

CHARLESTON MUNICIPAL UTILITY DISTRICT

FORT BEND COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

MARCH 31, 2025

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McCall Gibson Swedlund Barfoot Ellis PLLC

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Charleston Municipal Utility District
Fort Bend County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Charleston Municipal Utility District (the "District") as of and for the year ended March 31, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of March 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Board of Directors
Charleston Municipal Utility District

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 supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot Ellis PLLC

McCall Gibson Swedlund Barfoot Ellis PLLC
Certified Public Accountants
Houston, Texas

July 22, 2025

**CHARLESTON MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2025**

Management's discussion and analysis of Charleston Municipal Utility District (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended March 31, 2025. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for customer service revenues, property taxes, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

**CHARLESTON MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2025**

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets by \$6,549,721 as of March 31, 2025. The following table provides a comparative analysis of government-wide changes in net position.

**CHARLESTON MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2025**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2025	2024	Change Positive (Negative)
Current and Other Assets	\$ 2,206,486	\$ 1,659,796	\$ 546,690
Capital Assets (Net of Accumulated Depreciation)	<u>13,478,400</u>	<u>13,380,424</u>	<u>97,976</u>
Total Assets	<u>\$ 15,684,886</u>	<u>\$ 15,040,220</u>	<u>\$ 644,666</u>
Due to Developers	\$ 15,334,173	\$ 17,343,742	\$ 2,009,569
Bonds Payable	6,139,958	3,000,000	(3,139,958)
Other Liabilities	<u>265,239</u>	<u>184,763</u>	<u>(80,476)</u>
Total Liabilities	<u>\$ 21,739,370</u>	<u>\$ 20,528,505</u>	<u>\$ (1,210,865)</u>
Deferred Inflows of Resources	<u>\$ 495,237</u>	<u>\$ -0-</u>	<u>\$ (495,237)</u>
Net Position:			
Net Investment in Capital Assets	\$ (6,971,080)	\$ (5,889,633)	\$ (1,081,447)
Restricted	90,813	275,789	(184,976)
Unrestricted	<u>330,546</u>	<u>125,559</u>	<u>204,987</u>
Total Net Position	<u>\$ (6,549,721)</u>	<u>\$ (5,488,285)</u>	<u>\$ (1,061,436)</u>

The following table provides a comparative analysis of the District's operations for the years ending March 31, 2025, and March 31, 2024.

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 629,603	\$ 644,538	\$ (14,935)
Charges for Services	619,022	613,823	5,199
Other Revenues	<u>81,048</u>	<u>22,964</u>	<u>58,084</u>
Total Revenues	<u>\$ 1,329,673</u>	<u>\$ 1,281,325</u>	<u>\$ 48,348</u>
Expenses for Services	<u>2,391,109</u>	<u>1,926,445</u>	<u>(464,664)</u>
Change in Net Position	\$ (1,061,436)	\$ (645,120)	\$ (416,316)
Net Position, Beginning of Year	<u>(5,488,285)</u>	<u>(4,843,165)</u>	<u>(645,120)</u>
Net Position, End of Year	<u>\$ (6,549,721)</u>	<u>\$ (5,488,285)</u>	<u>\$ (1,061,436)</u>

**CHARLESTON MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of March 31, 2025, were \$1,532,421, an increase of \$138,545 from the prior year.

The General Fund fund balance increased by \$326,723, primarily due to property tax revenues, service revenues and developer advances exceeding operating costs.

The Debt Service Fund fund balance decreased by \$139,144, primarily due to the structure of the District's outstanding long-term debt.

The Capital Projects Fund fund balance decreased by \$49,034, primarily due to the sale of the Series 2024 bonds.

CAPITAL ASSETS

Capital assets as of March 31, 2025, total \$13,478,400 (net of accumulated depreciation) and include water, wastewater and drainage/detention facilities. Additional information on the District's capital assets can be found in Note 6 of this report.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 56,439	\$	\$ 56,439
Capital Assets, Net of Accumulated Depreciation:			
Water System	3,500,253	3,697,479	(197,226)
Wastewater System	4,753,001	4,389,552	363,449
Drainage/Detention System	5,168,707	5,293,393	(124,686)
Total Net Capital Assets	\$ 13,478,400	\$ 13,380,424	\$ 97,976

**CHARLESTON MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2025**

LONG-TERM DEBT

At the end of the current fiscal year, the District had total long-term debt payable of \$6,085,000. The changes in the debt position of the District during the fiscal year ended March 31, 2025, are summarized as follows:

Bond Debt Payable, April 1, 2024	\$ 3,000,000
Add: Bond Sale - Series 2024	<u>3,085,000</u>
Bond Debt Payable, March 31, 2025	<u>\$ 6,085,000</u>

The Series 2023 and Series 2024 bonds do not carry an underlying rating. The Series 2024 bonds carry an insured rating of “AA” by virtue of bond insurance issued by Build America Assurance Company. The above ratings are as of March 31, 2025 and reflect all rating changes of the bond insurers through the fiscal year-end.

As of March 31, 2025, the District recorded an amount due to Developer of \$15,334,173 which consists of \$440,013 of operating advances and \$14,894,160 of completed projects made by the Developer since inception.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated budget for the current year. The budget was amended during the current fiscal year to increase projected property tax revenues and increase projected repairs and maintenance costs. Actual revenues were \$195,305 more than budgeted revenues and actual expenditures were \$5,817 more than budgeted expenditures. This resulted in a positive budget variance of \$189,488. See the budget to actual comparison on page 28 for more information.

CONTACTING THE DISTRICT’S MANAGEMENT

This financial report is designed to provide a general overview of the District’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Charleston Municipal Utility District, c/o Schwartz, Page & Harding, L.L.P., 1300 Post Oak Boulevard, Suite 2400, Houston, Texas 77056-3078.

CHARLESTON MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
MARCH 31, 2025

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 81,356	\$ 30,725
Investments	757,706	672,526
Receivables:		
Property Taxes	11,703	9,195
Penalty and Interest on Delinquent Taxes		
Service Accounts	38,572	
Other	607	
Due from Other Funds	26,212	
Prepaid Costs	17,679	
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	\$ 933,835	\$ 712,446
LIABILITIES		
Accounts Payable	\$ 92,826	\$ 2,070
Accrued Interest Payable		
Due to Developers		
Due to Other Funds		26,212
Security Deposits	70,450	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	\$ 163,276	\$ 28,282
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 11,703	\$ 495,237
FUND BALANCES		
Nonspendable: Prepaid Costs	\$ 17,679	\$
Restricted for Authorized Construction		
Restricted for Debt Service		188,927
Unassigned	741,177	
TOTAL FUND BALANCES	\$ 758,856	\$ 188,927
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 933,835	\$ 712,446
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 318	\$ 112,399	\$	\$ 112,399
584,320	2,014,552		2,014,552
	20,898		20,898
		1,779	1,779
	38,572		38,572
	607		607
	26,212	(26,212)	
	17,679		17,679
		56,439	56,439
		13,421,961	13,421,961
<u>\$ 584,638</u>	<u>\$ 2,230,919</u>	<u>\$ 13,453,967</u>	<u>\$ 15,684,886</u>
\$	\$ 94,896	\$	\$ 94,896
		99,893	99,893
		15,334,173	15,334,173
	26,212	(26,212)	
	70,450		70,450
		100,000	100,000
		6,039,958	6,039,958
<u>\$ -0-</u>	<u>\$ 191,558</u>	<u>\$ 21,547,812</u>	<u>\$ 21,739,370</u>
<u>\$ -0-</u>	<u>\$ 506,940</u>	<u>\$ (11,703)</u>	<u>\$ 495,237</u>
\$	\$ 17,679	\$ (17,679)	\$
584,638	584,638	(584,638)	
	188,927	(188,927)	
	741,177	(741,177)	
<u>\$ 584,638</u>	<u>\$ 1,532,421</u>	<u>\$ (1,532,421)</u>	<u>\$ -0-</u>
<u>\$ 584,638</u>	<u>\$ 2,230,919</u>		
		\$ (6,971,080)	\$ (6,971,080)
		90,813	90,813
		330,546	330,546
		<u>\$ (6,549,721)</u>	<u>\$ (6,549,721)</u>

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

**CHARLESTON MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
MARCH 31, 2025**

Total Fund Balances - Governmental Funds \$ 1,532,421

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

Capital assets in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 13,478,400

Deferred inflows of resources related to property tax revenues for the 2024 maintenance tax levy and penalty and interest receivable for the 2024 and prior tax levies became part of recognized revenue in the governmental activities of the District. 13,482

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Due to Developers	\$ (15,334,173)	
Accrued Interest Payable	(99,893)	
Bonds Payable	<u>(6,139,958)</u>	<u>(21,574,024)</u>

Total Net Position - Governmental Activities \$ (6,549,721)

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

CHARLESTON MUNICIPAL UTILITY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2025

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 748,458	\$
Water Service	104,203	
Wastewater Service	186,067	
Water Authority Fees	131,843	
Penalty and Interest	15,910	7,511
Tap Connection and Inspection Fees	174,590	
Investment and Miscellaneous Revenues	28,414	20,970
TOTAL REVENUES	\$ 1,389,485	\$ 28,481
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 130,278	\$ 2,294
Contracted Services	192,210	13,140
Utilities	44,455	
Regional Water Authority Assessment	128,365	
Repairs and Maintenance	381,509	
Depreciation		
Other	198,030	6,266
Capital Outlay		
Developer Interest		
Debt Service:		
Bond Interest		145,925
Bond Issuance Costs		
TOTAL EXPENDITURES/EXPENSES	\$ 1,074,847	\$ 167,625
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	\$ 314,638	\$ (139,144)
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	\$ 12,085	\$
Proceeds from Issuance of Long-Term Debt		
Bond Discount		
Bond Premium		
TOTAL OTHER FINANCING SOURCES (USES)	\$ 12,085	\$ -0-
NET CHANGE IN FUND BALANCES	\$ 326,723	\$ (139,144)
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - APRIL 1, 2024	432,133	328,071
FUND BALANCES/NET POSITION - MARCH 31, 2025	\$ 758,856	\$ 188,927

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 748,458	\$ (118,855)	\$ 629,603
	104,203		104,203
	186,067		186,067
	131,843		131,843
	23,421	(1,102)	22,319
	174,590		174,590
<u>31,664</u>	<u>81,048</u>		<u>81,048</u>
\$ 31,664	\$ 1,449,630	\$ (119,957)	\$ 1,329,673
\$ 5,493	\$ 138,065	\$	\$ 138,065
640	205,990		205,990
	44,455		44,455
	128,365		128,365
	381,509		381,509
		363,251	363,251
58	204,354		204,354
2,470,796	2,470,796	(2,470,796)	
377,779	377,779		377,779
	145,925	46,996	192,921
<u>354,420</u>	<u>354,420</u>		<u>354,420</u>
\$ 3,209,186	\$ 4,451,658	\$ (2,060,549)	\$ 2,391,109
\$ (3,177,522)	\$ (3,002,028)	\$ 1,940,592	\$ (1,061,436)
\$ (12,085)	\$	\$	\$
3,085,000	3,085,000	(3,085,000)	
(48,983)	(48,983)	48,983	
<u>104,556</u>	<u>104,556</u>	<u>(104,556)</u>	
\$ 3,128,488	\$ 3,140,573	\$ (3,140,573)	\$ -0-
\$ (49,034)	\$ 138,545	\$ (138,545)	\$
		(1,061,436)	(1,061,436)
<u>633,672</u>	<u>1,393,876</u>	<u>(6,882,161)</u>	<u>(5,488,285)</u>
\$ 584,638	\$ 1,532,421	\$ (8,082,142)	\$ (6,549,721)

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

**CHARLESTON MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2025**

Net Change in Fund Balances - Governmental Funds \$ 138,545

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

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied. (118,855)

Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed. (1,102)

Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated. The expense is recorded in the Statement of Activities. (363,251)

Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected. 2,470,796

Governmental funds report bond premiums/discounts as other financing sources/uses in the year received/paid. However, in the Statement of Net Position, the bond premiums/discounts are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities. (55,573)

Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end. (46,996)

Governmental funds report bond proceeds as other financing sources. Proceeds from the sale of bonds increase long-term liabilities in the Statement of Net Position. (3,085,000)

Change in Net Position - Governmental Activities \$ (1,061,436)

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

CHARLESTON MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

NOTE 1. CREATION OF DISTRICT

The District was created by an order of the Texas Commission on Environmental Quality (the “Commission”), effective August 7, 2018, in accordance with the Texas Water Code, Chapters 49 and 54. The District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, wastewater service, storm sewer drainage, irrigation, to construct roads, and to construct parks and recreational facilities for the residents of the District. The Board of Directors held its first meeting on January 18, 2019 and the first bonds were sold on December 5, 2023.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

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

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

- * Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

CHARLESTON MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- * Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- * Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

CHARLESTON MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Governmental Fund

The District has three governmental funds and considers each to be a major fund.

General Fund - To account for customer service revenues, property taxes, operating costs and general expenditures.

Debt Service Fund – To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Capital Projects Fund – To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

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

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures. Recognition of tax revenues for the 2024 debt service tax levy has been deferred until the 2026 fiscal year.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of March 31, 2025, the Debt Service Fund owed the General Fund \$26,212 for maintenance tax collections. During the current fiscal year, the Capital Projects Fund transferred \$12,085 to the General Fund to reimburse it for bond issuance costs previously paid by the General Fund.

CHARLESTON MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

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

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Water System	10-45
Wastewater System	10-45
Drainage System	10-45

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District’s Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and amended budget amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

A pension plan has not been established. The District does not have employees, except that the Internal Revenue Service has determined that directors are considered “employees” for federal payroll tax purposes only.

Measurement Focus

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

CHARLESTON MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

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

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

CHARLESTON MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

NOTE 3. LONG-TERM DEBT

	<u>Series 2023</u>	<u>Series 2024</u>
Amount Outstanding – March 31, 2025	\$ 3,000,000	\$ 3,085,000
Interest Rates	5.000% - 5.625%	4.00% - 6.50%
Maturity Dates – Serially Beginning/Ending	May 1, 2025/2050	May 1, 2026/2050
Interest Payment Dates	May 1/ November 1	May 1/ November 1
Callable Dates	May 1, 2030*	May 1, 2031*

* Or any date thereafter as a whole or in part, at par plus interest accrued to the date of redemption. Series 2023 term bonds maturing on May 1, 2039, May 1, 2041, and May 1, 2050 are subject to mandatory redemption beginning May 1, 2038, May 1, 2040, and May 1, 2042, respectively.

The following is a summary of transactions regarding bonds payable for the year ended March 31, 2025:

	<u>April 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>March 31, 2025</u>
Bonds Payable	\$ 3,000,000	\$ 3,085,000	\$ -0-	\$ 6,085,000
Unamortized Discounts		(48,983)	(542)	(48,441)
Unamortized Premiums		104,556	1,157	103,399
Bonds Payable, net	<u>\$ 3,000,000</u>	<u>\$ 3,140,573</u>	<u>\$ 615</u>	<u>\$ 6,139,958</u>
		Amount Due Within One Year		\$ 100,000
		Amount Due After One Year		<u>6,039,958</u>
		Total Bonds Payable		<u>\$ 6,139,958</u>

CHARLESTON MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

NOTE 3. LONG-TERM DEBT (Continued)

As of March 31, 2025, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 100,000	\$ 283,822	\$ 383,822
2027	210,000	294,969	504,969
2028	255,000	281,019	536,019
2029	185,000	267,582	452,582
2030	185,000	256,456	441,456
2031-2035	995,000	1,119,595	2,114,595
2036-2040	1,125,000	875,814	2,000,814
2041-2045	1,290,000	596,178	1,886,178
2046-2050	1,430,000	261,000	1,691,000
2051	310,000	7,906	317,906
	<u>\$ 6,085,000</u>	<u>\$ 4,244,341</u>	<u>\$ 10,329,341</u>

As of March 31, 2025, the District had authorized but unissued water, sewer and drainage bonds of \$16,915,000 and refunding bonds of \$23,000,000.

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount. During the year ended March 31, 2025, the District levied an ad valorem debt service tax rate of \$0.66 per \$100 of assessed valuation, which resulted in a tax levy of \$495,237 on the adjusted taxable valuation of \$75,035,978 for the 2024 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the costs of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

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

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

The bond orders state that the District is required to provide to certain information repositories continuing disclosure of annual financial information and operating data with respect to the District. The information, along with the audited annual financial statements, is of the general type included in the annual audit report and must be filed within six months after the end of each fiscal year of the District.

CHARLESTON MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS
(Continued)

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the Bonds, within the meaning of Section 148(f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on the five-year anniversary of each use.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District’s deposits was \$112,399 and the bank balance was \$119,668. The District was not exposed to custodial credit risk.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at March 31, 2025, as listed below:

	Cash
GENERAL FUND	\$ 81,356
DEBT SERVICE FUND	30,725
CAPITAL PROJECTS FUND	318
TOTAL DEPOSITS	\$ 112,399

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the

CHARLESTON MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

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

The District also invest in Texas Cooperative Liquid Assets Securities System (“Texas CLASS”). Texas CLASS is a public funds investment pool which has operated since 1996. The pool seeks to provide safety, liquidity, convenience and competitive rates of return for Texas public sector investors such as municipal utility districts. Public Trust Advisors, LLC serves as the pool’s administrator and investment advisor. UMB Bank, N.A. serves as custodian for the pool. Texas CLASS meets the criteria established in GASB Statement No. 79 and measures portfolio assets at amortized cost. As a result, the District also measures its investments in Texas CLASS at amortized costs for financial reporting purposes. There are no limitations or restrictions on withdrawals from Texas CLASS.

As of March 31, 2025, the District has the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
Texas CLASS	\$ 757,706	\$ 757,706
<u>DEBT SERVICE FUND</u>		
Texas CLASS	672,526	672,526
<u>CAPITAL PROJECTS FUND</u>		
Texas CLASS	584,320	584,320
TOTAL INVESTMENTS	\$ 2,014,552	\$ 2,014,552

CHARLESTON MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At March 31, 2025, the District's investments in Texas CLASS were rated AAAM by Standard and Poor's.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in Texas CLASS to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value.

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2025:

	April 1, 2024	Increases	Decreases	March 31, 2025
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ - 0 -	\$ 56,439	\$ -0-	\$ 56,439
Capital Assets Subject to Depreciation				
Water System	\$ 3,933,143	\$ 486,087	\$ 81,299	\$ 3,851,844
Wastewater System	4,599,912	486,087		5,085,999
Drainage/Detention System	5,610,870			5,610,870
Total Capital Assets Subject to Depreciation	\$ 14,143,925	\$ 486,087	\$ 81,299	\$ 14,548,713
Accumulated Depreciation				
Water System	\$ 235,664	\$ 115,927	\$	\$ 351,591
Wastewater System	210,360	122,638		332,998
Drainage/Detention System	317,477	124,686		442,163
Total Accumulated Depreciation	\$ 763,501	\$ 363,251	\$ -0-	\$ 1,126,752
Total Depreciable Capital Assets, Net of Accumulated Depreciation	\$ 13,380,424	\$ 122,836	\$ 81,299	\$ 13,421,961
Total Capital Assets, Net of Accumulated Depreciation	\$ 13,380,424	\$ 179,275	\$ 81,299	\$ 13,478,400

Additionally, the District has financed \$4,222,853 of paving assets for Charleston Heights, Sections 1 and 2 which have been conveyed to Fort Bend County for maintenance.

CHARLESTON MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

NOTE 7. MAINTENANCE TAX

On May 4, 2019, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$1.50 per \$100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's facilities as well as any other lawfully authorized purpose. During the year ended March 31, 2025, the District levied an ad valorem maintenance tax of \$0.84 per \$100 of assessed valuation, which resulted in a tax levy of \$630,303 on the taxable valuation of \$75,035,978 for the 2024 tax year.

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. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 9. UNREIMBURSED COSTS

The District has entered into certain financing and reimbursement agreements with a Developer within the District which provides for the Developer to fund costs associated with water, sewer, drainage and recreational facilities as well as to fund operating advances. The District has an obligation to reimburse the Developer for these costs from future bond issues to the extent approved by the Commission. The District has recorded a liability to the Developer of \$440,013 for operating advances and \$14,894,160 for completed projects as of March 31, 2025. The actual amounts owed, including developer interest, will be calculated at the time debt is issued to reimburse the Developer. The following table summarizes the current fiscal year activity related to unreimbursed Developer costs:

Due to Developer, beginning of year	\$ 17,343,742
Additions	486,087
Reimbursements	<u>(2,495,656)</u>
Due to Developer, end of year	<u>\$ 15,334,173</u>

CHARLESTON MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

NOTE 10. NORTH FORT BEND WATER AUTHORITY

The District entered into a Groundwater Reduction Plan Participation Agreement with the North Fort Bend Water Authority (the “Authority”) on October 28, 2020. The District will pay the Authority a water well pumpage fee based on the amount of water pumped from all well(s) owned and operated by the District. This fee will enable the Authority to fulfill its purpose and regulatory functions. The fee charged as of year-end was \$4.55 per 1,000-gallons of water pumped from each well. The term of this agreement is for 40 years from the effective date of the agreement. The District recorded \$128,365 for pumpage fees in the current fiscal year.

NOTE 11. EMERGENCY WATER INTERCONNECT AGREEMENT

On March 10, 2020, the District entered into an Emergency Water Interconnect Agreement with Fort Bend County Freshwater Supply District No. 1 and the City of Arcola. The District will be responsible for all costs associated with construction of the water line and interconnect facilities required. The rate for water delivered is \$1.00 per 1,000 gallons plus any per 1000-gallon plus any applicable water Authority fees. The term of the agreement is 25 years from the effective date of the agreement.

NOTE 12. BOND SALE

On December 20, 2024, the District issued \$3,085,000 of Unlimited Tax Bonds, Series 2024. Proceeds from the bonds were used to reimburse the Developer a portion of the construction and engineering costs for the Charleston MUD Water Plant, Phase 1 and Wastewater Treatment Plant, Phase 1. Additional proceeds were used to fund developer interest and pay for issuance costs of the bonds.

NOTE 13. PENDING BOND APPLICATION

Subsequent to year end, on July 1, 2025, the District issued a Bond Application to the Texas Commission on Environmental Quality for the approval of the proposed Series 2025 Unlimited Tax Bonds in the amount of \$5,000,000.

CHARLESTON MUNICIPAL UTILITY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

MARCH 31, 2025

CHARLESTON MUNICIPAL UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2025

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Taxes	\$ 436,400	\$ 622,000	\$ 748,458	\$ 126,458
Water Service	90,000	90,000	104,203	14,203
Wastewater Service	133,700	133,700	186,067	52,367
Water Authority Fees	119,900	119,900	131,843	11,943
Penalty and Interest	8,200	8,200	15,910	7,710
Tap Connection and Inspection Fees	156,700	156,700	174,590	17,890
Investment and Miscellaneous Revenues	<u>63,680</u>	<u>63,680</u>	<u>28,414</u>	<u>(35,266)</u>
TOTAL REVENUES	<u>\$ 1,008,580</u>	<u>\$ 1,194,180</u>	<u>\$ 1,389,485</u>	<u>\$ 195,305</u>
EXPENDITURES				
Service Operations:				
Professional Fees	\$ 93,500	\$ 93,500	\$ 130,278	\$ (36,778)
Contracted Services	166,800	190,700	192,210	(1,510)
Utilities	44,000	44,000	44,455	(455)
Regional Water Authority Assessment	119,900	119,900	128,365	(8,465)
Repairs and Maintenance	232,000	388,000	381,509	6,491
Other	<u>232,930</u>	<u>232,930</u>	<u>198,030</u>	<u>34,900</u>
TOTAL EXPENDITURES	<u>\$ 889,130</u>	<u>\$ 1,069,030</u>	<u>\$ 1,074,847</u>	<u>\$ (5,817)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 119,450</u>	<u>\$ 125,150</u>	<u>\$ 314,638</u>	<u>\$ 189,488</u>
OTHER FINANCING SOURCES(USES)				
Transfers In	<u>\$ 12,085</u>	<u>\$ 12,085</u>	<u>\$ 12,085</u>	<u>\$</u>
NET CHANGE IN FUND BALANCE	<u>\$ 131,535</u>	<u>\$ 137,235</u>	<u>\$ 326,723</u>	<u>\$ 189,488</u>
FUND BALANCE - APRIL 1, 2024	<u>432,133</u>	<u>432,133</u>	<u>432,133</u>	
FUND BALANCE - MARCH 31, 2025	<u>\$ 563,668</u>	<u>\$ 569,368</u>	<u>\$ 758,856</u>	<u>\$ 189,488</u>

See accompanying independent auditor's report.

CHARLESTON MUNICIPAL UTILITY DISTRICT
SUPPLEMENTARY INFORMATION – REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE
MARCH 31, 2025

**CHARLESTON MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED MARCH 31, 2025**

1. SERVICES PROVIDED BY THE DISTRICT DURING THE FISCAL YEAR:

<u> X </u>	Retail Water	_____	Wholesale Water	<u> X </u>	Drainage
<u> X </u>	Retail Wastewater	_____	Wholesale Wastewater	_____	Irrigation
_____	Parks/Recreation	_____	Fire Protection	_____	Security
<u> X </u>	Solid Waste/Garbage	_____	Flood Control	_____	Roads
_____	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
<u> X </u>	Other (specify): Storm Water Detention				

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 5/8" METER (OR EQUIVALENT):

Based on the rate order effective March 1, 2025.

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate</u>	<u>Rate per 1,000 Gallons over Minimum</u>	<u>Usage Levels</u>
WATER:	\$ 20.00	10,000	N	\$ 2.00 \$ 3.00 \$ 4.00 \$ 5.00	10,001 to 15,000 15,001 to 20,000 20,001 to 25,000 25,001 and up
WASTEWATER	\$ 42.33		Y		
SURCHARGE:					
Regional Water Authority Fees		0,001	N	\$ 5.00	All
District employs winter averaging for wastewater usage?					_____ <u> X </u> Yes No

Total monthly charges per 10,000 gallons usage: Water: \$20.00 Wastewater: \$42.33 Surcharge: \$50.00 Total: \$112.33

See accompanying independent auditor's report.

**CHARLESTON MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED MARCH 31, 2025**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤¾"	<u>398</u>	<u>397</u>	x 1.0	<u>397</u>
1"	<u>11</u>	<u>11</u>	x 2.5	<u>28</u>
1½"	<u>2</u>	<u>2</u>	x 5.0	<u>10</u>
2"	<u>2</u>	<u>2</u>	x 8.0	<u>16</u>
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u>413</u>	<u>412</u>		<u>451</u>
Total Wastewater Connections	<u>405</u>	<u>404</u>	x 1.0	<u>404</u>

3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)

		Water Accountability Ratio: 100%
		(Gallons billed/Gallons pumped)
Gallons pumped into system:	27,836,000	
Gallons billed to customers:	27,827,000	
Leaks and flushing:	9,000	

See accompanying independent auditor's report.

**CHARLESTON MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED MARCH 31, 2025**

4. STANDBY FEES (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes No

Does the District have Operation and Maintenance standby fees? Yes No

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No

County in which District is located:

Fort Bend County, Texas

Is the District located within a city?

Entirely Partly Not at all

Is the District located within a city's extraterritorial jurisdiction (ETJ)?

Entirely Partly Not at all

ETJ in which District is located:

City of Arcola, Texas

Are Board Members appointed by an office outside the District?

Yes No

See accompanying independent auditor's report.

CHARLESTON MUNICIPAL UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2025

PROFESSIONAL FEES:	
Auditing	\$ 15,250
Engineering	66,133
Legal	<u>48,895</u>
TOTAL PROFESSIONAL FEES	<u>\$ 130,278</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 57,795
Operations and Billing	42,349
Solid Waste Disposal	<u>92,066</u>
TOTAL CONTRACTED SERVICES	<u>\$ 192,210</u>
UTILITIES	<u>\$ 44,455</u>
REPAIRS AND MAINTENANCE	<u>\$ 381,509</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 10,484
Insurance	16,537
Legal Notices	912
Office Supplies and Postage	10,398
Payroll Administration	596
Travel and Meetings	2,568
Other	<u>8,909</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 50,404</u>
TAP CONNECTIONS	<u>\$ 78,370</u>
OTHER EXPENDITURES:	
Chemicals	\$ 6,709
Laboratory Fees	17,040
Permit Fees	13,474
Inspection Fees	30,705
Water Authority Assessments	128,365
TCEQ Regulatory Assessment	<u>1,328</u>
TOTAL OTHER EXPENDITURES	<u>\$ 197,621</u>
TOTAL EXPENDITURES	<u>\$ 1,074,847</u>

See accompanying independent auditor's report.

CHARLESTON MUNICIPAL UTILITY DISTRICT
INVESTMENTS
MARCH 31, 2025

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
Texas CLASS	XXXX0003	Varies	Daily	\$ 757,706	\$ -0-
<u>DEBT SERVICE FUND</u>					
Texas CLASS	XXXX0002	Varies	Daily	\$ 672,526	\$ -0-
<u>CAPITAL PROJECTS FUND</u>					
Texas CLASS	XXXX0001	Varies	Daily	\$ 526,695	\$ -0-
Texas CLASS	XXXX0004	Varies	Daily	57,625	
TOTAL CAPITAL PROJECTS FUND				<u>\$ 584,320</u>	<u>\$ - 0 -</u>
TOTAL - ALL FUNDS				<u>\$ 2,014,552</u>	<u>\$ -0-</u>

See accompanying independent auditor's report.

CHARLESTON MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MARCH 31, 2025

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
APRIL 1, 2024	\$	130,558	\$	-0-
Adjustments to Beginning				
Balance		<u>(700)</u>	\$	<u>-0-</u>
Original 2024 Tax Levy	\$	633,037	\$	497,386
Adjustment to 2024 Tax Levy		<u>(2,734)</u>	<u>630,303</u>	<u>(2,149)</u>
TOTAL TO BE				
ACCOUNTED FOR		\$	760,161	\$
				495,237
TAX COLLECTIONS:				
Prior Years	\$	129,858	\$	-0-
Current Year		<u>618,600</u>	<u>748,458</u>	<u>486,042</u>
TAXES RECEIVABLE -				
MARCH 31, 2025		<u>\$</u>	<u>11,703</u>	<u>\$</u>
				<u>9,195</u>

See accompanying independent auditor's report.

**CHARLESTON MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MARCH 31, 2025**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
PROPERTY VALUATIONS:				
Land	\$ 21,342,542	\$ 16,186,783	\$ 9,984,340	\$ 880,170
Improvements	56,427,205	28,354,897	1,101,080	4,030
Personal Property	74,957	34,070	34,070	
Exemptions	<u>(2,808,726)</u>	<u>(1,441,724)</u>	<u>(20,530)</u>	
TOTAL PROPERTY VALUATIONS	<u>\$ 75,035,978</u>	<u>\$ 43,134,026</u>	<u>\$ 11,098,960</u>	<u>\$ 884,200</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.66	\$ 0.00	\$ 0.00	\$ 0.00
Maintenance	<u>0.84</u>	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 1.50</u>	<u>\$ 1.50</u>	<u>\$ 1.50</u>	<u>\$ 1.50</u>
ADJUSTED TAX LEVY*	<u>\$ 1,125,540</u>	<u>\$ 647,010</u>	<u>\$ 166,484</u>	<u>\$ 13,263</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>98.14 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

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

Maintenance Tax – Maximum tax rate of \$1.50 per \$100 of assessed valuation approved by voters on May 4, 2019.

See accompanying independent auditor's report.

CHARLESTON MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED MARCH 31, 2025

S E R I E S - 2 0 2 3

Due During Fiscal Years Ending March 31	Principal Due May 1	Interest Due May 1/ November 1	Total
2026	\$ 100,000	\$ 158,644	\$ 258,644
2027	100,000	153,644	253,644
2028	55,000	149,769	204,769
2029	60,000	146,894	206,894
2030	60,000	143,894	203,894
2031	65,000	140,769	205,769
2032	70,000	137,394	207,394
2033	75,000	133,769	208,769
2034	80,000	129,894	209,894
2035	80,000	125,894	205,894
2036	90,000	121,644	211,644
2037	95,000	117,019	212,019
2038	100,000	112,019	212,019
2039	105,000	106,638	211,638
2040	110,000	100,994	210,994
2041	120,000	94,881	214,881
2042	125,000	88,297	213,297
2043	130,000	81,281	211,281
2044	140,000	73,688	213,688
2045	150,000	65,531	215,531
2046	155,000	56,953	211,953
2047	165,000	47,952	212,952
2048	175,000	38,391	213,391
2049	185,000	28,266	213,266
2050	200,000	17,438	217,438
2051	210,000	5,906	215,906
	<u>\$ 3,000,000</u>	<u>\$ 2,577,463</u>	<u>\$ 5,577,463</u>

See accompanying independent auditor's report.

CHARLESTON MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED MARCH 31, 2025

S E R I E S - 2 0 2 4

Due During Fiscal Years Ending March 31	Principal Due May 1	Interest Due May 1/ November 1	Total
2026	\$	\$ 125,178	\$ 125,178
2027	110,000	141,325	251,325
2028	200,000	131,250	331,250
2029	125,000	120,688	245,688
2030	125,000	112,562	237,562
2031	125,000	104,438	229,438
2032	125,000	96,312	221,312
2033	125,000	89,125	214,125
2034	125,000	83,500	208,500
2035	125,000	78,500	203,500
2036	125,000	73,500	198,500
2037	125,000	68,500	193,500
2038	125,000	63,500	188,500
2039	125,000	58,500	183,500
2040	125,000	53,500	178,500
2041	125,000	48,500	173,500
2042	125,000	43,500	168,500
2043	125,000	38,500	163,500
2044	125,000	33,500	158,500
2045	125,000	28,500	153,500
2046	125,000	23,500	148,500
2047	125,000	18,500	143,500
2048	100,000	14,000	114,000
2049	100,000	10,000	110,000
2050	100,000	6,000	106,000
2051	100,000	2,000	102,000
	<u>\$ 3,085,000</u>	<u>\$ 1,666,878</u>	<u>\$ 4,751,878</u>

See accompanying independent auditor's report.

CHARLESTON MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED MARCH 31, 2025

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending March 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	\$ 100,000	\$ 283,822	\$ 383,822
2027	210,000	294,969	504,969
2028	255,000	281,019	536,019
2029	185,000	267,582	452,582
2030	185,000	256,456	441,456
2031	190,000	245,207	435,207
2032	195,000	233,706	428,706
2033	200,000	222,894	422,894
2034	205,000	213,394	418,394
2035	205,000	204,394	409,394
2036	215,000	195,144	410,144
2037	220,000	185,519	405,519
2038	225,000	175,519	400,519
2039	230,000	165,138	395,138
2040	235,000	154,494	389,494
2041	245,000	143,381	388,381
2042	250,000	131,797	381,797
2043	255,000	119,781	374,781
2044	265,000	107,188	372,188
2045	275,000	94,031	369,031
2046	280,000	80,453	360,453
2047	290,000	66,452	356,452
2048	275,000	52,391	327,391
2049	285,000	38,266	323,266
2050	300,000	23,438	323,438
2051	310,000	7,906	317,906
	<u>\$ 6,085,000</u>	<u>\$ 4,244,341</u>	<u>\$ 10,329,341</u>

See accompanying independent auditor's report.

CHARLESTON MUNICIPAL UTILITY DISTRICT
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED MARCH 31, 2025

Description	Original Bonds Issued	Bonds Outstanding April 1, 2024
Charleston Municipal Utility District Unlimited Tax Bonds - Series 2023	\$ 3,000,000	\$ 3,000,000
Charleston Municipal Utility District Unlimited Tax Bonds - Series 2024	<u>3,085,000</u>	<u> </u>
TOTAL	<u>\$ 6,085,000</u>	<u>\$ 3,000,000</u>

Bond Authority:	<u>Tax Bonds</u>	<u>Refunding Bonds</u>
Amount Authorized by Voters	\$ 23,000,000	\$ 23,000,000
Amount Issued	<u>6,085,000</u>	<u> </u>
Remaining to be Issued	<u><u>\$ 16,915,000</u></u>	<u><u>\$ 23,000,000</u></u>

Debt Service Fund cash and investment balances as of March 31, 2025: \$ 703,251

Average annual debt service payment (principal and interest) for remaining term
of all debt: \$ 397,282

See Note 3 for interest rate, interest payment dates and maturity dates.

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding March 31, 2025</u>	<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>		
\$	\$ -0-	\$ 65,353	\$ 3,000,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
<u>3,085,000</u>		<u>80,572</u>	<u>\$ 3,085,000</u>	The Bank of New York Mellon Trust Company, N.A. Houston, TX
<u>\$ 3,085,000</u>	<u>\$ - 0 -</u>	<u>\$ 145,925</u>	<u>\$ 6,085,000</u>	

See accompanying independent auditor's report.

CHARLESTON MUNICIPAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FOUR YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	\$ 748,458	\$ 523,166	\$ 157,182
Water Service	104,203	82,519	38,469
Wastewater Service	186,067	121,768	55,311
Water Authority Fees	131,843	101,979	38,943
Penalty and Interest	15,910	10,626	4,233
Tap Connection and Inspection Fees	174,590	294,050	379,221
Investment and Miscellaneous Revenues	28,414	5,954	3,062
TOTAL REVENUES	<u>\$ 1,389,485</u>	<u>\$ 1,140,062</u>	<u>\$ 676,421</u>
EXPENDITURES			
Professional Fees	\$ 130,278	\$ 98,362	\$ 71,518
Contracted Services	192,210	159,761	86,990
Utilities	44,455	41,128	15,597
Regional Water Authority Assessment	128,365	109,873	52,930
Repairs and Maintenance	381,509	229,791	144,754
Other	198,030	263,461	309,168
TOTAL EXPENDITURES	<u>\$ 1,074,847</u>	<u>\$ 902,376</u>	<u>\$ 680,957</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 314,638</u>	<u>\$ 237,686</u>	<u>\$ (4,536)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	\$ 12,085	\$	\$
Developer Advances	_____	206,000	_____
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 12,085</u>	<u>\$ 206,000</u>	<u>\$ -0-</u>
NET CHANGE IN FUND BALANCE	\$ 326,723	\$ 443,686	\$ (4,536)
BEGINNING FUND BALANCE (DEFICIT)	<u>432,133</u>	<u>(11,553)</u>	<u>(7,017)</u>
ENDING FUND BALANCE (DEFICIT)	<u>\$ 758,856</u>	<u>\$ 432,133</u>	<u>\$ (11,553)</u>

See accompanying independent auditor's report.

Percentage of Total Revenues				
2022	2025	2024	2023	2022
\$ 13,263	53.9 %	46.0 %	23.1 %	17.3 %
	7.5	7.2	5.7	
	13.4	10.7	8.2	
	9.5	8.9	5.8	
925	1.1	0.9	0.6	1.2
62,460	12.6	25.8	56.1	81.4
84	2.0	0.5	0.5	0.1
<u>\$ 76,732</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 67,398	9.4 %	8.6 %	10.6 %	87.8 %
26,271	13.8	14.0	12.9	34.2
	3.2	3.6	2.3	
	9.2	9.6	7.8	
25,860	27.5	20.2	21.4	33.7
51,949	14.3	23.1	45.7	67.7
<u>\$ 171,478</u>	<u>77.4 %</u>	<u>79.1 %</u>	<u>100.7 %</u>	<u>223.4 %</u>
<u>\$ (94,746)</u>	<u>22.6 %</u>	<u>20.9 %</u>	<u>(0.7) %</u>	<u>(123.4) %</u>
\$				
<u>125,000</u>				
<u>\$ 125,000</u>				
\$ 30,254				
<u>(37,271)</u>				
<u>\$ (7,017)</u>				

See accompanying independent auditor's report.

CHARLESTON MUNICIPAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND – FOUR YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Penalty and Interest	\$ 7,511	\$	\$
Investment and Miscellaneous Revenues	<u>20,970</u>	<u>5,784</u>	<u></u>
TOTAL REVENUES	<u>\$ 28,481</u>	<u>\$ 5,784</u>	<u>\$ -0-</u>
EXPENDITURES			
Tax Collection Expenditures	\$ 20,950	\$	\$
Debt Service Interest and Fees	<u>146,675</u>	<u></u>	<u></u>
TOTAL EXPENDITURES	<u>\$ 167,625</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (139,144)</u>	<u>\$ 5,784</u>	<u>\$ -0-</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Issuance of Long-Term Debt	<u>\$ -0-</u>	<u>\$ 322,287</u>	<u>\$ -0-</u>
NET CHANGE IN FUND BALANCE	\$ (139,144)	\$ 328,071	\$
BEGINNING FUND BALANCE	<u>328,071</u>	<u></u>	<u></u>
ENDING FUND BALANCE	<u>\$ 188,927</u>	<u>\$ 328,071</u>	<u>\$ -0-</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>412</u>	<u>329</u>	<u>194</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>404</u>	<u>322</u>	<u>187</u>

See accompanying independent auditor's report.

Percentage of Total Revenues				
2022	2025	2024	2023	2022
\$	26.4 %	%	%	%
	73.6	100.0		
\$ -0-	100.0 %	100.0 %	%	%
\$	73.6 %	%	%	%
	515.0			
\$ -0-	588.6 %	%	%	%
\$ -0-	(488.6) %	100.0 %	N/A %	N/A %
\$ -0-				
\$				
\$ -0-				
N/A				
N/A				

See accompanying independent auditor’s report.

**CHARLESTON MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MARCH 31, 2025**

District Mailing Address - Charleston Municipal Utility District
Schwartz, Page & Harding, L.L.P.
1300 Post Oak Boulevard, Suite 2400
Houston, TX 77056-3078

District Telephone Number - (713) 623-4531

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended March 31, 2025	Expense Reimbursements for the year ended March 31, 2025	Title
Todd Elston	05/2022 - 05/2026 (Elected)	\$ 2,652	\$ 309	President
Frances Watson	05/2024 - 05/2028 (Elected)	\$ 2,652	\$ 976	Vice President
Carson Underwood	05/2022 - 05/2026 (Elected)	\$ 1,768	\$ 196	Secretary
Stephen Jones	05/2024 - 05/2028 (Elected)	\$ 1,547	\$ 771	Assistant Secretary
Jerry Woodward	05/2022 - 09/2024 (Resigned)	\$ 1,105	\$ 154	Former President

Note: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developer or with any of the District's consultants.

Submission date of most recent District Registration Form: June 18, 2024

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution on July 25, 2023. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

**CHARLESTON MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MARCH 31, 2025**

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended March 31, 2025</u>	<u>Title</u>
Schwartz, Page & Harding, L.L.P.	01/18/19	\$ 58,766 \$ 87,549	General Counsel Bond Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	04/26/22	\$ 15,250 \$ 10,500 \$ 750	Auditor Bond Related SB 625
Municipal Accounts & Consulting, L.P.	01/18/19	\$ 65,040	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, LLP	01/26/21	\$ 2,294	Delinquent Tax Attorney
Masterson Advisors LLC	01/18/19	\$ 67,291	Financial Advisor
Odyssey Engineering Group, LLC	01/18/19	\$ 94,724	Engineer
Bob Leared Interests, Inc.	02/08/19	\$ 14,690	Tax Assessor/ Collector
Municipal Operations & Consulting, Inc.	08/25/20	\$ 506,244	Operator
Mark Burton	01/18/19	\$ -0-	Investment Officer

See accompanying independent auditor's report.