




# **Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**

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

August 31, 2025



**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Contents**  
**August 31, 2025**

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## Independent Auditor's Report

Board of Directors  
Wood Trace Municipal Utility District No. 1,  
of Montgomery County, Texas

### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas (District), as of and for the year ended August 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 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 August 31, 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 schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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  
January 7, 2026**

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
Management's Discussion and Analysis  
Year Ended August 31, 2025**

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***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.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
Management's Discussion and Analysis  
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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 balance 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 balance 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	\$ 9,165,113	\$ 9,945,555
Capital assets	<u>37,102,777</u>	<u>34,436,939</u>
Total assets	<u>\$ 46,267,890</u>	<u>\$ 44,382,494</u>
Long-term liabilities	\$ 43,533,736	\$ 43,650,240
Other liabilities	<u>768,754</u>	<u>827,154</u>
Total liabilities	<u>44,302,490</u>	<u>44,477,394</u>
Net position		
Net investment in capital assets	(3,808,000)	(6,596,673)
Restricted	2,802,748	2,669,252
Unrestricted	<u>2,970,652</u>	<u>3,832,521</u>
Total net position	<u>\$ 1,965,400</u>	<u>\$ (94,900)</u>

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
Management’s Discussion and Analysis  
Year Ended August 31, 2025**

The total net position of the District increased by \$2,060,300. The majority of the increase in net position is related to tax revenues intended to pay principal on the District’s bonded indebtedness, which is shown as long-term liabilities in the government-wide financial statements. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Summary of Changes in Net Position**

	<u>2025</u>	<u>2024</u>
Revenues		
Property taxes	\$ 5,587,906	\$ 5,399,207
Charges for services	1,404,931	1,382,823
Other revenues	579,990	610,092
	<u>7,572,827</u>	<u>7,392,122</u>
Total revenues		
Expenses		
Services	2,158,172	2,070,796
Depreciation	996,839	761,238
Conveyance of capital assets	830,367	1,484,680
Debt service	1,527,149	2,067,545
	<u>5,512,527</u>	<u>6,384,259</u>
Total expenses		
Change in net position	2,060,300	1,007,863
Net position, beginning of year	<u>(94,900)</u>	<u>(1,102,763)</u>
Net position, end of year	<u>\$ 1,965,400</u>	<u>\$ (94,900)</u>

***Financial Analysis of the District’s Funds***

The District’s combined fund balances as of the end of the fiscal year ended August 31, 2025 were \$8,337,026, a decrease of \$731,857 from the prior year.

The general fund’s fund balance decreased by \$190,601 due to service operations and capital outlay expenditures exceeding property taxes and service revenues, investment income, insurance proceeds, and a transfer from the capital projects fund.

The debt service fund’s fund balance increased by \$266,089 due to property tax revenues and investment income exceeding bond principal and interest requirements.

The capital projects fund’s fund balance decreased by \$807,345 due to capital outlay expenditures and a transfer to the general fund exceeding investment income.

***General Fund Budgetary Highlights***

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to property tax revenues, repairs and maintenance expenditures, capital outlay expenditures, and interfund transfers being greater than anticipated, as well as water service revenues, and regional water fee revenues, and regional water authority expenditures being less than anticipated. The fund balance as of August 31, 2025 was expected to be \$5,496,495, and the actual end-of-year fund balance was \$5,111,534.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
Management's Discussion and Analysis  
Year Ended August 31, 2025**

**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 as follows:

**Capital Assets (Net of Accumulated Depreciation)**

	<u>2025</u>	<u>2024</u>
Land and improvements	\$ 9,930,925	\$ 9,930,925
Construction in progress	2,029,530	4,023,596
Water facilities	4,140,118	4,339,632
Wastewater facilities	8,417,812	5,446,442
Drainage facilities	7,417,385	7,603,397
Recreational facilities	<u>5,167,007</u>	<u>3,092,947</u>
Total capital assets	<u>\$ 37,102,777</u>	<u>\$ 34,436,939</u>

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

Construction in progress related to waterline extension along Coe and Wright roads and water plant No. 1, Phase 4	\$ 1,204,440
Wastewater treatment plant and lift station No. 2 booster pump and lift pump replacements	62,956
Drainage improvements	28,800
Recreational facilities, including landscape enhancements for Arbor Trace, Woodtrace, Phases 1 & 2, Woodtrace, Sections 6A, 6B, 8A, 8B, and 10	<u>2,366,481</u>
Total additions to capital assets	<u>\$ 3,662,677</u>

**Debt**

The changes in the debt position of the District during the fiscal year ended August 31, 2025 are summarized as follows:

Long-term debt payable, beginning of year	\$ 43,650,240
Increases in long-term debt	3,203,949
Decreases in long-term debt	<u>(3,320,453)</u>
Long-term debt payable, end of year	<u>\$ 43,533,736</u>

At August 31, 2025, the District had \$60,825,000 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 and \$29,560,000 of unlimited tax bonds authorized, but unissued, for recreational facilities.

The District's bonds carry an underlying rating of "Baa1" from Moody's Investors Service, Inc. The Series 2018, Series 2020, Series 2021, Series 2022, Park Series 2022A, and Park Series 2023A bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Build America Mutual Assurance Company. The Series 2019 and Series 2023 bonds carry a "AA" rating from Standard & Poor's and an "A1" rating from Moody's Investors Service, Inc. by virtue of bond insurance issued by Assured Guaranty Inc.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
Management's Discussion and Analysis  
Year Ended August 31, 2025**

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The developer of the District has constructed facilities on behalf of the District. The District's engineer estimates reimbursable costs for completed projects are \$3,203,949. The District has agreed to reimburse the developer for these construction costs, plus interest, to the extent approved by the Commission. These amounts have been recorded in the financial statements as long-term liabilities.

***Other Relevant Factors***

***Subsequent Event***

On October 14, 2025, the District issued its Unlimited Tax Park Bonds, Series 2025, in the amount of \$3,710,000 at a net effective interest rate of 4.162076%. The bonds were sold to reimburse the developer for recreational facilities projects completed within the District.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Statement of Net Position and Governmental Funds Balance Sheet**  
**August 31, 2025**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>Assets</b>						
Cash	\$ 340,306	\$ 90,053	\$ 278	\$ 430,637	\$ -	\$ 430,637
Certificates of deposit	940,000	-	-	940,000	-	940,000
Short-term investments	4,092,919	2,229,111	1,148,379	7,470,409	-	7,470,409
Receivables						
Property taxes	17,299	42,034	-	59,333	-	59,333
Service accounts	251,777	-	-	251,777	-	251,777
Accrued interest	12,957	-	-	12,957	-	12,957
Interfund receivables	31,828	-	-	31,828	(31,828)	-
Capital assets (net of accumulated depreciation)						
Land and improvements	-	-	-	-	9,930,925	9,930,925
Construction in progress	-	-	-	-	2,029,530	2,029,530
Infrastructure	-	-	-	-	19,975,315	19,975,315
Recreational facilities	-	-	-	-	5,167,007	5,167,007
<b>Total Assets</b>	<u>\$ 5,687,086</u>	<u>\$ 2,361,198</u>	<u>\$ 1,148,657</u>	<u>\$ 9,196,941</u>	<u>\$ 37,070,949</u>	<u>\$ 46,267,890</u>

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Statement of Net Position and Governmental Funds Balance Sheet**  
**August 31, 2025**

(Continued)

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
<b>Liabilities</b>						
Accounts payable	\$ 253,416	\$ 5,789	\$ 178,490	\$ 437,695	\$ -	\$ 437,695
Retainage payable	153,987	-	26,222	180,209	-	180,209
Customer deposits	150,850	-	-	150,850	-	150,850
Interfund payables	-	31,828	-	31,828	(31,828)	-
Long-term liabilities						
Due within one year	-	-	-	-	2,370,000	2,370,000
Due after one year	-	-	-	-	41,163,736	41,163,736
<b>Total Liabilities</b>	<b>558,253</b>	<b>37,617</b>	<b>204,712</b>	<b>800,582</b>	<b>43,501,908</b>	<b>44,302,490</b>
<b>Deferred Inflows of Resources</b>						
Deferred property tax revenues	17,299	42,034	-	59,333	(59,333)	-
<b>Fund Balances/Net Position</b>						
Fund balances						
Restricted						
Unlimited tax bonds	-	2,281,547	-	2,281,547	(2,281,547)	-
Water, sewer, and drainage	-	-	915,648	915,648	(915,648)	-
Recreational	-	-	28,297	28,297	(28,297)	-
Unassigned	5,111,534	-	-	5,111,534	(5,111,534)	-
Total fund balances	5,111,534	2,281,547	943,945	8,337,026	(8,337,026)	-
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 5,687,086</b>	<b>\$ 2,361,198</b>	<b>\$ 1,148,657</b>	<b>\$ 9,196,941</b>		
Net position						
Net investment in capital assets					(3,808,000)	(3,808,000)
Restricted for debt service					2,323,581	2,323,581
Restricted for capital projects					479,167	479,167
Unrestricted					2,970,652	2,970,652
Total net position					<b>\$ 1,965,400</b>	<b>\$ 1,965,400</b>

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Statement of Activities and Governmental Funds Revenues,**  
**Expenditures, and Changes in Fund Balances**  
**Year Ended August 31, 2025**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
<b>Revenues</b>						
Property taxes	\$ 1,602,924	\$ 3,975,167	\$ -	\$ 5,578,091	\$ 9,815	\$ 5,587,906
Water service	407,444	-	-	407,444	-	407,444
Sewer service	550,557	-	-	550,557	-	550,557
Regional water fee	446,930	-	-	446,930	-	446,930
Penalty and interest	9,414	59,971	-	69,385	-	69,385
Investment income	235,377	157,600	66,738	459,715	-	459,715
Other income	223	-	-	223	50,667	50,890
<b>Total Revenues</b>	<b>3,252,869</b>	<b>4,192,738</b>	<b>66,738</b>	<b>7,512,345</b>	<b>60,482</b>	<b>7,572,827</b>
<b>Expenditures/Expenses</b>						
Service operations						
Regional water authority	463,541	-	-	463,541	-	463,541
Professional fees	243,877	11,847	-	255,724	61,509	317,233
Contracted services	485,402	61,325	-	546,727	912	547,639
Utilities	164,434	-	-	164,434	-	164,434
Repairs and maintenance	516,636	-	-	516,636	-	516,636
Other expenditures	128,577	20,052	60	148,689	-	148,689
Capital outlay	1,620,835	-	724,354	2,345,189	(2,345,189)	-
Depreciation	-	-	-	-	996,839	996,839
Conveyance of capital assets	-	-	-	-	830,367	830,367
Debt service						
Principal retirement	-	2,365,000	-	2,365,000	(2,365,000)	-
Interest and fees	-	1,468,425	-	1,468,425	38,220	1,506,645
Debt issuance costs	20,504	-	-	20,504	-	20,504
<b>Total Expenditures/Expenses</b>	<b>3,643,806</b>	<b>3,926,649</b>	<b>724,414</b>	<b>8,294,869</b>	<b>(2,782,342)</b>	<b>5,512,527</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(390,937)</b>	<b>266,089</b>	<b>(657,676)</b>	<b>(782,524)</b>	<b>2,842,824</b>	
<b>Other Financing Sources (Uses)</b>						
Interfund transfers in (out)	149,669	-	(149,669)	-	-	
Insurance proceeds	50,667	-	-	50,667	(50,667)	
<b>Total Other Financing Sources (Uses)</b>	<b>200,336</b>	<b>-</b>	<b>(149,669)</b>	<b>50,667</b>	<b>(50,667)</b>	
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>(190,601)</b>	<b>266,089</b>	<b>(807,345)</b>	<b>(731,857)</b>	<b>731,857</b>	
<b>Change in Net Position</b>					<b>2,060,300</b>	<b>2,060,300</b>
<b>Fund Balances/Net Position</b>						
Beginning of year	5,302,135	2,015,458	1,751,290	9,068,883	-	(94,900)
End of year	<b>\$ 5,111,534</b>	<b>\$ 2,281,547</b>	<b>\$ 943,945</b>	<b>\$ 8,337,026</b>	<b>\$ -</b>	<b>\$ 1,965,400</b>

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Notes to Financial Statements**  
**August 31, 2025**

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

Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas (District), was created by House Bill 2322, Chapter 218, Acts of the 72nd Texas Legislature, effective May 29, 1991, 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. Section 8228 of the Texas Special District Local Laws Code authorizes the District, pursuant to the provisions of the Texas Constitution, to develop and finance with property taxes certain road facilities following a successful District election to approve the issuance of road bonds payable from taxes.

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.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Notes to Financial Statements**  
**August 31, 2025**

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

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

***Fund Balances – Governmental Funds***

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

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

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

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

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

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

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance 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.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Notes to Financial Statements**  
**August 31, 2025**

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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.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Notes to Financial Statements**  
**August 31, 2025**

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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 August 31, 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 August 31, 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.

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
Recreational facilities	10–20 years

***Debt Issuance Costs***

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

***Long-Term Obligations***

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

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

***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.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Notes to Financial Statements**  
**August 31, 2025**

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**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 financial resources and are not reported in the funds.	\$ 37,102,777
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	59,333
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	<u>(43,533,736)</u>
Adjustment to fund balances to arrive at net position.	<u>\$ (6,371,626)</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.	\$ (731,857)
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation expense, conveyance of capital assets, and noncapitalized costs in the current period.	455,562
Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.	2,365,000
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.	9,815
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>(38,220)</u>
Change in net position of governmental activities.	<u>\$ 2,060,300</u>

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Notes to Financial Statements**  
**August 31, 2025**

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**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 August 31, 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.

At August 31, 2025, the District had the following investments and maturities:

<u>Type</u>	<u>Fair Value</u>	<u>Maturities in Years</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Texas CLASS	<u>\$ 7,470,409</u>	<u>\$ 7,470,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Notes to Financial Statements**  
**August 31, 2025**

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**Credit Risk.** Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At August 31, 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 August 31, 2025 as follows:

Carrying value	
Deposits	\$ 1,370,637
Investments	<u>7,470,409</u>
Total	<u><u>\$ 8,841,046</u></u>

Included in the following statement of net position captions:

Cash	\$ 430,637
Certificates of deposit	940,000
Short-term investments	<u>7,470,409</u>
Total	<u><u>\$ 8,841,046</u></u>

**Investment Income**

Investment income of \$459,715 for the year ended August 31, 2025 consisted of interest income.

**Fair Value Measurements**

The District has the following recurring fair value measurements as of August 31, 2025:

- Pooled investments of \$7,470,409 are valued at fair value per share of the pool's underlying portfolio.

**Note 3. Capital Assets**

A summary of changes in capital assets for the year ended August 31, 2025 is presented as follows:

<u>Governmental Activities</u>	<u>Balances, Beginning of Year</u>	<u>Additions</u>	<u>Reclass- ifications</u>	<u>Balances, End of Year</u>
Capital assets, non-depreciable				
Land and improvements	\$ 9,930,925	\$ -	\$ -	\$ 9,930,925
Construction in progress	<u>4,023,596</u>	<u>1,204,440</u>	<u>(3,198,506)</u>	<u>2,029,530</u>
Total capital assets, non-depreciable	<u>13,954,521</u>	<u>1,204,440</u>	<u>(3,198,506)</u>	<u>11,960,455</u>

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Notes to Financial Statements**  
**August 31, 2025**

<u>Governmental Activities (Continued)</u>	<u>Balances, Beginning of Year</u>	<u>Additions</u>	<u>Reclass- ifications</u>	<u>Balances, End of Year</u>
Capital assets, depreciable				
Water production and distribution facilities	\$ 7,632,609	\$ -	\$ -	\$ 7,632,609
Wastewater collection and treatment facilities	7,426,579	62,956	3,198,506	10,688,041
Drainage facilities	9,442,191	28,800	-	9,470,991
Recreational facilities	3,439,826	2,366,481	-	5,806,307
	<u>27,941,205</u>	<u>2,458,237</u>	<u>3,198,506</u>	<u>33,597,948</u>
Total capital assets, depreciable				
Less accumulated depreciation				
Water production and distribution facilities	(3,292,977)	(199,514)	-	(3,492,491)
Wastewater collection and treatment facilities	(1,980,137)	(290,092)	-	(2,270,229)
Drainage facilities	(1,838,794)	(214,812)	-	(2,053,606)
Recreational facilities	(346,879)	(292,421)	-	(639,300)
	<u>(7,458,787)</u>	<u>(996,839)</u>	<u>-</u>	<u>(8,455,626)</u>
Total accumulated depreciation				
Total governmental activities, net	<u>\$ 34,436,939</u>	<u>\$ 2,665,838</u>	<u>\$ -</u>	<u>\$ 37,102,777</u>

**Note 4. Long-Term Liabilities**

Changes in long-term liabilities for the year ended August 31, 2025 were as follows:

<u>Governmental Activities</u>	<u>Balances, Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances, End of Year</u>	<u>Amounts Due in One Year</u>
Bonds payable					
General obligation bonds	\$ 43,605,000	\$ -	\$ 2,365,000	\$ 41,240,000	\$ 2,370,000
Less discounts on bonds	948,433	-	38,220	910,213	-
	42,656,567	-	2,326,780	40,329,787	2,370,000
Due to developer	993,673	3,203,949	993,673	3,203,949	-
Total governmental activities long-term liabilities	<u>\$ 43,650,240</u>	<u>\$ 3,203,949</u>	<u>\$ 3,320,453</u>	<u>\$ 43,533,736</u>	<u>\$ 2,370,000</u>

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Notes to Financial Statements**  
**August 31, 2025**

**General Obligation Bonds**

	<u>Series 2016</u>	<u>Series 2017</u>
Amounts outstanding, August 31, 2025	\$2,705,000	\$2,445,000
Interest rates	2.00% to 4.00%	2.00% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2026/2040	September 1, 2026/2040
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	September 1, 2022	September 1, 2023
	<u>Series 2017A</u>	<u>Series 2018</u>
Amounts outstanding, August 31, 2025	\$2,250,000	\$2,550,000
Interest rates	2.00% to 4.00%	3.00% to 3.75%
Maturity dates, serially beginning/ending	September 1, 2026/2040	September 1, 2026/2040
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	September 1, 2023	September 1, 2024
	<u>Series 2019</u>	<u>Series 2020</u>
Amounts outstanding, August 31, 2025	\$5,995,000	\$3,425,000
Interest rates	2.00% to 2.75%	1.00% to 2.00%
Maturity dates, serially beginning/ending	September 1, 2026/2043	September 1, 2026/2043
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	September 1, 2024	September 1, 2025

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

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Notes to Financial Statements**  
**August 31, 2025**

	<u>Series 2021</u>	<u>Series 2022</u>
Amounts outstanding, August 31, 2025	\$6,930,000	\$2,170,000
Interest rates	2.00% to 2.25%	4.00% to 6.00%
Maturity dates, serially beginning/ending	March 1, 2026/2043	March 1, 2026/2043
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	March 1, 2027	March 1, 2029
	<u>Park Series 2022A</u>	<u>Series 2023</u>
Amounts outstanding, August 31, 2025	\$5,240,000	\$4,255,000
Interest rates	4.00% to 6.00%	4.00% to 5.00%
Maturity dates, serially beginning/ending	March 1, 2026/2043	March 1, 2026/2043
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	March 1, 2029	March 1, 2030
		<u>Park Series 2023A</u>
Amount outstanding, August 31, 2025		\$3,275,000
Interest rates		4.00% to 5.00%
Maturity dates, serially beginning/ending		March 1, 2026/2043
Interest payment dates		March 1/September 1
Callable date*		March 1, 2030

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

**Annual Debt Service Requirements**

The District has been paying the amount due September 1 within the fiscal year preceding this due date and the following schedule has been prepared assuming that this practice will be followed in future years. The schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at August 31, 2025.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Notes to Financial Statements**  
**August 31, 2025**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,370,000	\$ 1,379,450	\$ 3,749,450
2027	2,370,000	1,295,840	3,665,840
2028	2,370,000	1,211,744	3,581,744
2029	2,380,000	1,127,105	3,507,105
2030	2,380,000	1,045,391	3,425,391
2031–2035	11,990,000	4,088,324	16,078,324
2036–2040	12,190,000	2,068,157	14,258,157
2041–2043	5,190,000	287,703	5,477,703
Total	<u>\$ 41,240,000</u>	<u>\$ 12,503,714</u>	<u>\$ 53,743,714</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.

Water, sanitary sewer, and drainage facilities bonds voted	\$ 102,850,000
Water, sanitary sewer, and drainage facilities bonds sold	42,025,000
Recreational facilities bonds voted	38,850,000
Recreational facilities bonds sold	9,290,000
Refunding bonds authorization voted	141,700,000

***Due to Developer***

The developer of the District has constructed facilities on behalf of the District. The District's engineer estimates reimbursable costs for completed projects are \$3,203,949. The District has agreed to reimburse the developer for these construction costs, plus interest, to the extent approved by the Commission from the proceeds of future bond sales. These amounts have been recorded in the financial statements as long-term liabilities.

**Note 5. Significant Bond Orders and Commission Requirements**

- (A) The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended August 31, 2025, the District levied an ad valorem debt service tax at the rate of \$0.7700 per \$100 of assessed valuation, which resulted in a tax levy of \$3,933,876 on the taxable valuation of \$510,892,935 for the 2024 tax year. The interest and principal requirements paid from tax revenues and available debt service fund resources were \$3,823,825.
- (B) During the current fiscal year, the District transferred \$149,669 from the capital projects fund to the general fund. The transfer was in accordance with the rules of the Commission.

**Note 6. Maintenance Taxes**

At an election held May 10, 2014, voters authorized a maintenance tax not to exceed \$1.50 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended August 31, 2025, the District levied an ad valorem maintenance tax at the rate of \$0.3100 per \$100 of assessed valuation, which resulted in a tax levy of \$1,583,768 on the taxable valuation of \$510,892,935 for the 2024 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Notes to Financial Statements**  
**August 31, 2025**

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**Note 7. Regional Water Authority**

The District is within the boundaries of the Lone Star Groundwater Conservation District (Conservation District), which was created by the Texas Legislature. The Conservation District was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Harris-Galveston Subsidence District, which regulates groundwater withdrawal.

**Note 8. Groundwater Reduction Agreement**

The District has entered into a Contract for Groundwater Reduction Planning, Alternative Water Supply and Related Goods and Services (GRP Contract) with the San Jacinto River Authority (Authority) in order to meet the Conservation District's requirements. As a participant in the Authority's Groundwater Reduction Plan, the District has complied with all current Conservation District requirements for surface water conversion and is obligated to pay to the Authority a groundwater withdrawal fee for all groundwater produced and used by the District and will be required to pay a water purchase fee for any water actually purchased from the Authority in the future. As of August 31, 2025, the Authority was billing the District \$2.67 per 1,000 gallons of water pumped. This amount is subject to future adjustments.

**Note 9. Risk Management**

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

**Note 10. Subsequent Event**

On October 14, 2025, the District issued its Unlimited Tax Park Bonds, Series 2025, in the amount of \$3,710,000 at a net effective interest rate of 4.162076%. The bonds were sold to reimburse the developer for recreational facilities projects completed within the District.

***Required Supplementary Information***

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Budgetary Comparison Schedule – General Fund**  
**Year Ended August 31, 2025**

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Property taxes	\$ 1,455,300	1,516,800	\$ 1,602,924	\$ 86,124
Water service	455,200	455,200	407,444	(47,756)
Sewer service	542,200	542,200	550,557	8,357
Regional water fee	532,100	532,100	446,930	(85,170)
Penalty and interest	9,700	9,700	9,414	(286)
Tap connection and inspection fees	5,900	5,900	-	(5,900)
Investment income	268,800	268,800	235,377	(33,423)
Other income	750	750	223	(527)
<b>Total Revenues</b>	<u>3,269,950</u>	<u>3,331,450</u>	<u>3,252,869</u>	<u>(78,581)</u>
<b>Expenditures</b>				
Service operations				
Regional water authority	532,100	532,100	463,541	68,559
Professional fees	249,000	259,400	243,877	15,523
Contracted services	472,400	472,400	485,402	(13,002)
Utilities	168,400	168,400	164,434	3,966
Repairs and maintenance	379,700	379,700	516,636	(136,936)
Other expenditures	140,868	145,168	128,577	16,591
Capital outlay	485,000	1,256,454	1,620,835	(364,381)
Debt service, debt issuance costs	-	-	20,504	(20,504)
<b>Total Expenditures</b>	<u>2,427,468</u>	<u>3,213,622</u>	<u>3,643,806</u>	<u>(430,184)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>842,482</u>	<u>117,828</u>	<u>(390,937)</u>	<u>(508,765)</u>
<b>Other Financing Sources (Uses)</b>				
Interfund transfers in	50,000	25,864	149,669	123,805
Insurance proceeds	-	50,668	50,667	(1)
<b>Total Other Financing Sources</b>	<u>50,000</u>	<u>76,532</u>	<u>200,336</u>	<u>123,804</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<u>892,482</u>	<u>194,360</u>	<u>(190,601)</u>	<u>(384,961)</u>
<b>Fund Balance, Beginning of Year</b>	<u>5,302,135</u>	<u>5,302,135</u>	<u>5,302,135</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 6,194,617</u>	<u>\$ 5,496,495</u>	<u>\$ 5,111,534</u>	<u>\$ (384,961)</u>

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Notes to Required Supplementary Information**  
**August 31, 2025**

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***Budgets and Budgetary Accounting***

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was amended during fiscal 2025.

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

***Supplementary Information***

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Other Schedules Included Within This Report**  
**August 31, 2025**

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

- [X] Notes Required by the Water District Accounting Manual  
See "Notes to Financial Statements," Pages 11–22
- [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

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Schedule of Services and Rates**  
**Year Ended August 31, 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 type="checkbox"/> Security            |
| <input checked="" type="checkbox"/> Solid Waste/Garbage   | <input type="checkbox"/> Flood Control        | <input type="checkbox"/> Roads               |
| <input type="checkbox"/> Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect) |   |  |
| <input type="checkbox"/> Other _____  |   |  |

2. Retail service providers

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

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate Per 1,000 Gallons Over Minimum</u>	<u>Usage Levels</u>
Water:	\$ 13.00	5,000	N	\$ 1.50 \$ 2.50 \$ 3.25 \$ 4.00 \$ 4.75	5,001 to 10,000 10,001 to 15,000 15,001 to 20,000 20,001 to 30,000 30,001 to No limit
Wastewater:	\$ 46.67	0	Y		
Regional water fee:	\$ 2.70	1	N	\$ 2.70	1 to No limit
Does the District employ winter averaging for wastewater usage?					Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Total charges per 10,000 gallons usage (including fees):				Water \$ 47.50	Wastewater \$ 46.67

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"	919	918	x1.0	918
1"	89	88	x2.5	220
1 1/2"	-	-	x5.0	-
2"	16	16	x8.0	128
3"	-	-	x15.0	-
4"	-	-	x25.0	-
6"	-	-	x50.0	-
8"	-	-	x80.0	-
10"	-	-	x115.0	-
Total water	1,024	1,022		1,266
Total wastewater	995	993	x1.0	993

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

Gallons pumped into the system:	192,948
Gallons billed to customers:	184,002
Water accountability ratio (gallons billed/gallons pumped):	95.36%

\*"ESFC" means equivalent single-family connections

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Schedule of General Fund Expenditures**  
**Year Ended August 31, 2025**

<b>Personnel (including benefits)</b>		\$	-
<b>Professional Fees</b>			
Auditing	\$	35,600	
Legal		92,688	
Engineering		115,589	
Financial advisor		-	243,877
		<u>          </u>	
<b>Purchased Services for Resale</b>			
Bulk water and wastewater service purchases			-
<b>Regional Water Authority</b>			463,541
<b>Contracted Services</b>			
Bookkeeping		79,408	
Appraisal district		-	
Tax collector		-	
Security		-	
Other contracted services		59,045	138,453
		<u>          </u>	
<b>Utilities</b>			164,434
<b>Repairs and Maintenance</b>			516,636
<b>Administrative Expenditures</b>			
Directors' fees		12,818	
Office supplies		4,597	
Insurance		31,068	
Other administrative expenditures		80,094	128,577
		<u>          </u>	
<b>Capital Outlay</b>			
Capitalized assets		800,125	
Expenditures not capitalized		820,710	1,620,835
		<u>          </u>	
<b>Tap Connection Expenditures</b>			-
<b>Solid Waste Disposal</b>			346,949
<b>Fire Fighting</b>			-
<b>Parks and Recreation</b>			-
<b>Other Expenditures</b>			<u>20,504</u>
<b>Total Expenditures</b>			<u><u>\$ 3,643,806</u></u>

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Schedule of Temporary Investments**  
**August 31, 2025**

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Face Amount</u>	<u>Accrued Interest Receivable</u>
<b>General Fund</b>				
Certificates of deposit				
No. 91300012226433	4.25%	08/13/26	\$ 235,000	\$ 492
No. 608270	4.18%	07/08/26	235,000	1,453
No. 6000072840	4.75%	10/19/25	235,000	9,542
No. 6550155002	4.15%	07/07/26	235,000	1,470
Texas CLASS	4.38%	Demand	<u>4,092,919</u>	<u>-</u>
			<u>5,032,919</u>	<u>12,957</u>
<b>Debt Service Fund</b>				
Texas CLASS	4.38%	Demand	<u>2,229,111</u>	<u>-</u>
<b>Capital Projects Fund</b>				
Texas CLASS	4.38%	Demand	40,070	-
Texas CLASS	4.38%	Demand	28,297	-
Texas CLASS	4.38%	Demand	<u>1,080,012</u>	<u>-</u>
			<u>1,148,379</u>	<u>-</u>
<b>Totals</b>			<u><u>\$ 8,410,409</u></u>	<u><u>\$ 12,957</u></u>

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Analysis of Taxes Levied and Receivable**  
**Year Ended August 31, 2025**

	<b>Maintenance Taxes</b>	<b>Debt Service Taxes</b>
<b>Receivable, Beginning of Year</b>	\$ 15,066	\$ 34,452
Additions and corrections to prior years' taxes	21,389	48,873
<b>Adjusted Receivable, Beginning of Year</b>	<u>36,455</u>	<u>83,325</u>
<b>2024 Original Tax Levy</b>	1,457,882	3,621,192
Additions and corrections	125,886	312,684
Adjusted tax levy	<u>1,583,768</u>	<u>3,933,876</u>
<b>Total to Be Accounted For</b>	1,620,223	4,017,201
Tax collections:   Current year	(1,571,180)	(3,902,608)
Prior years	(31,744)	(72,559)
<b>Receivable, End of Year</b>	<u>\$ 17,299</u>	<u>\$ 42,034</u>
<b>Receivable, by Years</b>		
2024	\$ 12,588	\$ 31,268
2023	4,711	10,766
<b>Receivable, End of Year</b>	<u>\$ 17,299</u>	<u>\$ 42,034</u>

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Analysis of Taxes Levied and Receivable**  
**Year Ended August 31, 2025**

**(Continued)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Property Valuations</b>				
Land	\$ 88,782,382	\$ 87,553,900	\$ 83,818,320	\$ 58,998,950
Improvements	474,181,700	446,203,650	306,264,810	187,950,520
Personal property	1,779,397	1,442,381	1,151,450	900,168
Exemptions	<u>(53,850,544)</u>	<u>(66,189,738)</u>	<u>(43,201,624)</u>	<u>(6,438,545)</u>
<b>Total Property Valuations</b>	<u>\$ 510,892,935</u>	<u>\$ 469,010,193</u>	<u>\$ 348,032,956</u>	<u>\$ 241,411,093</u>
<b>Tax Rates per \$100 Valuation</b>				
Debt service tax rates	\$ 0.7700	\$ 0.8000	\$ 0.8500	\$ 0.9000
Maintenance tax rates*	<u>0.3100</u>	<u>0.3500</u>	<u>0.3700</u>	<u>0.3800</u>
<b>Total Tax Rates per \$100 Valuation</b>	<u>\$ 1.0800</u>	<u>\$ 1.1500</u>	<u>\$ 1.2200</u>	<u>\$ 1.2800</u>
<b>Tax Levy</b>	<u>\$ 5,517,644</u>	<u>\$ 5,393,620</u>	<u>\$ 4,246,002</u>	<u>\$ 3,090,062</u>
<b>Percent of Taxes Collected to Taxes Levied**</b>	<u>99%</u>	<u>99%</u>	<u>100%</u>	<u>100%</u>

\*Maximum tax rate approved by voters: \$1.50 on May 10, 2014

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

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
Schedule of Long-Term Debt Service Requirements by Years  
August 31, 2025**

<u>Due During Fiscal Years Ending August 31</u>	<u>Series 2016</u>		<u>Total</u>
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	
2026	\$ 125,000	\$ 104,968	\$ 229,968
2027	130,000	100,906	230,906
2028	135,000	96,356	231,356
2029	145,000	91,463	236,463
2030	150,000	86,025	236,025
2031	160,000	80,400	240,400
2032	170,000	74,400	244,400
2033	175,000	67,600	242,600
2034	185,000	60,600	245,600
2035	195,000	53,200	248,200
2036	205,000	45,400	250,400
2037	215,000	37,200	252,200
2038	225,000	28,600	253,600
2039	240,000	19,600	259,600
2040	250,000	10,000	260,000
Totals	<u>\$ 2,705,000</u>	<u>\$ 956,718</u>	<u>\$ 3,661,718</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
 Schedule of Long-Term Debt Service Requirements by Years  
 August 31, 2025**

**(Continued)**

<u>Due During Fiscal Years Ending August 31</u>	<u>Series 2017</u>		<u>Total</u>
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	
2026	\$ 165,000	\$ 90,788	\$ 255,788
2027	165,000	85,590	250,590
2028	165,000	80,145	245,145
2029	165,000	74,535	239,535
2030	165,000	68,760	233,760
2031	165,000	62,820	227,820
2032	165,000	56,798	221,798
2033	165,000	50,775	215,775
2034	165,000	44,587	209,587
2035	160,000	38,400	198,400
2036	160,000	32,000	192,000
2037	160,000	25,600	185,600
2038	160,000	19,200	179,200
2039	160,000	12,800	172,800
2040	160,000	6,400	166,400
Totals	<u>\$ 2,445,000</u>	<u>\$ 749,198</u>	<u>\$ 3,194,198</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
Schedule of Long-Term Debt Service Requirements by Years  
August 31, 2025**

**(Continued)**

<u>Due During Fiscal Years Ending August 31</u>	<u>Series 2017A</u>		<u>Total</u>
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	
2026	\$ 150,000	\$ 79,875	\$ 229,875
2027	150,000	75,375	225,375
2028	150,000	70,875	220,875
2029	150,000	66,188	216,188
2030	150,000	61,312	211,312
2031	150,000	56,250	206,250
2032	150,000	51,000	201,000
2033	150,000	45,750	195,750
2034	150,000	40,313	190,313
2035	150,000	34,875	184,875
2036	150,000	29,250	179,250
2037	150,000	23,625	173,625
2038	150,000	18,000	168,000
2039	150,000	12,000	162,000
2040	150,000	6,000	156,000
Totals	<u>\$ 2,250,000</u>	<u>\$ 670,688</u>	<u>\$ 2,920,688</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
 Schedule of Long-Term Debt Service Requirements by Years  
 August 31, 2025**

**(Continued)**

<u>Due During Fiscal Years Ending August 31</u>	<u>Series 2018</u>		<u>Total</u>
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	
2026	\$ 170,000	\$ 86,275	\$ 256,275
2027	170,000	81,175	251,175
2028	170,000	76,075	246,075
2029	170,000	70,975	240,975
2030	170,000	65,450	235,450
2031	170,000	59,925	229,925
2032	170,000	54,400	224,400
2033	170,000	48,875	218,875
2034	170,000	42,925	212,925
2035	170,000	36,975	206,975
2036	170,000	31,025	201,025
2037	170,000	25,075	195,075
2038	170,000	18,913	188,913
2039	170,000	12,750	182,750
2040	170,000	6,375	176,375
Totals	<u>\$ 2,550,000</u>	<u>\$ 717,188</u>	<u>\$ 3,267,188</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
 Schedule of Long-Term Debt Service Requirements by Years  
 August 31, 2025**

**(Continued)**

<u>Due During Fiscal Years Ending August 31</u>	<u>Series 2019</u>		<u>Total</u>
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	
2026	\$ 335,000	\$ 140,600	\$ 475,600
2027	335,000	133,900	468,900
2028	335,000	127,200	462,200
2029	335,000	120,500	455,500
2030	335,000	113,800	448,800
2031	335,000	107,100	442,100
2032	335,000	100,400	435,400
2033	335,000	93,281	428,281
2034	335,000	85,744	420,744
2035	335,000	78,206	413,206
2036	335,000	70,250	405,250
2037	330,000	61,875	391,875
2038	330,000	53,625	383,625
2039	330,000	44,963	374,963
2040	330,000	36,300	366,300
2041	330,000	27,225	357,225
2042	330,000	18,150	348,150
2043	330,000	9,075	339,075
Totals	<u>\$ 5,995,000</u>	<u>\$ 1,422,194</u>	<u>\$ 7,417,194</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
 Schedule of Long-Term Debt Service Requirements by Years  
 August 31, 2025**

**(Continued)**

<u>Due During Fiscal Years Ending August 31</u>	<u>Series 2020</u>		<u>Total</u>
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	
2026	\$ 195,000	\$ 68,500	\$ 263,500
2027	190,000	64,600	254,600
2028	190,000	60,800	250,800
2029	190,000	57,000	247,000
2030	190,000	53,200	243,200
2031	190,000	49,400	239,400
2032	190,000	45,600	235,600
2033	190,000	41,800	231,800
2034	190,000	38,000	228,000
2035	190,000	34,200	224,200
2036	190,000	30,400	220,400
2037	190,000	26,600	216,600
2038	190,000	22,800	212,800
2039	190,000	19,000	209,000
2040	190,000	15,200	205,200
2041	190,000	11,400	201,400
2042	190,000	7,600	197,600
2043	190,000	3,800	193,800
Totals	<u>\$ 3,425,000</u>	<u>\$ 649,900</u>	<u>\$ 4,074,900</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
Schedule of Long-Term Debt Service Requirements by Years  
August 31, 2025**

**(Continued)**

<u>Due During Fiscal Years Ending August 31</u>	<u>Series 2021</u>		<u>Total</u>
	<u>Principal Due March 1</u>	<u>Interest Due March 1, September 1</u>	
2026	\$ 385,000	\$ 141,969	\$ 526,969
2027	385,000	134,269	519,269
2028	385,000	126,568	511,568
2029	385,000	118,869	503,869
2030	385,000	111,169	496,169
2031	385,000	103,469	488,469
2032	385,000	95,769	480,769
2033	385,000	88,069	473,069
2034	385,000	80,368	465,368
2035	385,000	72,669	457,669
2036	385,000	64,728	449,728
2037	385,000	56,306	441,306
2038	385,000	47,644	432,644
2039	385,000	38,981	423,981
2040	385,000	30,319	415,319
2041	385,000	21,656	406,656
2042	385,000	12,994	397,994
2043	385,000	4,331	389,331
Totals	<u>\$ 6,930,000</u>	<u>\$ 1,350,147</u>	<u>\$ 8,280,147</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
 Schedule of Long-Term Debt Service Requirements by Years  
 August 31, 2025**

**(Continued)**

<u>Due During Fiscal Years Ending August 31</u>	<u>Series 2022</u>		<u>Total</u>
	<u>Principal Due March 1</u>	<u>Interest Due March 1, September 1</u>	
2026	\$ 125,000	\$ 97,050	\$ 222,050
2027	125,000	89,550	214,550
2028	120,000	82,200	202,200
2029	120,000	75,000	195,000
2030	120,000	69,000	189,000
2031	120,000	64,200	184,200
2032	120,000	59,400	179,400
2033	120,000	54,600	174,600
2034	120,000	49,650	169,650
2035	120,000	44,550	164,550
2036	120,000	39,450	159,450
2037	120,000	34,350	154,350
2038	120,000	29,250	149,250
2039	120,000	24,150	144,150
2040	120,000	18,900	138,900
2041	120,000	13,500	133,500
2042	120,000	8,100	128,100
2043	120,000	2,700	122,700
Totals	<u>\$ 2,170,000</u>	<u>\$ 855,600</u>	<u>\$ 3,025,600</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
Schedule of Long-Term Debt Service Requirements by Years  
August 31, 2025**

**(Continued)**

<u>Due During Fiscal Years Ending August 31</u>	<u>Park Series 2022A</u>		<u>Total</u>
	<u>Principal Due March 1</u>	<u>Interest Due March 1, September 1</u>	
2026	\$ 295,000	\$ 234,500	\$ 529,500
2027	295,000	216,800	511,800
2028	295,000	199,100	494,100
2029	295,000	181,400	476,400
2030	290,000	166,750	456,750
2031	290,000	155,150	445,150
2032	290,000	143,550	433,550
2033	290,000	131,950	421,950
2034	290,000	119,988	409,988
2035	290,000	107,662	397,662
2036	290,000	95,338	385,338
2037	290,000	83,012	373,012
2038	290,000	70,688	360,688
2039	290,000	58,362	348,362
2040	290,000	45,675	335,675
2041	290,000	32,625	322,625
2042	290,000	19,575	309,575
2043	290,000	6,525	296,525
Totals	<u>\$ 5,240,000</u>	<u>\$ 2,068,650</u>	<u>\$ 7,308,650</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
 Schedule of Long-Term Debt Service Requirements by Years  
 August 31, 2025**

**(Continued)**

<u>Due During Fiscal Years Ending August 31</u>	<u>Series 2023</u>		<u>Total</u>
	<u>Principal Due March 1</u>	<u>Interest Due March 1, September 1</u>	
2026	\$ 240,000	\$ 190,300	\$ 430,300
2027	240,000	178,300	418,300
2028	240,000	166,300	406,300
2029	240,000	154,300	394,300
2030	240,000	142,300	382,300
2031	235,000	131,600	366,600
2032	235,000	122,053	357,053
2033	235,000	112,212	347,212
2034	235,000	102,225	337,225
2035	235,000	92,091	327,091
2036	235,000	81,662	316,662
2037	235,000	71,088	306,088
2038	235,000	60,366	295,366
2039	235,000	49,497	284,497
2040	235,000	38,628	273,628
2041	235,000	27,759	262,759
2042	235,000	16,744	251,744
2043	235,000	5,581	240,581
Totals	<u>\$ 4,255,000</u>	<u>\$ 1,743,006</u>	<u>\$ 5,998,006</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Schedule of Long-Term Debt Service Requirements by Years**  
**August 31, 2025**

**(Continued)**

<u>Due During Fiscal Years Ending August 31</u>	<u>Park Series 2023A</u>		<u>Total</u>
	<u>Principal Due March 1</u>	<u>Interest Due March 1, September 1</u>	
2026	\$ 185,000	\$ 144,625	\$ 329,625
2027	185,000	135,375	320,375
2028	185,000	126,125	311,125
2029	185,000	116,875	301,875
2030	185,000	107,625	292,625
2031	185,000	99,300	284,300
2032	185,000	91,900	276,900
2033	180,000	84,600	264,600
2034	180,000	77,175	257,175
2035	180,000	69,525	249,525
2036	180,000	61,762	241,762
2037	180,000	53,888	233,888
2038	180,000	45,900	225,900
2039	180,000	37,800	217,800
2040	180,000	29,587	209,587
2041	180,000	21,263	201,263
2042	180,000	12,825	192,825
2043	180,000	4,275	184,275
Totals	<u>\$ 3,275,000</u>	<u>\$ 1,320,425</u>	<u>\$ 4,595,425</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal year assuming the practice will continue in the future.

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Schedule of Long-Term Debt Service Requirements by Years**  
**August 31, 2025**

**(Continued)**

<u>Due During Fiscal Years Ending August 31</u>	<u>All Requirements For All Series</u>		
	<u>Total Principal Due</u>	<u>Total Interest Due</u>	<u>Total Principal and Interest Due</u>
2026	\$ 2,370,000	\$ 1,379,450	\$ 3,749,450
2027	2,370,000	1,295,840	3,665,840
2028	2,370,000	1,211,744	3,581,744
2029	2,380,000	1,127,105	3,507,105
2030	2,380,000	1,045,391	3,425,391
2031	2,385,000	969,614	3,354,614
2032	2,395,000	895,270	3,290,270
2033	2,395,000	819,512	3,214,512
2034	2,405,000	741,575	3,146,575
2035	2,410,000	662,353	3,072,353
2036	2,420,000	581,265	3,001,265
2037	2,425,000	498,619	2,923,619
2038	2,435,000	414,986	2,849,986
2039	2,450,000	329,903	2,779,903
2040	2,460,000	243,384	2,703,384
2041	1,730,000	155,428	1,885,428
2042	1,730,000	95,988	1,825,988
2043	1,730,000	36,287	1,766,287
Totals	<u>\$ 41,240,000</u>	<u>\$ 12,503,714</u>	<u>\$ 53,743,714</u>

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Changes in Long-Term Bonded Debt**  
**Year Ended August 31, 2025**

**Bond**

	<b>Series 2016</b>	<b>Series 2017</b>	<b>Series 2017A</b>	<b>Series 2018</b>
Interest rates	2.00% to 4.00%	2.00% to 4.00%	2.00% to 4.00%	3.00% to 3.75%
Dates interest payable	March 1/ September 1	March 1/ September 1	March 1/ September 1	March 1/ September 1
Maturity dates	September 1, 2026/2040	September 1, 2026/2040	September 1, 2026/2040	September 1, 2026/2040
Bonds outstanding, beginning of current year	\$ 2,820,000	\$ 2,610,000	\$ 2,400,000	\$ 2,720,000
Retirements, principal	<u>115,000</u>	<u>165,000</u>	<u>150,000</u>	<u>170,000</u>
Bonds outstanding, end of current year	<u>\$ 2,705,000</u>	<u>\$ 2,445,000</u>	<u>\$ 2,250,000</u>	<u>\$ 2,550,000</u>
Interest paid during current year	<u>\$ 108,419</u>	<u>\$ 95,737</u>	<u>\$ 84,375</u>	<u>\$ 91,375</u>

Paying agent's name and address

**Series 2016** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas  
**Series 2017** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas  
**Series 2017A** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas  
**Series 2018** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas  
**Series 2019** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas  
**Series 2020** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas  
**Series 2021** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas  
**Series 2022** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas  
**Series 2022A** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas

Bond authority	<b>Recreational Facilities</b>		
	<b>Tax Bonds</b>	<b>Bonds</b>	<b>Refunding Bonds</b>
Amount authorized by voters	\$ 102,850,000	\$ 38,850,000	\$ 141,700,000
Amount of authorization issued	\$ 42,025,000	\$ 9,290,000	\$ -
Remaining authorization to be issued	<u>\$ 60,825,000</u>	<u>\$ 29,560,000</u>	<u>\$ 141,700,000</u>
Debt service fund cash and temporary investment balances as of August 31, 2025:			<u>\$ 2,319,164</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:			<u>\$ 2,985,762</u>

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**Issues**

<u>Series 2019</u>	<u>Series 2020</u>	<u>Series 2021</u>	<u>Series 2022</u>	<u>Park Series 2022A</u>
2.00% to 2.75%	1.00% to 2.00%	2.00% to 2.25%	4.00% to 6.00%	4.00% to 6.00%
March 1/ September 1	March 1/ September 1	March 1/ September 1	March 1/ September 1	March 1/ September 1
September 1, 2026/2043	September 1, 2026/2043	March 1, 2026/2043	March 1, 2026/2043	March 1, 2026/2043
\$ 6,330,000	\$ 3,620,000	\$ 7,320,000	\$ 2,295,000	\$ 5,535,000
<u>335,000</u>	<u>195,000</u>	<u>390,000</u>	<u>125,000</u>	<u>295,000</u>
<u>\$ 5,995,000</u>	<u>\$ 3,425,000</u>	<u>\$ 6,930,000</u>	<u>\$ 2,170,000</u>	<u>\$ 5,240,000</u>
<u>\$ 147,300</u>	<u>\$ 70,450</u>	<u>\$ 149,719</u>	<u>\$ 104,550</u>	<u>\$ 250,725</u>

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas**  
**Changes in Long-Term Bonded Debt**  
**Year Ended August 31, 2025**

**(Continued)**

	<b>Bond Issues</b>		<b>Totals</b>
	<b>Series 2023</b>	<b>Park Series 2023A</b>	
Interest rates	4.00% to 5.00%	4.00% to 5.00%	
Dates interest payable	March 1/ September 1	March 1/ September 1	
Maturity dates	March 1, 2026/2043	March 1, 2025/2043	
Bonds outstanding, beginning of current year	\$ 4,495,000	\$ 3,460,000	\$ 43,605,000
Retirements, principal	<u>240,000</u>	<u>185,000</u>	<u>2,365,000</u>
Bonds outstanding, end of current year	<u>\$ 4,255,000</u>	<u>\$ 3,275,000</u>	<u>\$ 41,240,000</u>
Interest paid during current year	<u>\$ 202,300</u>	<u>\$ 153,875</u>	<u>\$ 1,458,825</u>
Paying agent's name and address:			
<b>Series 2023</b>	– The Bank of New York Mellon Trust Company, N.A., Houston, Texas		
<b>Series 2023A</b>	– The Bank of New York Mellon Trust Company, N.A., Houston, Texas		

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
Comparative Schedule of Revenues and Expenditures – General Fund  
Five Years Ended August 31,**

	Amounts				
	2025	2024	2023	2022	2021
<b>General Fund</b>					
<b>Revenues</b>					
Property taxes	\$ 1,602,924	\$ 1,632,349	\$ 1,285,105	\$ 917,717	\$ 746,144
Water service	407,444	385,319	480,035	421,930	287,175
Sewer service	550,557	534,190	517,737	430,233	332,167
Regional water fee	446,930	463,314	525,066	422,920	246,926
Penalty and interest	9,414	9,756	9,655	7,221	5,520
Tap connection and inspection fees	-	7,022	110,031	366,921	300,645
Investment income	235,377	252,947	141,301	18,624	11,129
Other income	223	600	138	4,701	50
<b>Total Revenues</b>	<b>3,252,869</b>	<b>3,285,497</b>	<b>3,069,068</b>	<b>2,590,267</b>	<b>1,929,756</b>
<b>Expenditures</b>					
Service operations					
Regional water authority	463,541	389,976	561,396	448,488	263,066
Professional fees	243,877	188,726	140,853	120,524	123,525
Contracted services	485,402	462,322	430,959	352,160	271,142
Utilities	164,434	167,758	152,999	129,970	111,138
Repairs and maintenance	516,636	363,414	484,841	414,822	367,746
Other expenditures	128,577	125,988	126,313	86,799	74,146
Tap connections	-	600	34,200	144,410	113,600
Capital outlay	1,620,835	243,093	53,228	109,586	311,531
Debt service, debt issuance costs	20,504	40,073	94,448	101,624	60,845
<b>Total Expenditures</b>	<b>3,643,806</b>	<b>1,981,950</b>	<b>2,079,237</b>	<b>1,908,383</b>	<b>1,696,739</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(390,937)</b>	<b>1,303,547</b>	<b>989,831</b>	<b>681,884</b>	<b>233,017</b>
<b>Other Financing Sources</b>					
Interfund transfers in	149,669	109,421	114,647	71,745	52,085
Insurance proceeds	50,667	-	-	8,734	-
<b>Total Other Financing Sources</b>	<b>200,336</b>	<b>109,421</b>	<b>114,647</b>	<b>80,479</b>	<b>52,085</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>(190,601)</b>	<b>1,412,968</b>	<b>1,104,478</b>	<b>762,363</b>	<b>285,102</b>
<b>Fund Balance, Beginning of Year</b>	<b>5,302,135</b>	<b>3,889,167</b>	<b>2,784,689</b>	<b>2,022,326</b>	<b>1,737,224</b>
<b>Fund Balance, End of Year</b>	<b>\$ 5,111,534</b>	<b>\$ 5,302,135</b>	<b>\$ 3,889,167</b>	<b>\$ 2,784,689</b>	<b>\$ 2,022,326</b>
<b>Total Active Retail Water Connections</b>	<b>1,022</b>	<b>1,023</b>	<b>1,023</b>	<b>1,006</b>	<b>761</b>
<b>Total Active Retail Wastewater Connections</b>	<b>993</b>	<b>997</b>	<b>996</b>	<b>977</b>	<b>753</b>

**Percent of Fund Total Revenues**

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
49.3 %	49.7 %	41.9 %	35.4 %	38.6 %
12.5	11.7	15.6	16.3	14.9
16.9	16.3	16.9	16.6	17.2
13.8	14.1	17.1	16.3	12.8
0.3	0.3	0.3	0.3	0.3
-	0.2	3.6	14.2	15.6
7.2	7.7	4.6	0.7	0.6
<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.2</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>
14.3	11.9	18.3	17.3	13.6
7.5	5.7	4.6	4.7	6.4
14.9	14.1	14.1	13.6	14.1
5.1	5.1	5.0	5.0	5.7
15.9	11.1	15.8	16.0	19.1
3.9	3.8	4.1	3.4	3.8
-	0.0	1.1	5.6	5.9
49.8	7.4	1.7	4.2	16.1
<u>0.6</u>	<u>1.2</u>	<u>3.1</u>	<u>3.9</u>	<u>3.2</u>
<u>112.0</u>	<u>60.3</u>	<u>67.8</u>	<u>73.7</u>	<u>87.9</u>
<u><u>(12.0) %</u></u>	<u><u>39.7 %</u></u>	<u><u>32.2 %</u></u>	<u><u>26.3 %</u></u>	<u><u>12.1 %</u></u>

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
Comparative Schedule of Revenues and Expenditures – Debt Service Fund  
Five Years Ended August 31,**

	Amounts				
	2025	2024	2023	2022	2021
<b>Debt Service Fund</b>					
<b>Revenues</b>					
Property taxes	\$ 3,975,167	\$ 3,731,217	\$ 2,952,287	\$ 2,172,869	\$ 1,797,907
Penalty and interest	59,971	47,705	11,311	23,635	11,857
Investment income	157,600	161,887	120,650	13,032	3,798
Other income	-	-	-	-	14
<b>Total Revenues</b>	<b>4,192,738</b>	<b>3,940,809</b>	<b>3,084,248</b>	<b>2,209,536</b>	<b>1,813,576</b>
<b>Expenditures</b>					
Current					
Professional fees	11,847	3,351	4,121	2,600	376
Contracted services	61,325	46,548	44,997	33,710	29,253
Other expenditures	20,052	25,694	7,853	10,481	8,576
Debt service					
Principal retirement	2,365,000	1,935,000	1,510,000	1,115,000	1,115,000
Interest and fees	1,468,425	1,446,386	1,138,706	845,137	701,138
<b>Total Expenditures</b>	<b>3,926,649</b>	<b>3,456,979</b>	<b>2,705,677</b>	<b>2,006,928</b>	<b>1,854,343</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>266,089</b>	<b>483,830</b>	<b>378,571</b>	<b>202,608</b>	<b>(40,767)</b>
<b>Other Financing Sources</b>					
Interfund transfers in	-	-	1,977	-	4,165
General obligation bonds issued	-	-	275,800	169,219	39,125
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>277,777</b>	<b>169,219</b>	<b>43,290</b>
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>266,089</b>	<b>483,830</b>	<b>656,348</b>	<b>371,827</b>	<b>2,523</b>
<b>Fund Balance, Beginning of Year</b>	<b>2,015,458</b>	<b>1,531,628</b>	<b>875,280</b>	<b>503,453</b>	<b>500,930</b>
<b>Fund Balance, End of Year</b>	<b>\$ 2,281,547</b>	<b>\$ 2,015,458</b>	<b>\$ 1,531,628</b>	<b>\$ 875,280</b>	<b>\$ 503,453</b>

**Percent of Fund Total Revenues**

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
94.8 %	94.7 %	95.7 %	98.3 %	99.1 %
1.4	1.2	0.4	1.1	0.7
3.8	4.1	3.9	0.6	0.2
-	-	-	-	0.0
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
0.3	0.1	0.1	0.1	0.0
1.5	1.2	1.5	1.5	1.6
0.5	0.6	0.2	0.5	0.5
56.4	49.1	49.0	50.5	61.5
<u>35.0</u>	<u>36.7</u>	<u>36.9</u>	<u>38.2</u>	<u>38.7</u>
<u>93.7</u>	<u>87.7</u>	<u>87.7</u>	<u>90.8</u>	<u>102.3</u>
<u><u>6.3 %</u></u>	<u><u>12.3 %</u></u>	<u><u>12.3 %</u></u>	<u><u>9.2 %</u></u>	<u><u>(2.3) %</u></u>

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
Board Members, Key Personnel, and Consultants  
Year Ended August 31, 2025**

Complete District mailing address:	Wood Trace Municipal Utility District No. 1, of Montgomery 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 9, 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 &amp; Expires</u>	<u>Fees*</u>	<u>Expense Reimbursements</u>	<u>Title at Year-End</u>
James Art Nicholson	Elected 05/22– 05/26	\$ 1,989	\$ -	President
Dexter Braband	Elected 05/24– 05/28	1,547	-	Vice President
David Ambrose	Elected 05/22– 05/26	1,326	-	Secretary
David Berenger	Elected 05/24– 05/28	3,536	1,272	Assistant Secretary
David Ricke	Elected 05/24– 05/28	4,420	2,278	Assistant Secretary

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

**Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas  
Board Members, Key Personnel, and Consultants  
Year Ended August 31, 2025**

**(Continued)**

<b>Consultants</b>	<b>Date Hired</b>	<b>Fees and Expense Reimbursements</b>	<b>Title</b>
Bob Leared Interests	03/15/01	\$ 35,268	Tax Assessor/ Collector
Forvis Mazars, LLP	11/06/03	35,600	Auditor
LJA Engineering, Inc.	10/23/13	184,708	Engineer
Masterson Advisors LLC	05/08/18	-	Financial Advisor
Montgomery Central Appraisal District	Legislative Action	45,004	Appraiser
Municipal Accounts & Consulting, L.P.	03/15/01	84,515	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	04/04/02	11,847	Delinquent Tax Attorney
Schwartz, Page & Harding, L.L.P.	03/15/01	101,397	General Counsel
Water District Management Company, Inc.	04/03/09	505,128	Operator
<b>Investment Officers</b>			
Mark M. Burton and Ghia Lewis	03/26/03	N/A	Bookkeepers