	976,345	11,551,844	19,342,936	30,894,780
Deferred Outflows of Resources							
Deferred amount on debt refundings	-	-	-	-	-	285,903	285,903
Total Assets and Deferred Outflows of resources	\$ 9,356,570	\$ 949,420	\$ 269,509	\$ 976,345	\$ 11,551,844	\$ 19,628,839	\$ 31,180,683

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2025

(Continued)

	General Fund	Water Plant Fund	Wastewater Treatment Plant Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
Liabilities							
Accounts payable	\$ 328,269	\$ 342,952	\$ 65,408	\$ 3,050	\$ 739,679	\$ (160,204)	\$ 579,475
Accrued interest payable	-	-	-	-	-	30,847	30,847
Customer deposits	106,825	-	-	-	106,825	-	106,825
Operating deposits	-	361,483	120,741	-	482,224	-	482,224
Due to others	-	-	-	860	860	-	860
Interfund payable	3,653	-	-	-	3,653	(3,653)	-
Long-term liabilities							
Due within one year	-	-	-	-	-	1,120,000	1,120,000
Due after one year	-	-	-	-	-	12,836,685	12,836,685
Total Liabilities	438,747	704,435	186,149	3,910	1,333,241	13,823,675	15,156,916
Deferred Inflows of Resources							
Deferred property tax revenues	6,803	-	-	4,737	11,540	(11,540)	-
Fund Balances/Net Position							
Fund balances							
Nonspendable, prepaid expenditures	8,881	-	-	-	8,881	(8,881)	-
Restricted, unlimited tax bonds	-	-	-	967,698	967,698	(967,698)	-
Committed							
Water production and distribution	-	244,985	-	-	244,985	(244,985)	-
Wastewater treatment	-	-	83,360	-	83,360	(83,360)	-
Assigned, future expenditures	121,361	-	-	-	121,361	(121,361)	-
Unassigned	8,780,778	-	-	-	8,780,778	(8,780,778)	-
Total fund balances	8,911,020	244,985	83,360	967,698	10,207,063	(10,207,063)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,356,570	\$ 949,420	\$ 269,509	\$ 976,345	\$ 11,551,844		
Net position							
Net investment in capital assets						5,836,011	5,836,011
Restricted for plant operations						328,345	328,345
Restricted for debt service						941,588	941,588
Unrestricted						8,917,823	8,917,823
Total net position						\$ 16,023,767	\$ 16,023,767

See Notes to Financial Statements

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, 2025

	General Fund	Water Plant Fund	Wastewater Treatment Plant Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
Revenues							
Property taxes	\$ 2,155,035	\$ -	\$ -	\$ 1,435,172	\$ 3,590,207	\$ 3,078	\$ 3,593,285
Sales tax rebates	2,596	-	-	-	2,596	-	2,596
Water service	509,385	3,222,656	-	-	3,732,041	(1,212,802)	2,519,239
Sewer service	626,017	-	888,748	-	1,514,765	(393,830)	1,120,935
Regional water fee	1,040,539	-	-	-	1,040,539	-	1,040,539
Penalty and interest	22,621	-	-	25,198	47,819	-	47,819
Tap connection and inspection fees	15,180	-	-	-	15,180	-	15,180
Investment income	386,224	1,710	1	75,263	463,198	-	463,198
Other income	56,203	-	-	104	56,307	(12,000)	44,307
Total Revenues	4,813,800	3,224,366	888,749	1,535,737	10,462,652	(1,615,554)	8,847,098
Expenditures/Expenses							
Service operations							
Purchased services	1,604,390	2,574,186	-	-	4,178,576	(1,604,390)	2,574,186
Regional water fee	-	293,438	-	-	293,438	-	293,438
Professional fees	140,746	8,261	4,470	4,085	157,562	29,750	187,312
Contracted services	578,380	23,690	25,422	71,472	698,964	-	698,964
Utilities	129,955	115,408	95,638	-	341,001	-	341,001
Repairs and maintenance	882,825	129,353	652,231	-	1,664,409	183,259	1,847,668
Other expenditures	148,293	42,203	49,004	6,368	245,868	(12,000)	233,868
Capital outlay	123,517	37,827	61,984	-	223,328	(223,328)	-
Depreciation	-	-	-	-	-	648,054	648,054
Debt service							
Principal retirement	-	-	-	1,080,000	1,080,000	(1,080,000)	-
Interest and fees	-	-	-	408,670	408,670	28,929	437,599
Total Expenditures/Expenses	3,608,106	3,224,366	888,749	1,570,595	9,291,816	(2,029,726)	7,262,090
Excess (Deficiency) of Revenues Over Expenditures	1,205,694	-	-	(34,858)	1,170,836	414,172	

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, 2025

(Continued)

	General Fund	Water Plant Fund	Wastewater Treatment Plant Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
Other Financing Sources (Uses)							
Interfund transfers in (out)	\$ 64,834	\$ (60,080)	\$ (4,754)	\$ -	\$ -	\$ -	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,270,528	(60,080)	(4,754)	(34,858)	1,170,836	(1,170,836)	
Change in Net Position						1,585,008	\$ 1,585,008
Fund Balances/Net Position							
Beginning of year	7,640,492	305,065	88,114	1,002,556	9,036,227	-	14,438,759
End of year	<u>\$ 8,911,020</u>	<u>\$ 244,985</u>	<u>\$ 83,360</u>	<u>\$ 967,698</u>	<u>\$ 10,207,063</u>	<u>\$ -</u>	<u>\$ 16,023,767</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 (District) was created by an order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (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 (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 that 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.

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.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Notes to Financial Statements
September 30, 2025

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.

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 are 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.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Notes to Financial Statements
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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 and 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.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Notes to Financial Statements
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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, 2025 include collections during the current period or within 60 days of year-end related to the 2024 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, 2025, the 2024 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 is not capitalized.

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

Water production and distribution facilities	10–45 years
Wastewater collection and treatment facilities	10–45 years
Drainage facilities	10–45 years
Parks and recreational facilities	10–20 years

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 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.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Notes to Financial Statements
September 30, 2025

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, it is generally 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.	\$ 19,506,793
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	11,540
Deferred amount on debt refundings for governmental activities is not considered financial resources and is not reported in the funds.	285,903
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	(30,847)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	<u>(13,956,685)</u>
Adjustment to fund balances to arrive at net position.	<u><u>\$ 5,816,704</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.	\$ 1,170,836
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.	(639,977)

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Notes to Financial Statements
September 30, 2025

Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.	\$ 1,080,000
Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported as revenues in the statement of activities.	3,078
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>(28,929)</u>
Change in net position of governmental activities.	<u>\$ 1,585,008</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, 2025, 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 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.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Notes to Financial Statements
September 30, 2025

At September 30, 2025, the District had the following investments and maturities:

Type	Fair Value	Maturities in Years			More Than 10
		Less Than 1	1-5	6-10	
Texas CLASS	\$ 6,541,709	\$ 6,541,709	\$ -	\$ -	\$ -

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, 2025, 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, 2025 as follows:

Carrying value	
Deposits	\$ 3,908,149
Investments	<u>6,541,709</u>
Total	<u>\$ 10,449,858</u>

Included in the following statement of net position captions:

Cash	\$ 853,149
Certificates of deposit	3,055,000
Short-term investments	<u>6,541,709</u>
Total	<u>\$ 10,449,858</u>

Investment Income

Investment income of \$463,198 for the year ended September 30, 2025 consisted of interest income.

Fair Value Measurements

The District has the following recurring fair value measurements as of September 30, 2025:

- Pooled investments of \$6,541,709 are valued at fair value per share of the pool's underlying portfolio.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Notes to Financial Statements
September 30, 2025

Note 3. Capital Assets

A summary of changes in capital assets for the year ended September 30, 2025 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	\$ 8,485,223	\$ -	\$ 8,485,223
Construction in progress	9,390	-	9,390
	<u>8,494,613</u>	<u>-</u>	<u>8,494,613</u>
Total capital assets, non-depreciable			
Capital assets, depreciable			
Water production and distribution facilities	8,506,043	2,027	8,508,070
Wastewater collection and treatment facilities	7,846,199	6,050	7,852,249
Drainage facilities	6,790,571	-	6,790,571
Park facilities	412,264	-	412,264
	<u>23,555,077</u>	<u>8,077</u>	<u>23,563,154</u>
Total capital assets, depreciable			
Less accumulated depreciation			
Water production and distribution facilities	(3,993,282)	(249,349)	(4,242,631)
Wastewater collection and treatment facilities	(4,139,435)	(224,179)	(4,363,614)
Drainage facilities	(3,536,331)	(148,555)	(3,684,886)
Park facilities	(233,872)	(25,971)	(259,843)
	<u>(11,902,920)</u>	<u>(648,054)</u>	<u>(12,550,974)</u>
Total accumulated depreciation			
Total governmental activities, net	<u>\$ 20,146,770</u>	<u>\$ (639,977)</u>	<u>\$ 19,506,793</u>

Note 4. Long-Term Liabilities

Changes in long-term liabilities for the year ended September 30, 2025 were as follows:

<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	\$ 15,020,000	\$ 1,080,000	\$ 13,940,000	\$ 1,120,000
Add premiums on bonds	174,715	27,902	146,813	-
Less discounts on bonds	140,480	10,352	130,128	-
	<u>15,054,235</u>	<u>1,097,550</u>	<u>13,956,685</u>	<u>1,120,000</u>
Total governmental activities long-term liabilities	<u>\$ 15,054,235</u>	<u>\$ 1,097,550</u>	<u>\$ 13,956,685</u>	<u>\$ 1,120,000</u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Notes to Financial Statements
September 30, 2025

General Obligation Bonds

	<u>Refunding Series 2014</u>	<u>Refunding Series 2015</u>
Amounts outstanding, September 30, 2025	\$1,550,000	\$5,575,000
Interest rates	3.50% to 3.75%	3.000% to 3.375%
Maturity dates, serially beginning/ending	September 1, 2026/2028	September 1, 2026/2033
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, 2025	\$1,530,000	\$5,285,000
Interest rates	2.00%	2.000% to 2.125%
Maturity dates, serially beginning/ending	September 1, 2026/2035	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, 2025.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2031–2035	5,895,000	617,994	6,512,994
2036–2038	2,250,000	92,812	2,342,812
Total	<u>\$ 13,940,000</u>	<u>\$ 2,194,701</u>	<u>\$ 16,134,701</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.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Notes to Financial Statements
September 30, 2025

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

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, 2025, the District levied an ad valorem debt service tax at the rate of \$0.2200 per \$100 of assessed valuation, which resulted in a tax levy of \$1,453,314 on the taxable valuation of \$660,597,209 for the 2024 tax year. The interest and principal requirements paid from the tax revenues and other available funds were \$1,485,394.

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, 2025, the District levied an ad valorem maintenance tax at the rate of \$0.3300 per \$100 of assessed valuation, which resulted in a tax levy of \$2,179,971 on the taxable valuation of \$660,597,209 for the 2024 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, of Fort Bend County, Texas (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. 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 \$393,830. The transactions for the plant during the current year are shown as follows:

	<u>The District</u>	<u>District No. 35</u>	<u>Total</u>
Due from participants, beginning of year	\$ 36,168	\$ 108,728	\$ 144,896
Current year billings	393,830	494,918	888,748
Current year collections	<u>(400,276)</u>	<u>(501,584)</u>	<u>(901,860)</u>
Due from participants, end of year	<u>\$ 29,722</u>	<u>\$ 102,062</u>	<u>\$ 131,784</u>

District No. 35 and the District have deposited \$120,741 and \$83,360, 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.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Notes to Financial Statements
September 30, 2025

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 \$1,210,560, including \$1,074,701 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	\$ 132,258	\$ 690,826	\$ 823,084
Current year billings	1,210,560	2,012,096	3,222,656
Current year collections	<u>(1,212,336)</u>	<u>(2,285,401)</u>	<u>(3,497,737)</u>
Due from participants, end of year	<u>\$ 130,482</u>	<u>\$ 417,521</u>	<u>\$ 548,003</u>

District No. 35 and the District have deposited \$361,483 and \$244,985, 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 (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 Fort Bend Subsidence District, which regulates groundwater withdrawal. As of September 30, 2025, 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 (City) entered into a Strategic Partnership Agreement (Agreement) under which the City annexed a tract of land (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 \$2,596 in 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, 2025

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 2,128,400	\$ 2,155,035	\$ 26,635
Sales tax rebates	-	2,596	2,596
Water service	497,400	509,385	11,985
Sewer service	626,000	626,017	17
Regional water fee	965,825	1,040,539	74,714
Penalty and interest	22,500	22,621	121
Tap connection and inspection fees	7,700	15,180	7,480
Investment income	382,700	386,224	3,524
Other income	35,400	56,203	20,803
Total Revenues	4,665,925	4,813,800	147,875
Expenditures			
Service operations			
Purchased services	1,434,752	1,604,390	(169,638)
Professional fees	173,500	140,746	32,754
Contracted services	587,030	578,380	8,650
Utilities	135,900	129,955	5,945
Repairs and maintenance	828,300	882,825	(54,525)
Other expenditures	122,991	148,293	(25,302)
Capital outlay	1,243,331	123,517	1,119,814
Total Expenditures	4,525,804	3,608,106	917,698
Excess of Revenues Over Expenditures	140,121	1,205,694	1,065,573
Other Financing Sources			
Interfund transfers in	-	64,834	64,834
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	140,121	1,270,528	1,130,407
Fund Balance, Beginning of Year	7,640,492	7,640,492	-
Fund Balance, End of Year	\$ 7,780,613	\$ 8,911,020	\$ 1,130,407

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Budgetary Comparison Schedule – Water Plant Fund
Year Ended September 30, 2025

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Service fees			
The District	\$ 1,469,914	\$ 1,210,560	\$ (259,354)
District No. 35	2,168,896	2,012,096	(156,800)
Investment income	2,300	1,710	(590)
Total Revenues	<u>3,641,110</u>	<u>3,224,366</u>	<u>(416,744)</u>
Expenditures			
Service operations			
Purchased services	-	2,574,186	(2,574,186)
Regional water fee	2,518,400	293,438	2,224,962
Audit fees	2,900	2,800	100
Legal fees	5,000	-	5,000
Engineering fees	15,000	5,461	9,539
Bookkeeping	16,000	16,013	(13)
Operator fees	8,300	7,677	623
Utilities	81,900	115,408	(33,508)
Repairs and maintenance	129,800	86,331	43,469
Mowing	5,800	5,544	256
Chemicals	12,600	37,403	(24,803)
Laboratory	-	75	(75)
Telephone	3,500	3,968	(468)
Office supplies and postage	150	145	5
Insurance	17,000	32,025	(15,025)
Permit fees	3,200	-	3,200
Administrative charge	6,000	6,000	-
Other expenditures	560	65	495
Capital outlay	815,000	37,827	777,173
Total Expenditures	<u>3,641,110</u>	<u>3,224,366</u>	<u>416,744</u>
Excess of Revenues Over Expenditures	-	-	-
Other Financing Uses			
Interfund transfers out	-	(60,080)	(60,080)
Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	(60,080)	(60,080)
Fund Balance, Beginning of Year	<u>305,065</u>	<u>305,065</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 305,065</u>	<u>\$ 244,985</u>	<u>\$ (60,080)</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, 2025

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Service fees			
The District	\$ 500,169	\$ 393,830	\$ (106,339)
District No. 35	724,441	494,918	(229,523)
Investment income	100	1	(99)
Total Revenues	<u>1,224,710</u>	<u>888,749</u>	<u>(335,961)</u>
Expenditures			
Service operations			
Audit fees	2,700	2,800	(100)
Legal fees	3,000	-	3,000
Engineering fees	10,000	1,670	8,330
Bookkeeping fees	17,000	16,542	458
Operator fees	9,600	8,880	720
Garbage	3,600	3,600	-
Utilities	117,700	95,638	22,062
Repairs and maintenance	211,500	312,525	(101,025)
Sludge removal	208,300	183,798	24,502
Mowing	3,200	3,003	197
Chemicals	105,300	107,514	(2,214)
Laboratory	52,300	45,391	6,909
Telephone	2,400	3,475	(1,075)
Office supplies and postage	250	276	(26)
Insurance	17,700	27,304	(9,604)
Permit fees	8,600	8,289	311
Administrative charge	6,000	6,000	-
Other expenditures	560	60	500
Capital outlay	445,000	61,984	383,016
Total Expenditures	<u>1,224,710</u>	<u>888,749</u>	<u>335,961</u>
Excess of Revenues Over Expenditures	-	-	-
Other Financing Uses			
Interfund transfers out	-	(4,754)	(4,754)
Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	(4,754)	(4,754)
Fund Balance, Beginning of Year	<u>88,114</u>	<u>88,114</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 88,114</u>	<u>\$ 83,360</u>	<u>\$ (4,754)</u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Notes to Required Supplementary Information
September 30, 2025

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 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 2025.

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, 2025

(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 12–22
- [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] Schedules of Long-Term Debt Service Requirements by Years
- [X] Changes in Long-Term Bonded Debt
- [X] Comparative Schedules 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, 2025

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	999	x1.0	999
1"	87	86	x2.5	215
1 1/2"	8	8	x5.0	40
2"	31	31	x8.0	248
3"	-	-	x15.0	-
4"	1	1	x25.0	25
6"	-	-	x50.0	-
8"	3	3	x80.0	240
10"	-	-	x115.0	-
Total water	1,140	1,128		1,767
Total wastewater	1,084	1,074	x1.0	1,074

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

Gallons pumped into the system:	596,031
Gallons billed to customers:	580,628
Water accountability ratio (gallons billed/gallons pumped):	97.42%

*"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, 2025

Personnel (including benefits)		\$ -
Professional Fees		
Auditing	\$ 24,800	
Legal	60,338	
Engineering	55,608	
Financial advisor	-	140,746
Purchased Services for Resale		
Bulk water and wastewater service purchases		1,604,390
Regional Water Fee		-
Contracted Services		
Bookkeeping	67,969	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	91,186	
Other contracted services	105,097	264,252
Utilities		129,955
Repairs and Maintenance		882,825
Administrative Expenditures		
Directors' fees	15,249	
Office supplies	6,930	
Insurance	7,424	
Other administrative expenditures	80,822	110,425
Capital Outlay		
Capitalized assets	6,050	
Expenditures not capitalized	117,467	123,517
Tap Connection Expenditures		-
Solid Waste Disposal		314,128
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		37,868
Total Expenditures		<u>\$ 3,608,106</u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Schedule of Temporary Investments
September 30, 2025

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Face Amount</u>	<u>Accrued Interest Receivable</u>
General Fund				
Certificates of Deposit				
No. 608572	4.23%	01/28/26	\$ 235,000	\$ 1,743
No. 91300012337201	4.50%	11/05/25	235,000	4,172
No. 4205654	4.00%	06/14/26	235,000	2,781
No. 2000000505	4.18%	12/04/25	235,000	3,095
No. 440069482	4.56%	10/10/25	235,000	4,991
No. 109150	4.12%	03/06/26	235,000	3,051
No. 3103280	4.05%	02/18/26	235,000	1,095
No. 6000029741	4.25%	10/10/25	235,000	7,087
No. 9009005598	4.25%	12/10/25	235,000	5,445
No. 6550147980	4.32%	03/17/26	235,000	362
Texas CLASS	4.26%	Demand	<u>6,314,599</u>	<u>-</u>
			<u>8,664,599</u>	<u>33,822</u>
Debt Service Fund				
Certificates of Deposit				
No. 91300012298042	4.25%	02/05/26	235,000	1,423
No. 6000068335	4.25%	02/02/26	235,000	1,505
No. 6550141117	4.32%	02/13/26	235,000	1,335
Texas CLASS	4.26%	Demand	<u>227,110</u>	<u>-</u>
			<u>932,110</u>	<u>4,263</u>
Totals			<u>\$ 9,596,709</u>	<u>\$ 38,085</u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Analysis of Taxes Levied and Receivable
Year Ended September 30, 2025

	<u>Maintenance Taxes</u>	<u>Debt Service Taxes</u>
Receivable, Beginning of Year	\$ 4,784	\$ 3,678
Additions and corrections to prior years' taxes	<u>(22,917)</u>	<u>(17,083)</u>
Adjusted Receivable, Beginning of Year	<u>(18,133)</u>	<u>(13,405)</u>
2024 Original Tax Levy	2,307,180	1,538,120
Additions and corrections	<u>(127,209)</u>	<u>(84,806)</u>
Adjusted tax levy	<u>2,179,971</u>	<u>1,453,314</u>
Total to Be Accounted For	2,161,838	1,439,909
Tax (collections) refunds: Current year	(2,174,411)	(1,449,607)
Prior years	<u>19,376</u>	<u>14,435</u>
Receivable, End of Year	<u>\$ 6,803</u>	<u>\$ 4,737</u>
Receivable, by Years		
2024	\$ 5,560	\$ 3,707
2023	664	490
2022	534	483
2021	23	29
2020	<u>22</u>	<u>28</u>
Receivable, End of Year	<u>\$ 6,803</u>	<u>\$ 4,737</u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Analysis of Taxes Levied and Receivable
Year Ended September 30, 2025

(Continued)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Property Valuations				
Land	\$ 144,376,781	\$ 110,902,658	\$ 107,888,680	\$ 101,506,410
Improvements	589,459,688	611,413,810	511,567,255	372,597,027
Personal property	7,014,563	6,125,885	5,160,710	5,333,550
Exemptions	<u>(80,253,823)</u>	<u>(110,276,273)</u>	<u>(87,804,832)</u>	<u>(27,635,538)</u>
Total Property Valuations	<u><u>\$ 660,597,209</u></u>	<u><u>\$ 618,166,080</u></u>	<u><u>\$ 536,811,813</u></u>	<u><u>\$ 451,801,449</u></u>
Tax Rates per \$100 Valuation				
Debt service tax rates	\$ 0.2200	\$ 0.2400	\$ 0.2800	\$ 0.3400
Maintenance tax rates*	<u>0.3300</u>	<u>0.3250</u>	<u>0.3100</u>	<u>0.2700</u>
Total Tax Rates per \$100 Valuation	<u><u>\$ 0.5500</u></u>	<u><u>\$ 0.5650</u></u>	<u><u>\$ 0.5900</u></u>	<u><u>\$ 0.6100</u></u>
Tax Levy	<u><u>\$ 3,633,285</u></u>	<u><u>\$ 3,492,638</u></u>	<u><u>\$ 3,167,190</u></u>	<u><u>\$ 2,755,989</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: \$0.50 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, 2025

Due During Fiscal Years Ending September 30	Refunding Series 2014		
	Principal Due September 1	Interest Due March 1, September 1	Total
2026	\$ 825,000	\$ 56,063	\$ 881,063
2027	365,000	27,188	392,188
2028	360,000	13,500	373,500
Totals	\$ 1,550,000	\$ 96,751	\$ 1,646,751

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Schedule of Long-Term Debt Service Requirements by Years
September 30, 2025

(Continued)

Due During Fiscal Years Ending September 30	Refunding Series 2015		
	Principal Due September 1	Interest Due March 1, September 1	Total
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	\$ 5,575,000	\$ 820,563	\$ 6,395,563

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Schedule of Long-Term Debt Service Requirements by Years
September 30, 2025

(Continued)

Due During Fiscal Years Ending September 30	Refunding Series 2020		
	Principal Due September 1	Interest Due March 1, September 1	Total
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>\$ 1,530,000</u>	<u>\$ 223,900</u>	<u>\$ 1,753,900</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, 2025**

(Continued)

<u>Due During Fiscal Years Ending September 30</u>	<u>Series 2021</u>		<u>Total</u>
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	
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>\$ 1,053,487</u>	<u>\$ 6,338,487</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, 2025

(Continued)

Due During Fiscal Years Ending September 30	Annual Requirements For All Series		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
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>\$ 13,940,000</u>	<u>\$ 2,194,701</u>	<u>\$ 16,134,701</u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
Changes in Long-Term Bonded Debt
Year Ended September 30, 2025

	Bond Issues				Totals
	Refunding Series 2014	Refunding Series 2015	Refunding Series 2020	Series 2021	
Interest rates	3.50% to 3.75%	3.000% to 3.375%	2.00%	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, 2026/2028	September 1, 2026/2033	September 1, 2026/2035	September 1, 2029/2038	
Bonds outstanding, beginning of current year	\$ 2,115,000	\$ 5,715,000	\$ 1,905,000	\$ 5,285,000	\$ 15,020,000
Retirements, principal	<u>565,000</u>	<u>140,000</u>	<u>375,000</u>	<u>-</u>	<u>1,080,000</u>
Bonds outstanding, end of current year	<u>\$ 1,550,000</u>	<u>\$ 5,575,000</u>	<u>\$ 1,530,000</u>	<u>\$ 5,285,000</u>	<u>\$ 13,940,000</u>
Interest paid during current year	<u>\$ 75,838</u>	<u>\$ 181,069</u>	<u>\$ 41,850</u>	<u>\$ 106,637</u>	<u>\$ 405,394</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	\$ 30,250,000	\$ -	\$ 1,795,477		
Remaining to be issued	\$ 5,400,000	\$ -	\$ 31,704,523		
Debt service fund cash and temporary investment balances as of September 30, 2025:					\$ 963,692
Average annual debt service payment (principal and interest) for remaining term of all debt:					\$ 1,241,131

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				
	2025	2024	2023	2022	2021
General Fund					
Revenues					
Property taxes	\$ 2,155,035	\$ 2,038,035	\$ 1,635,073	\$ 1,213,336	\$ 1,171,987
Sales tax rebates	2,596	-	-	-	79
Water service	509,385	492,378	538,550	503,229	435,942
Sewer service	626,017	625,137	621,825	591,704	563,078
Regional water fee	1,040,539	931,371	1,099,805	1,066,238	753,187
Penalty and interest	22,621	22,127	13,309	21,682	19,784
Tap connection and inspection fees	15,180	46,731	9,620	78,795	134,375
Investment income	386,224	416,588	324,159	38,831	21,776
Other income	56,203	35,489	35,730	78,719	74,102
Total Revenues	4,813,800	4,607,856	4,278,071	3,592,534	3,174,310
Expenditures					
Service operations					
Purchased services	1,604,390	1,941,790	1,819,747	1,539,556	1,283,322
Professional fees	140,746	147,436	119,557	123,318	147,120
Contracted services	578,380	545,674	489,391	439,491	402,996
Utilities	129,955	108,795	111,537	102,672	97,853
Repairs and maintenance	882,825	610,709	580,115	528,901	404,259
Other expenditures	148,293	96,746	85,914	95,400	61,746
Tap connections	-	11,850	450	32,285	68,580
Capital outlay	123,517	622,916	430,499	75,388	191,492
Debt service, debt issuance costs	-	-	-	-	37,388
Total Expenditures	3,608,106	4,085,916	3,637,210	2,937,011	2,694,756
Excess of Revenues Over Expenditures	1,205,694	521,940	640,861	655,523	479,554
Other Financing Sources (Uses)					
Interfund transfers in (out)	64,834	(17,091)	(62,496)	(7,475)	26,604
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,270,528	504,849	578,365	648,048	506,158
Fund Balance, Beginning of Year	7,640,492	7,135,643	6,557,278	5,909,230	5,403,072
Fund Balance, End of Year	\$ 8,911,020	\$ 7,640,492	\$ 7,135,643	\$ 6,557,278	\$ 5,909,230
Total Active Retail Water Connections	1,128	1,133	1,130	1,124	1,078
Total Active Retail Wastewater Connections	1,074	1,080	1,076	1,069	1,024

Percent of Fund Total Revenues

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
44.8 %	44.3 %	38.2 %	33.8 %	36.9 %
0.0	-	-	-	0.1
10.6	10.7	12.6	14.0	13.7
13.0	13.5	14.5	16.4	17.8
21.6	20.2	25.7	29.7	23.7
0.5	0.5	0.3	0.6	0.6
0.3	1.0	0.2	2.2	4.2
8.0	9.0	7.6	1.1	0.7
1.2	0.8	0.9	2.2	2.3
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
33.3	42.2	42.5	42.9	40.4
2.9	3.2	2.8	3.4	4.6
12.0	11.8	11.4	12.2	12.7
2.7	2.4	2.6	2.9	3.1
18.3	13.3	13.6	14.7	12.7
3.1	2.1	2.0	2.7	1.9
-	0.2	0.0	0.9	2.2
2.6	13.5	10.1	2.1	6.0
-	-	-	-	1.2
<u>74.9</u>	<u>88.7</u>	<u>85.0</u>	<u>81.8</u>	<u>84.8</u>
<u>25.1 %</u>	<u>11.3 %</u>	<u>15.0 %</u>	<u>18.2 %</u>	<u>15.2 %</u>

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				
	2025	2024	2023	2022	2021
Debt Service Fund					
Revenues					
Property taxes	\$ 1,435,172	\$ 1,510,497	\$ 1,479,314	\$ 1,527,904	\$ 1,475,836
Penalty and interest	25,198	66,477	23,132	18,386	13,437
Investment income	75,263	87,415	80,734	13,126	5,687
Other income	104	-	-	9	11
Total Revenues	<u>1,535,737</u>	<u>1,664,389</u>	<u>1,583,180</u>	<u>1,559,425</u>	<u>1,494,971</u>
Expenditures					
Current					
Professional fees	4,085	26,660	5,486	3,628	2,296
Contracted services	71,472	46,260	51,839	35,615	38,441
Other expenditures	6,368	13,041	9,039	10,052	5,846
Debt service					
Principal retirement	1,080,000	1,065,000	1,050,000	1,030,000	1,030,000
Interest and fees	408,670	443,313	478,063	494,359	421,280
Debt issuance costs	-	-	-	-	134,437
Total Expenditures	<u>1,570,595</u>	<u>1,594,274</u>	<u>1,594,427</u>	<u>1,573,654</u>	<u>1,632,300</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(34,858)</u>	<u>70,115</u>	<u>(11,247)</u>	<u>(14,229)</u>	<u>(137,329)</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,319</u>	<u>139,327</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(34,858)</u>	<u>70,115</u>	<u>(11,247)</u>	<u>39,090</u>	<u>1,998</u>
Fund Balance, Beginning of Year	<u>1,002,556</u>	<u>932,441</u>	<u>943,688</u>	<u>904,598</u>	<u>902,600</u>
Fund Balance, End of Year	<u>\$ 967,698</u>	<u>\$ 1,002,556</u>	<u>\$ 932,441</u>	<u>\$ 943,688</u>	<u>\$ 904,598</u>

Percent of Fund Total Revenues

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
93.5 %	90.8 %	93.4 %	98.0 %	98.7 %
1.6	4.0	1.5	1.2	0.9
4.9	5.2	5.1	0.8	0.4
<u>0.0</u>	<u>-</u>	<u>-</u>	<u>0.0</u>	<u>0.0</u>
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
0.3	1.6	0.3	0.2	0.1
4.7	2.8	3.3	2.3	2.6
0.4	0.8	0.6	0.6	0.4
70.3	64.0	66.3	66.1	68.9
26.6	26.6	30.2	31.7	28.2
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9.0</u>
<u>102.3</u>	<u>95.8</u>	<u>100.7</u>	<u>100.9</u>	<u>109.2</u>
<u>(2.3) %</u>	<u>4.2 %</u>	<u>(0.7) %</u>	<u>(0.9) %</u>	<u>(9.2) %</u>

**Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas
 Board Members, Key Personnel, and Consultants
 Year Ended September 30, 2025**

Complete District mailing address:	Fort Bend County Municipal Utility District No. 34 of Fort Bend County, Texas c/o Schwartz, Page & Harding, L.L.P. 1300 Post Oak Boulevard, Suite 2400 Houston, TX 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	\$ 2,431	\$ -	President
James A. Marken	Elected 05/22– 05/26	3,315	1,808	Vice President
Jose Torres	Elected 05/22– 05/26	2,431	2,330	Secretary
Craig A. Hajovsky	Elected 05/22– 05/26	3,315	2,065	Assistant Secretary
Sean Piper	Elected 05/24– 05/28	3,757	2,920	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, 2025**

(Continued)

Consultants	Date Hired	Fees and Expense Reimbursements	Title
BGE, Inc.	08/27/13	\$ 78,054	Engineer
Bob Leared Interests	01/13/83	32,073	Tax Assessor/ Collector
Fort Bend Central Appraisal District	Legislative Action	48,521	Appraiser
Forvis Mazars, LLP	10/15/85	31,000	Auditor
Masterson Advisors LLC	05/22/18	-	Financial Advisor
Municipal Accounts & Consulting, L.P.	07/07/81	106,115	Bookkeeper
Municipal Operations & Consulting, Inc.	06/01/12	1,589,391	Operator
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	02/11/97	4,085	Delinquent Tax Attorney
Schwartz, Page & Harding, L.L.P.	06/22/81	66,122	General Counsel
Investment Officers			
Mark M. Burton and Ghia Lewis	07/27/04	N/A	Bookkeepers