

**FORT BEND COUNTY MUNICIPAL
UTILITY DISTRICT NO. 149**

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

July 31, 2024

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McGRATH & CO., PLLC

Certified Public Accountants

2900 North Loop West, Suite 880

Houston, Texas 77092

Independent Auditor's Report

Board of Directors
Fort Bend County Municipal Utility District No. 149
Fort Bend County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 149 (the "District"), as of and for the year ended July 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 149, as of July 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, the District implemented GASB Implementation Guide 2021-1, Question 5.1 during the current fiscal year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

***Board of Directors
Fort Bend County Municipal Utility District No. 149
Fort Bend County, Texas***

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Board of Directors
Fort Bend County Municipal Utility District No. 149
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Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The Texas Supplementary Information schedules 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas Supplementary Information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.



Houston, Texas
November 25, 2024

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Management's Discussion and Analysis

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***Fort Bend County Municipal Utility District No. 149
Management's Discussion and Analysis
July 31, 2024***

Using this Annual Report

Within this section of the financial report of Fort Bend County Municipal Utility District No. 149 (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended July 31, 2024. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

In addition to this discussion and analysis, this annual report consists of:

- The District's basic financial statements;
- Notes to the basic financial statements, which provide additional information essential to a full understanding of the data provided in the financial statements;
- Supplementary information required by the Governmental Accounting Standards Board (GASB) concerning the District's budget; and
- Other Texas supplementary information required by the District's state oversight agency, the Texas Commission on Environmental Quality (TCEQ).

Overview of the Financial Statements

The District prepares its basic financial statements using a format that combines fund financial statements and government-wide statements onto one financial statement. The combined statements are the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. Each statement contains an adjustments column which quantifies the differences between the government-wide and fund level statements. Additional details of the adjustments are provided in Note 2 to the basic financial statements.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District, both long-term and short-term. The District's government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the accrual basis of accounting. The *Statement of Net Position* includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, changes in net position may provide a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

Accounting standards establish three components of net position. The net investment in capital assets component represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restricted component of net position consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties. The unrestricted component of net position represents resources not included in the other components.

Fort Bend County Municipal Utility District No. 149
Management's Discussion and Analysis
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The *Statement of Activities* reports how the District's net position has changed during the fiscal year. All revenues and expenses are included on this statement, regardless of whether cash has been received or paid.

Fund Financial Statements

The fund financial statements include the *Governmental Funds Balance Sheet* and the *Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. The focus of fund financial statements is on specific activities of the District rather than the District as a whole, reported using modified accrual accounting. These statements report on the District's use of available financial resources and the balances of available financial resources at the end of the year. 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, governmental statutes or regulations.

For further discussion on the government-wide and fund financial statements, please refer to Note 1 in the financial statements.

Financial Analysis of the District as a Whole

The District's net position at July 31, 2024, was \$4,783,884. A comparative summary of the District's overall financial position, as of July 31, 2024 and 2023, is as follows:

	2024	2023
Current and other assets	\$ 10,239,877	\$ 9,135,038
Capital assets	23,312,398	23,750,786
Total assets	<u>33,552,275</u>	<u>32,885,824</u>
 Total deferred outflows of resources	 145,464	 156,654
 Current liabilities	 1,891,524	 1,479,269
Long-term liabilities	27,022,331	27,374,380
Total liabilities	<u>28,913,855</u>	<u>28,853,649</u>
 Net position		
Net investment in capital assets	(4,621,050)	(4,394,174)
Restricted	3,002,249	2,615,780
Unrestricted	6,402,685	5,967,223
Total net position	<u>\$ 4,783,884</u>	<u>\$ 4,188,829</u>

During the current fiscal year, the District implemented GASB Implementation Guide (“GASBIG”) 2021-1, Question 5.1, which requires the capitalization of a group of individual assets that are below the capitalization threshold when the cost of the acquisition of the assets in the aggregate is significant. In accordance with this standard, the District recognized, as infrastructure capital assets, water meters that were previously expensed in prior fiscal years, net of related accumulated depreciation, as of the beginning of the current fiscal year. Prior year data has not been restated to include values for these

Fort Bend County Municipal Utility District No. 149
Management's Discussion and Analysis
July 31, 2024

infrastructure assets and, as a result, the presentation of prior year data as it relates to these assets is not consistent with the current year presentation (see Notes 3 and 6).

The total net position of the District increased during the current fiscal year by \$290,853. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	<u>2024</u>	<u>2023</u>
Revenues		
Property taxes, penalties and interest	\$ 2,899,380	\$ 2,757,108
Water and sewer service	1,317,537	1,243,333
Other	1,330,491	1,097,178
Total revenues	<u>5,547,408</u>	<u>5,097,619</u>
Expenses		
Current service operations	2,905,917	2,313,056
Debt interest and fees	976,758	797,688
Developer interest	355,422	270,307
Debt issuance costs	275,868	265,474
Depreciation and amortization	742,590	677,589
Total expenses	<u>5,256,555</u>	<u>4,324,114</u>
Change in net position	290,853	773,505
Net position, beginning of year (2024 restated)	4,493,031	3,415,324
Net position, end of year	<u>\$ 4,783,884</u>	<u>\$ 4,188,829</u>

As previously noted, the District implemented GASBIG 2021-1, Question 5.1 during the current year and, as a result, has restated its beginning net position for the current fiscal year. Prior year data is not consistent with current year data due to the recognition of certain capital assets and the related accumulated depreciation at the beginning of the current fiscal year (See Notes 3 and 6).

Financial Analysis of the District's Funds

The District's combined fund balances, as of July 31, 2024, were \$9,988,956, which consists of \$6,399,104 in the General Fund, \$3,401,433 in the Debt Service Fund, and \$188,419 in the Capital Projects Fund.

Fort Bend County Municipal Utility District No. 149
Management's Discussion and Analysis
July 31, 2024

General Fund

A comparative summary of the General Fund's financial position as of July 31, 2024 and 2023, is as follows:

	2024	2023
Total assets	<u>\$ 6,627,768</u>	<u>\$ 6,077,103</u>
Total liabilities	\$ 225,083	\$ 109,880
Total deferred inflows	3,581	1,955
Total fund balance	<u>6,399,104</u>	<u>5,965,268</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 6,627,768</u>	<u>\$ 6,077,103</u>

A comparative summary of the General Fund's activities for the current and prior fiscal year is as follows:

	2024	2023
Total revenues	\$ 3,113,030	\$ 3,062,371
Total expenditures	<u>(2,679,194)</u>	<u>(2,411,937)</u>
Revenues over expenditures	<u>\$ 433,836</u>	<u>\$ 650,434</u>

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District's primary financial resources in the General Fund are from a property tax levy, the provision of water, sewer and fire protection services to customers within the District, tap connection fees charged to homebuilders in the District. Financial resources are influenced by a variety of factors each year:

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. While assessed values in the District increased from the prior year, property tax revenues decreased because the District decreased the maintenance component of the levy.
- Water, sewer and surface water revenues are dependent upon customer usage, which fluctuates from year to year as a result of factors beyond the District's control.
- Revenues from providing fire protection services are based on the number of connections in the District and increases as the number of connections increases.
- Tap connection fees fluctuate with homebuilding activity within the District.

Fort Bend County Municipal Utility District No. 149
Management's Discussion and Analysis
July 31, 2024

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of July 31, 2024 and 2023, is as follows:

	2024	2023
Total assets	<u>\$ 3,423,690</u>	<u>\$ 2,965,169</u>
Total liabilities	\$ 4,710	\$ 2,754
Total deferred inflows	17,547	5,982
Total fund balance	<u>3,401,433</u>	<u>2,956,433</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 3,423,690</u>	<u>\$ 2,965,169</u>

A comparative summary of the Debt Service Fund's activities for the current and prior fiscal year is as follows:

	2024	2023
Total revenues	\$ 2,416,516	\$ 2,044,780
Total expenditures	<u>(1,971,516)</u>	<u>(1,804,979)</u>
Revenues over expenditures	<u>\$ 445,000</u>	<u>\$ 239,801</u>

The District's financial resources in the Debt Service Fund in both the current year and prior year are from property tax revenues. The difference between these financial resources and debt service requirements resulted in an increase in fund balance each year. It is important to note that the District sets its annual debt service tax rate as recommended by its financial advisor, who monitors projected cash flows in the Debt Service Fund to ensure that the District will be able to meet its future debt service requirements.

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of July 31, 2024 and 2023, is as follows:

	2024	2023
Total assets	<u>\$ 188,419</u>	<u>\$ 92,766</u>
Total fund balance	<u>\$ 188,419</u>	<u>\$ 92,766</u>

Fort Bend County Municipal Utility District No. 149
Management's Discussion and Analysis
July 31, 2024

A comparative summary of activities in the Capital Projects Fund for the current and prior fiscal year is as follows:

	2024	2023
Total revenues	\$ 4,671	\$ 3,531
Total expenditures	(4,309,018)	(3,343,291)
Revenues under expenditures	(4,304,347)	(3,339,760)
Other changes in fund balance	4,400,000	3,400,000
Net change in fund balance	<u>\$ 95,653</u>	<u>\$ 60,240</u>

The District has had considerable capital asset activity in the last two years, which was financed with proceeds from the issuance of its Series 2023 Unlimited Tax Bonds in the current year and the sale of its Series 2022 Unlimited Tax Bonds in the prior year.

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board did not amend the budget during the fiscal year.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was \$35,038 greater than budgeted. The *Budgetary Comparison Schedule* on page 36 of this report provides variance information per financial statement line item.

Capital Assets

The District has entered into financing agreements with its developers for the financing of the construction of capital assets within the District. Developers will be reimbursed from proceeds of future bond issues or other lawfully available funds. These developer funded capital assets are recorded on the District's financial statements upon completion of construction.

Fort Bend County Municipal Utility District No. 149
Management's Discussion and Analysis
July 31, 2024

Capital assets held by the District at July 31, 2024 and 2023, are summarized as follows:

	<u>2024</u>	<u>2023</u>
Capital assets not being depreciated		
Land and improvements	<u>\$ 111,004</u>	<u>\$ 111,004</u>
Capital assets being depreciated/amortized		
Infrastructure	26,923,453	26,273,429
Regional water supply capacity	215,075	215,075
Capacity in City facilities	<u>2,937,834</u>	<u>2,937,834</u>
	<u>30,076,362</u>	<u>29,426,338</u>
Less accumulated depreciation/amortization		
Infrastructure	(6,120,604)	(5,125,932)
Regional water supply capacity	(19,283)	(13,164)
Capacity in City facilities	<u>(735,081)</u>	<u>(647,460)</u>
	<u>(6,874,968)</u>	<u>(5,786,556)</u>
Depreciable capital assets, net	<u>23,201,394</u>	<u>23,639,782</u>
Capital assets, net	<u>\$ 23,312,398</u>	<u>\$ 23,750,786</u>

As previously noted, the District implemented GASBIG 2021-1, Question 5.1 during the current year. As a result, prior year data is not consistent with current year data due to the recognition of certain capital assets and the related accumulated depreciation at the beginning of the current fiscal year (See Notes 3 and 6).

Long-Term Debt

At July 31, 2024 and 2023, the District had total bonded debt outstanding as shown below:

<u>Series</u>	<u>2024</u>	<u>2023</u>
2014	\$ 8,465,000	\$ 8,865,000
2015	6,780,000	7,100,000
2021 Refunding	5,280,000	5,580,000
2022	3,400,000	3,400,000
2023	<u>4,400,000</u>	<u>4,400,000</u>
	<u>\$ 28,325,000</u>	<u>\$ 24,945,000</u>

During the current year, the District issued \$4,400,000 in unlimited tax bonds. At July 31, 2024, the District had \$27,645,000 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 the refunding of such bonds.

***Fort Bend County Municipal Utility District No. 149
Management's Discussion and Analysis
July 31, 2024***

Next Year's Budget

In establishing the budget for the next fiscal year, the Board considered various economic factors that may affect the District, most notably projected revenues from property taxes and water/sewer services and the projected cost of operating the District and providing services to customers. A comparison of next year's budget to current year actual amounts for the General Fund is as follows:

	<u>2024 Actual</u>	<u>2025 Budget</u>
Total revenues	\$ 3,113,030	\$ 3,197,038
Total expenditures	<u>(2,679,194)</u>	<u>(2,772,561)</u>
Revenues over expenditures	433,836	424,477
Beginning fund balance	<u>5,965,268</u>	<u>6,399,104</u>
Ending fund balance	<u><u>\$ 6,399,104</u></u>	<u><u>\$ 6,823,581</u></u>

Property Taxes

The District's property tax base increased approximately \$128,018,000 for the 2024 tax year from \$762,148,062 to \$890,166,045. This increase was primarily due to increased property values. For the 2024 tax year, the District has levied a maintenance tax rate of \$0.085 per \$100 of assessed value and a debt service tax rate of \$0.25 per \$100 of assessed value, for a total combined tax rate of \$0.335 per \$100 of assessed value. Tax rates for the 2023 tax year were \$0.075 per \$100 for maintenance and operations and \$0.30 per \$100 for debt service for a combined total of \$0.375 per \$100 of assessed value.

Basic Financial Statements

Fort Bend County Municipal Utility District No. 149
Statement of Net Position and Governmental Funds Balance Sheet
July 31, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 272,708	\$ 33,561	\$ 98,495	\$ 404,764	\$ -	\$ 404,764
Investments	6,007,512	3,373,957	89,924	9,471,393		9,471,393
Taxes receivable	3,581	17,547		21,128		21,128
Customer service receivables	199,726			199,726		199,726
Internal balances	1,375	(1,375)				
Prepaid items	11,842			11,842		11,842
Other receivables	500			500		500
Operating reserve - regional water supply	130,524			130,524		130,524
Capital assets not being depreciated					111,004	111,004
Capital assets, net					23,201,394	23,201,394
Total Assets	\$ 6,627,768	\$ 3,423,690	\$ 188,419	\$ 10,239,877	23,312,398	33,552,275
Deferred Outflows of Resources						
Deferred difference on refunding					145,464	145,464
Liabilities						
Accounts payable	\$ 215,187	\$ 456	\$ -	\$ 215,643		215,643
Due to others		4,254		4,254		4,254
Customer deposits	6,150			6,150		6,150
Due to other governments	3,746			3,746		3,746
Accrued interest payable					416,731	416,731
Long-term debt						
Due within one year					1,245,000	1,245,000
Due after one year					27,022,331	27,022,331
Total Liabilities	225,083	4,710		229,793	28,684,062	28,913,855
Deferred Inflows of Resources						
Deferred property taxes	3,581	17,547		21,128	(21,128)	
Fund Balances/Net Position						
Fund Balances						
Nonspendable	142,366			142,366	(142,366)	
Restricted		3,401,433	188,419	3,589,852	(3,589,852)	
Unassigned	6,256,738			6,256,738	(6,256,738)	
Total Fund Balances	6,399,104	3,401,433	188,419	9,988,956	(9,988,956)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,627,768	\$ 3,423,690	\$ 188,419	\$ 10,239,877		
Net Position						
Net investment in capital assets					(4,621,050)	(4,621,050)
Restricted for debt service					3,002,249	3,002,249
Unrestricted					6,402,685	6,402,685
Total Net Position					\$ 4,783,884	\$ 4,783,884

See notes to basic financial statements.

Fort Bend County Municipal Utility District No. 149

**Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended July 31, 2024**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Water service	\$ 338,048	\$ -	\$ -	\$ 338,048	\$ -	\$ 338,048
Sewer service	979,489			979,489		979,489
Property taxes	567,987	2,272,017		2,840,004	11,179	2,851,183
Penalties and interest	32,340	13,845		46,185	2,012	48,197
Tap connection and inspection	10,820			10,820		10,820
Surface water	614,340			614,340		614,340
Fire service	242,952			242,952		242,952
Miscellaneous	10,432			10,432		10,432
Investment earnings	316,622	130,654	4,671	451,947		451,947
Total Revenues	3,113,030	2,416,516	4,671	5,534,217	13,191	5,547,408
Expenditures/Expenses						
Current service operations						
Purchased services	1,099,532			1,099,532		1,099,532
Professional fees	134,060		168,000	302,060		302,060
Contracted services	1,073,697	54,397		1,128,094		1,128,094
Repairs and maintenance	193,192			193,192		193,192
Utilities	12,341			12,341		12,341
Administrative	102,661	3,946	380	106,987		106,987
Other	63,711			63,711		63,711
Capital outlay			3,509,348	3,509,348	(3,509,348)	
Debt service						
Principal		1,020,000		1,020,000	(1,020,000)	
Interest and fees		893,173		893,173	83,585	976,758
Developer interest			355,422	355,422		355,422
Debt issuance costs			275,868	275,868		275,868
Depreciation/amortization					742,590	742,590
Total Expenditures/Expenses	2,679,194	1,971,516	4,309,018	8,959,728	(3,703,173)	5,256,555
Revenues Over/(Under) Expenditures						
	433,836	445,000	(4,304,347)	(3,425,511)	3,425,511	
Other Financing Sources						
Proceeds from sale of bonds			4,400,000	4,400,000	(4,400,000)	
Net Change in Fund Balances	433,836	445,000	95,653	974,489	(974,489)	
Change in Net Position					290,853	290,853
Fund Balance/Net Position						
Beginning of the year (See Note 3)	5,965,268	2,956,433	92,766	9,014,467	(4,521,436)	4,493,031
End of the year	\$ 6,399,104	\$ 3,401,433	\$ 188,419	\$ 9,988,956	\$ (5,205,072)	\$ 4,783,884

See notes to basic financial statements.

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Fort Bend County Municipal Utility District No. 149 (the “District”) conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to an order of the Texas Commission on Environmental Quality, dated August 21, 2007, and operates in accordance with the Texas Water Code, Chapters 49 and 54. The Board of Directors held its first meeting on August 30, 2007, and the first bonds were issued on December 20, 2011.

The District’s primary activities include construction, maintenance and operation of water, sewer and drainage facilities. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statements as component units.

Government-Wide and Fund Financial Statements

Government-wide financial statements display information about the District as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Interfund activity, if any, has been removed from these statements. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities*.

Fund financial statements display information at the individual fund level. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Each fund is considered to be a separate accounting entity. Most governments typically have many funds; however, governmental financial statements focus on the most important or “major” funds with non-major funds aggregated in a single column. The District has three governmental funds, which are all considered major funds.

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

The following is a description of the various funds used by the District:

- The General Fund is used to account for the operations of the District’s water and sewer system and all other financial transactions not reported in other funds. The principal sources of revenue are property taxes and water and sewer service fees. Expenditures include costs associated with the daily operations of the District.
- The Debt Service Fund is used to account for the payment of interest and principal on the District’s general long-term debt. The primary source of revenue for debt service is property taxes. Expenditures include costs incurred in assessing and collecting these taxes.
- The Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the District’s water, sewer and drainage facilities.

As a special-purpose government engaged in a single governmental program, the District has opted to combine its government-wide and fund financial statements in a columnar format showing an adjustments column for reconciling items between the two.

Measurement Focus and Basis of Accounting

The government-wide financial statements use the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both available and measurable to finance expenditures of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, interest earned on investments and income from District operations. Property taxes receivable at the end of the fiscal year are treated as deferred inflows because they are not considered available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Note 2 further details the adjustments from the governmental fund presentation to the government-wide presentation.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted resources as they are needed.

Note 1 – Summary of Significant Accounting Policies (continued)

Prepaid Items

Certain payments made by the District reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At July 31, 2024, an allowance for uncollectible accounts was not considered necessary.

Unbilled Service Revenues

Utility revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled at year-end has been included in the accompanying financial statements.

Interfund Activity

During the course of operations, transactions occur between individual funds. This can include internal transfers, payables and receivables. This activity is combined as internal balances and is eliminated in both the government-wide and fund financial statement presentation.

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost of \$50,000 or more and an estimated useful life in excess of one year. Capital assets that individually are below the capitalization threshold but, in the aggregate, are above the threshold are capitalized. Subsequent replacements of these assets are not capitalized. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciable capital assets, which primarily consist of water, wastewater and drainage facilities, are depreciated (or amortized in the case of intangible assets) using the straight-line method as follows:

Assets	Useful Life
Infrastructure	10-45 years
Regional water supply capacity	Remaining life of contract
Capacity connection fees	Remaining life of contract

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

The District's detention facilities and drainage channels are considered improvements to land and are non-depreciable.

Deferred Inflows and Outflows of Financial Resources

A deferred inflow of financial resources is the acquisition of resources in one period that is applicable to a future period, while a deferred outflow of financial resources is the consumption of financial resources in one period that is applicable to a future period. A deferred inflow results from the acquisition of an asset without a corresponding revenue or assumption of a liability. A deferred outflow results from the use of an asset without a corresponding expenditure or reduction of a liability.

At the fund level, property taxes receivable not collected within 60 days of fiscal year end do not meet the availability criteria required for revenue recognition and are recorded as deferred inflows of financial resources.

Deferred outflows of financial resources at the government-wide level are from a refunding bond transaction in which the amount required to repay the old debt exceeded the net carrying amount of the old debt. This amount is being amortized to interest expense.

Net Position – Governmental Activities

Governmental accounting standards establish the following three components of net position:

Net investment in capital assets – represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets.

Restricted – consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties.

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District's nonspendable fund balance consists of prepaid items and operating reserves paid to Fort Bend County Municipal Utility District No. 115 for the Regional Water Supply Agreement (see Note 12).

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds (continued)

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District's restricted fund balances consist of unspent bond proceeds in the Capital Projects Fund and property taxes levied for debt service in the Debt Service Fund.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District does not have any committed fund balances.

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

Unassigned - all other spendable amounts in the General Fund.

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include, among others, the collectability of receivables; the value of unbilled utility revenues and receivables and the useful lives and impairment of capital assets. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2024

Note 2 – Adjustment from Governmental to Government-wide Basis

Reconciliation of the *Governmental Funds Balance Sheet* to the *Statement of Net Position*

Total fund balance, governmental funds		\$ 9,988,956
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

Historical cost	\$ 30,187,366	
Less accumulated depreciation/amortization	<u>(6,874,968)</u>	
Change due to capital assets		23,312,398

The difference between the face amount of bonds refunded and the amount paid to the escrow agent is recorded as a deferred difference on refunding in the *Statement of Net Position* and amortized to interest expense. It is not recorded in the fund statements because it is not a financial resource.

145,464

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The difference consists of:

Bonds payable, net	(28,267,331)	
Interest payable on debt	<u>(416,731)</u>	
Change due to long-term debt		(28,684,062)

Property taxes receivable and related penalties and interest have been levied and are due, but are not available soon enough to pay current period expenditures and, therefore, are deferred in the funds.

Property taxes receivable	17,906	
Penalty and interest receivable	<u>3,222</u>	
Change due to property taxes		21,128

Total net position - governmental activities		<u><u>\$ 4,783,884</u></u>
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Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2024

Note 2 – Adjustment from Governmental to Government-wide Basis (continued)

Reconciliation of the *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* to the *Statement of Activities*

Net change in fund balances - total governmental funds \$ 974,489

Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for property taxes and penalties and interest. 13,191

Governmental funds report capital outlays for the acquisition of capital assets are recorded as expenditures in the funds; however, in the *Statement of Activities*, the cost of capital assets is charged to expense over the estimated useful life of the asset.

Capital outlays	\$ 3,509,348	
Depreciation/amortization expense	(742,590)	
	2,766,758	2,766,758

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal uses current financial resources. However, neither transaction has any effect on net assets. Other elements of debt financing are reported differently between the fund and government wide statements.

Issuance of long term debt	(4,400,000)	
Principal payments	1,020,000	
Interest expense accrual	(83,585)	
	(3,463,585)	(3,463,585)

Change in net position of governmental activities \$ 290,853

Note 3 – Implementation of New Accounting Guidance

During the current fiscal year, the District implemented GASB Implementation Guide (“GASBIG”) 2021-1, Question 5.1, which requires the capitalization of the acquisition of a group of individual capital assets whose individual acquisition costs are less than the capitalization threshold when the cost of the acquisition of the assets in the aggregate is significant. Under this new guidance, the District’s acquisition of water meters that exceeds the capitalization threshold in the aggregate should be recorded as Capital outlays instead of Contracted services in the *Statement of Revenues, Expenditures and Changes in Fund Balances*. On the government wide statements, the acquisition of water meters should not be recorded as an expense on the *Statement of Activities* but should be recorded as capital assets on the *Statement of Net Position*.

Note 3 – Implementation of New Accounting Guidance (continued)

GASBIG 2021-1, Question 5.1 is required to be retroactively implemented, which means the District is required to record the acquisition of water meters that were expensed in previous fiscal years as infrastructure capital assets and to record the related accumulated depreciation at the beginning of the current fiscal year. Accordingly, the District has recorded an adjustment to recognize \$304,202 in depreciable capital assets, which were measured at net book value (i.e., cost less accumulated depreciation) as of the beginning of the current fiscal year and increased its beginning net position by the same amount. Prior year amounts in the Management’s Discussion and Analysis and supplementary schedules were not restated.

The effect of the implementation of the new accounting guidance on the District’s beginning net position is as follows:

Beginning Net Position, as reported	\$ 4,188,829
Change due to implementation of new accounting guidance	<u>304,202</u>
Beginning Net Position, as restated	<u>\$ 4,493,031</u>

Note 4 – Deposits and Investments

Deposit Custodial Credit Risk

Custodial credit risk as it applies to deposits (i.e. cash) is the risk that, in the event of the failure of the depository institution, a government will not be able to recover its deposits or will not be able to recover collateral securities. The *Public Funds Collateral Act* (Chapter 2257, Texas Government Code) requires that all of the District’s deposits with financial institutions be covered by federal depository insurance and, if necessary, pledged collateral held by a third-party custodian. The act further specifies the types of securities that can be used as collateral. The District’s written investment policy establishes additional requirements for collateralization of deposits.

Investments

The District is authorized by the *Public Funds Investment Act* (Chapter 2256, Texas Government Code) to invest in the following: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including Federal Home Loan Banks, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies or 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, (5) certain A rated or higher obligations of states and political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) certain insured or collateralized certificates of deposit and share certificates, (8) certain fully collateralized repurchase agreements, (9) bankers’ acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds, with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2024

Note 4 – Deposits and Investments (continued)

Investments (continued)

The District has adopted a written investment policy to establish the principles by which the District’s investment program should be managed. This policy further restricts the types of investments in which the District may invest.

As of July 31, 2024, the District’s investments consist of the following:

Type	Fund	Carrying Value	Percentage of Total	Rating	Weighted Average Maturity
TexPool	General	\$ 2,698,359			
	Debt Service	3,373,957			
	Capital Projects	89,924			
		<u>6,162,240</u>	65%	AAAm	35 days
Texas CLASS	General	<u>3,309,153</u>	<u>35%</u>	AAAm	38 days
Total		<u>\$ 9,471,393</u>	<u>100%</u>		

TexPool

The District participates in TexPool, the Texas Local Government Investment Pool. The State Comptroller of Public Accounts exercises oversight responsibility of TexPool, which includes (1) the ability to significantly influence operations, (2) designation of management and (3) accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

As permitted by GAAP, TexPool uses amortized cost (which excludes unrealized gains and losses) rather than market value to compute share price and seeks to maintain a constant dollar value per share. Accordingly, the fair value of the District’s position in TexPool is the same as the value of TexPool shares. Investments in TexPool may be withdrawn on a same day basis, as long as the transaction is executed by 3:30 p.m.

Texas CLASS

The District also participates in Texas Cooperative Liquid Assets Securities System (Texas CLASS). Texas CLASS is managed by an elected Board of Trustees consisting of members of the pool. Additionally, the Board of Trustees has established an advisory board, the function of which is to provide guidance on investment policies and strategies. The Board of Trustees has selected Public Trust Advisors, LLC as the program administer and UMB Bank N.A., as the custodian.

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2024

Note 4 – Deposits and Investments (continued)

Texas CLASS (continued)

The District’s investment in Texas CLASS is reported at fair value because Texas CLASS uses fair value to report investments (other than repurchase agreements which are valued at amortized cost). Governmental accounting standards establish the following hierarchy of inputs used to measure fair value: Level 1 inputs are based on quoted prices in active markets, Level 2 inputs are based on significant other observable inputs, and Level 3 inputs are based on significant unobservable inputs. The District’s investment in Texas CLASS is measured using published fair value per share (level 1 inputs).

Investments in Texas CLASS may be withdrawn via wire transfer on a same day basis, as long as the transaction is executed by 4 p.m. ACH withdrawals made by 4 p.m. will settle on the next business day.

Investment Credit and Interest Rate Risk

Investment credit risk is the risk that the investor may not recover the value of an investment from the issuer, while interest rate risk is the risk that the value of an investment will be adversely affected by changes in interest rates. The District’s investment policies do not address investment credit and interest rate risk beyond the rating and maturity restrictions established by state statutes.

Note 5 – Interfund Balances and Transactions

Amounts due to/from other funds at July 31, 2024, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>	<u>Purpose</u>
General Fund	Debt Service Fund	\$ 1,375	Maintenance tax collections not remitted as of year end.

Amounts reported as internal balances between funds are considered temporary balances and will be paid during the following fiscal year.

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2024

Note 6 – Capital Assets

A summary of changes in capital assets, for the year ended July 31, 2024, is as follows:

	Beginning Balances	Additions/ Adjustments	Ending Balances
Capital assets not being depreciated			
Land and improvements	\$ 111,004	\$ -	\$ 111,004
Capital assets being depreciated/amortized			
Infrastructure	26,923,453		26,923,453
Regional water supply capacity	215,075		215,075
Capacity in City facilities	2,937,834		2,937,834
	<u>30,076,362</u>		<u>30,076,362</u>
Less accumulated depreciation/amortization			
Infrastructure	(5,471,754)	(648,850)	(6,120,604)
Regional water supply capacity	(13,164)	(6,119)	(19,283)
Capacity in City facilities	(647,460)	(87,621)	(735,081)
	<u>(6,132,378)</u>	<u>(742,590)</u>	<u>(6,874,968)</u>
Subtotal depreciable capital assets, net	<u>23,943,984</u>	<u>(742,590)</u>	<u>23,201,394</u>
Capital assets, net	<u>\$ 24,054,988</u>	<u>\$ (742,590)</u>	<u>\$ 23,312,398</u>

Depreciation/amortization expense for the current fiscal year was \$742,590

As discussed in Note 3, the District recorded an adjustment to capitalize the acquisition of certain capital assets and accumulated depreciation at the beginning of the current fiscal year. In previous years, these costs were expensed. As a result, beginning balances for infrastructure capital assets in the current fiscal year are not consistent with prior year data.

Note 7 – Due to Developers

The District has entered into financing agreements with its developers for the financing of the construction of water, sewer, and drainage facilities. Under the agreements, the developers will advance funds for the construction of facilities to serve the District. The developers will be reimbursed from proceeds of future bond issues or other lawfully available funds, subject to approval by TCEQ, as applicable. The District does not record the capital asset and related liability on the governmentwide statements until construction of the facilities is complete. The initial cost is estimated based on construction costs plus 10-15% for engineering and other fees. Estimates are trued up when the developer is reimbursed.

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2024

Note 7 – Due to Developers (continued)

Changes in the estimated amounts due to developers during the year are as follows:

Due to developers, beginning of year	\$ 3,509,348
Developer reimbursements	(3,509,348)
Due to developers, end of year	<u><u>\$ -</u></u>

Note 8 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	\$ 28,325,000
Unamortized discounts	(230,241)
Unamortized premium	172,572
	<u><u>\$ 28,267,331</u></u>
Due within one year	<u><u>\$ 1,245,000</u></u>

The District’s bonds payable at July 31, 2024, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2014	\$ 8,465,000	\$ 11,450,000	2.0% - 4.0%	September 1, 2015 to 2038	September 1, March 1	September 1, 2022
2015	6,780,000	8,955,000	2.0% - 4.0%	September 1, 2017 to 2040	September 1, March 1	September 1, 2023
2021 Refunding	5,280,000	5,615,000	2.0% - 3.0%	September 1, 2022 to 2037	September 1, March 1	September 1, 2026
2022	3,400,000	3,400,000	3.5% - 4.0%	September 1, 2024 to 2047	September 1, March 1	September 1, 2029
2023	4,400,000	4,400,000	4.0% - 6.0%	September 1, 2024 to 2048	September 1, March 1	September 1, 2029
	<u><u>\$ 28,325,000</u></u>					

Payments of principal and interest on all series of bonds are to be provided from taxes levied on all properties within the District. Investment income realized by the Debt Service Fund from investment of idle funds will be used to pay outstanding bond principal and interest. The District is in compliance with the terms of its bond resolutions.

At July 31, 2024, the District had authorized but unissued bonds in the amount of \$27,645,000 for water, sewer and drainage systems with the District and refunding of such bonds.

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2024

Note 8 – Long-Term Debt (continued)

On September 27, 2023, the District issued its \$4,400,000 Series 2023 Unlimited Tax Bonds at a net effective interest rate of 4.396303%. Proceeds of the bonds were used to reimburse developers for the cost of capital assets constructed within the District plus interest expense at the net effective interest rate of the bonds.

The change in the District’s long-term debt during the year is as follows:

Bonds payable, beginning of year	\$ 24,945,000
Bonds issued	4,400,000
Bonds retired	<u>(1,020,000)</u>
Bonds payable, end of year	<u><u>\$ 28,325,000</u></u>

As of July 31, 2024, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2025	\$ 1,245,000	\$ 967,269	\$ 2,212,269
2026	1,265,000	927,276	2,192,276
2027	1,305,000	885,800	2,190,800
2028	1,350,000	842,307	2,192,307
2029	1,390,000	798,136	2,188,136
2030	1,435,000	753,102	2,188,102
2031	1,480,000	706,369	2,186,369
2032	1,525,000	658,268	2,183,268
2033	1,575,000	608,194	2,183,194
2034	1,630,000	555,626	2,185,626
2035	1,680,000	500,716	2,180,716
2036	1,740,000	443,762	2,183,762
2037	1,800,000	384,319	2,184,319
2038	1,865,000	319,419	2,184,419
2039	1,930,000	246,300	2,176,300
2040	875,000	190,200	1,065,200
2041	915,000	154,400	1,069,400
2042	380,000	128,500	508,500
2043	395,000	113,000	508,000
2044	415,000	96,800	511,800
2045	430,000	79,600	509,600
2046	450,000	61,388	511,388
2047	470,000	42,343	512,343
2048	490,000	22,468	512,468
2049	290,000	6,163	296,163
	<u><u>\$ 28,325,000</u></u>	<u><u>\$ 10,491,725</u></u>	<u><u>\$ 38,816,725</u></u>

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2024

Note 9 – Property Taxes

On November 6, 2007, the voters of the District authorized the District’s Board of Directors to levy taxes annually for use in financing general operations limited to \$1.25 per \$100 of assessed value. The District’s bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

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

Property taxes are collected based on rates adopted in the year of the levy. The District’s 2024 fiscal year was financed through the 2023 tax levy, pursuant to which the District levied property taxes of \$0.375 per \$100 of assessed value, of which \$0.075 was allocated to maintenance and operations and \$0.30 was allocated to debt service. The resulting tax levy was \$2,858,056 on the adjusted taxable value of \$762,148,062.

Property taxes receivable, at July 31, 2024, consisted of the following:

Current year taxes receivable	\$ 17,906
Penalty and interest receivable	3,222
Total property taxes receivable	<u>\$ 21,128</u>

Note 10 – Regional Wastewater Treatment Facilities Agreement

On January 4, 2010, and as modified by addendums dated February 16, 2015 and January 6, 2020, the District entered into the Regional Wastewater Treatment Facilities Agreement (the “WWTP Agreement”) with the City of Missouri City (the “City”), for the term of forty years, whereas the City agrees to become the coordinating entity to provide wastewater treatment services by owning, operating and maintaining a regional wastewater treatment plant to serve participants. The regional plant is currently planned to ultimately have a total treatment capacity of 5.5 million gallons per day (MGD). The regional plant is being constructed in multiple phases. The City has constructed the first two phases of a regional plant, which consists of a 3.0 MGD regional wastewater treatment plant and the collection system. The City is the owner of the facilities including all expansions, improvements, and regulatory upgrades.

On January 6, 2020, the District entered into a Second Addendum to the WWTP Agreement, which reallocated capacity among participants. Pursuant to the agreement, the District purchased 82,500 gallons per day (“gpd”) of additional capacity in the Steep Bank/Flat Bank regional wastewater treatment plant system, for a total capacity of 403,000 gpd.

Note 10 – Regional Wastewater Treatment Facilities Agreement (continued)

The City establishes a budget of the best estimate for the operation of the facilities, based on many factors including a monthly estimate of the total number of equivalent single-family connections (“ESFC”). The participants pay monthly charges to the City sufficient to provide for the payment of all operating and maintenance expenses. The City may make adjustments for the amount of any excess or deficiency in operating funds and can change its monthly charges accordingly.

The City established and will maintain an operation and maintenance reserve, equivalent to twenty-five percent of the estimated operation and maintenance expenses in the annual budget. The District may pay this amount prior to the commencement of services or may request the City to bill the reserve monthly at a rate equal to 117% of the budgeted monthly charges for operation and maintenance expenses until the reserve has been paid.

During the current year, the District paid \$183,858 for monthly service charges for maintenance and operation of the facilities. As of July 31, 2024, the District has paid \$2,937,834 to the City for wastewater impact fees and improvements to the facilities.

Note 11 – Strategic Partnership Agreement

On November 15, 2007, the District and the City of Missouri City entered into a Strategic Partnership Agreement, under which the City shall not fully annex the District until ninety percent of the District’s developable acreage has been developed with water, wastewater and drainage facilities and its developers have been reimbursed as allowed by the Texas Commission on Environmental Quality. The City may annex any commercial portion of the District at any time for the purpose of imposing and collecting the City’s sale and use tax within the commercial area. The District continues to exercise all powers and functions of a municipal utility district.

Note 12 – Regional Water Supply Agreement

On January 23, 2023, the District executed a Fourth Amended and Restated Regional Water Supply Agreement (the “RWS Agreement”) with Fort Bend County Municipal Utility District No. 129 (MUD 129), Fort Bend County Municipal Utility District No. 46 (MUD 46) and Fort Bend County Municipal Utility District No. 115 (MUD 115). This agreement superseded and replaced the water supply contract between the district, MUD 129, MUD 115 and MUD 46 for the operation and maintenance of a joint water plant. Pursuant to the amended and restated agreement, the District

The RWS Agreement establishes a regional water supply system with two existing water plants and establishes the terms and conditions under which the costs of operating the system will be shared between the Participating Districts. MUD 115 is responsible for operation of the water supply system and is required to establish a separate fund to account for the activities of the system. Legal ownership of the water plants is described by the RWS Agreement, with MUD 115 having legal title to Water Plant No. 1, and the District having legal title to Water Plant No. 2.

Note 12 – Regional Water Supply Agreement (continued)

Each of the participating Districts is billed monthly for its proportionate share of the maintenance and operating expenditures of the water supply system based on each District’s actual metered usage for that month. During the current year, the District paid \$915,674 to MUD 115 pursuant to the RWS Agreement. As of July 31, 2024, the District recorded an operating reserve of \$130,524.

Note 13 – Surface Water Conversion

The Texas Legislature created the Fort Bend Subsidence District (the “Subsidence District”) to reduce subsidence by regulating the withdrawal of groundwater in Fort Bend County. The Subsidence District has mandated that water well permit holders must acquire no more than 70% of their total water supply from groundwater by the year 2013 and no more than 40% of the total water supply from groundwater by the year 2025. In order to achieve these objectives, water well permit holders may enter into agreements with other permit holders to develop a joint solution that reduces groundwater usage across the group as a whole, instead of for each individual permit holder.

The District entered in a groundwater reduction plan (GRP) with the City of Missouri City in 2010. This plan includes 40 separate entities (the “participants”) located within the City’s corporate limits and extraterritorial jurisdiction. The City is responsible for administering the GRP on behalf of the participants. The GRP calls for the construction of a 10-million gallon per day surface water treatment plant, which will be expanded in 2 phases to 21 million gallons in 2017 and to 33 million gallons in 2027. This plant began operations in the first quarter of 2012.

In order for the City to recover the costs associated with implementing the GRP, all participants pay the City a pumpage fee. The amount of the fee is periodically reviewed and adjusted by the City. Costs considered in determining the amount of the fee will ultimately include all costs to operate the surface water treatment plant, capital costs not paid by bonds, debt service requirements (if applicable) and groundwater production costs. As of July 31, 2024, the fees were \$1.99 per 1,000 gallons for groundwater pumpage and an additional \$0.59 per 1,000 gallons for surface water. The District passes these fees, plus 10%, to its customers as part of the District’s standard monthly water and sewer bills. In July 2016, the District began to receive surface water from the City. During the current fiscal year, the District recorded \$614,340 in surface water revenues in the General Fund. Under the RWS Agreement, the pumpage fee and surface water are included in the monthly operation and maintenance charges billed by MUD 115.

Note 14 – 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 personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Required Supplementary Information

*Fort Bend County Municipal Utility District No. 149
 Required Supplementary Information - Budgetary Comparison Schedule - General Fund
 For the Year Ended July 31, 2024*

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Water service	\$ 310,100	\$ 338,048	\$ 27,948
Sewer service	930,000	979,489	49,489
Property taxes	747,510	567,987	(179,523)
Penalties and interest	18,000	32,340	14,340
Tap connection and inspection	80,520	10,820	(69,700)
Surface water	483,000	614,340	131,340
Fire service	305,450	242,952	(62,498)
Miscellaneous	16,800	10,432	(6,368)
Investment earnings	90,000	316,622	226,622
Total Revenues	<u>2,981,380</u>	<u>3,113,030</u>	<u>131,650</u>
Expenditures			
Current service operations			
Purchased services	1,119,592	1,099,532	20,060
Professional fees	121,400	134,060	(12,660)
Contracted services	1,015,706	1,073,697	(57,991)
Repairs and maintenance	158,850	193,192	(34,342)
Utilities	15,000	12,341	2,659
Administrative	100,454	102,661	(2,207)
Other	51,580	63,711	(12,131)
Total Expenditures	<u>2,582,582</u>	<u>2,679,194</u>	<u>(96,612)</u>
Revenues Over Expenditures	398,798	433,836	35,038
Fund Balance			
Beginning of the year	5,965,268	5,965,268	
End of the year	<u>\$ 6,364,066</u>	<u>\$ 6,399,104</u>	<u>\$ 35,038</u>

Fort Bend County Municipal Utility District No. 149
Notes to Required Supplementary Information
July 31, 2024

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. There were no amendments to the budget during the year.

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Texas Supplementary Information

Fort Bend County Municipal Utility District No. 149
TSI-1. Services and Rates
July 31, 2024

1. Services provided by the District During the Fiscal Year:

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

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 Usage</u>	<u>Usage Levels</u>	
Water:	\$ 4.05	- 0 -	N	\$ 1.13	- 0 -	to no limit
Wastewater:	\$ 36.25	- 0 -	N	\$ 2.21	- 0 -	to no limit
GRP fee:	\$ 2.84	- 0 -	N			to _____

District employs winter averaging for wastewater usage? Yes No

Total charges per 10,000 gallons usage: Water \$ 43.73 Wastewater \$ 58.35

b. Water and Wastewater Retail Connections:

<u>Meter Size</u>	<u>Connections</u>	<u>Connections</u>	<u>ESFC Factor</u>	<u>ESFC'S</u>
Unmetered			x 1.0	
less than 3/4"	394	391	x 1.0	391
1"	1,197	1,196	x 2.5	2,990
1.5"	4	4	x 5.0	20
2"	23	23	x 8.0	184
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water	1,618	1,614		3,585
Total Wastewater	1,546	1,542	x 1.0	1,542

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 149
TSI-1. Services and Rates
July 31, 2024

3. Total Water Consumption during the fiscal year (rounded to the nearest thousand):

Gallons purchased from FB 115:	<u>211,769,800</u>	Water Accountability Ratio:
Gallons billed to customers:	<u>211,769,800</u>	(Gallons billed / Gallons pumped)
		<u>100.00%</u>

4. Standby Fees (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes No

If yes, Date of the most recent commission Order: _____

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

If yes, Date of the most recent commission Order: _____

5. Location of District

Is the District located entirely within one county? Yes No

County(ies) in which the District is located: Fort Bend County

Is the District located within a city? Entirely Partly Not at all

City(ies) in which the District is located: _____

Is the District located within a city's extra territorial jurisdiction (ETJ)?
 Entirely Partly Not at all

ETJs in which the District is located: City of Missouri City

Are Board members appointed by an office outside the district? Yes No

If Yes, by whom? _____

See accompanying auditors' report.

*Fort Bend County Municipal Utility District No. 149
TSI-2 General Fund Expenditures
For the Year Ended July 31, 2024*

Purchased services		<u>\$ 1,099,532</u>
Professional fees		
Legal	92,245	
Audit	17,000	
Engineering	24,815	
		<u>134,060</u>
Contracted services		
Bookkeeping	41,141	
Operator	51,091	
Garbage collection	452,205	
Inspection	12,004	
Security Service	220,093	
Fire service	297,163	
		<u>1,073,697</u>
Repairs and maintenance		<u>193,192</u>
Utilities		<u>12,341</u>
Administrative		
Directors fees	32,487	
Printing and office supplies	18,336	
Insurance	11,339	
Other	40,499	
		<u>102,661</u>
Other		<u>63,711</u>
Total expenditures		<u><u>\$ 2,679,194</u></u>

Reporting of Utility Services in Accordance with Chapter 2264, Texas Government Code.

	<u>Usage</u>	<u>Cost</u>
Electrical	76,174 kWh	\$ 12,341
Water	N/A	N/A
Natural Gas	N/A	N/A

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 149
TSI-3. Investments
July 31, 2024

Fund	Interest Rate	Maturity Date	Balance at End of Year
General			
TexPool	Variable	N/A	\$ 2,698,359
Texas CLASS	Variable	N/A	3,309,153
			<u>6,007,512</u>
Debt Service			
TexPool	Variable	N/A	<u>3,373,957</u>
Capital Projects			
TexPool	Variable	N/A	<u>89,924</u>
Total - All Funds			<u><u>\$ 9,471,393</u></u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 149
TSI-4. Taxes Levied and Receivable
July 31, 2024

	Maintenance Taxes	Debt Service Taxes	Totals
Taxes Receivable, Beginning of Year	\$ 1,955	\$ 4,771	\$ 6,726
Adjustments	(1,998)	(4,874)	(6,872)
Adjusted Receivable	(43)	(103)	(146)
2023 Original Tax Levy	567,083	2,268,333	2,835,416
Adjustments	4,528	18,112	22,640
Adjusted Tax Levy	571,611	2,286,445	2,858,056
Total to be accounted for	571,568	2,286,342	2,857,910
Tax collections:			
Current year	568,030	2,272,120	2,840,150
Prior years	(43)	(103)	(146)
Total Collections	567,987	2,272,017	2,840,004
Taxes Receivable, End of Year	\$ 3,581	\$ 14,325	\$ 17,906
Taxes Receivable, By Years			
2023	\$ 3,581	\$ 14,325	\$ 17,906
	2023	2022	2021
Property Valuations:			
Land	\$ 113,337,280	\$ 110,019,066	\$ 103,226,786
Improvements	742,790,540	607,005,186	414,540,900
Personal Property	2,633,778	2,051,430	1,919,290
Exemptions	(96,613,536)	(89,054,766)	(7,298,344)
Total Property Valuations	\$ 762,148,062	\$ 630,020,916	\$ 512,388,632
Tax Rates per \$100 Valuation:			
Maintenance tax rates	\$ 0.075	\$ 0.125	\$ 0.12
Debt service tax rates	0.300	0.305	0.33
Total Tax Rates per \$100 Valuation	\$ 0.375	\$ 0.430	\$ 0.45
Adjusted Tax Levy:	\$ 2,858,056	\$ 2,709,090	\$ 2,305,749
Percentage of Taxes Collected to Taxes Levied **	99.37%	100.00%	100.00%

* Maximum Maintenance Tax Rate Approved by Voters: \$1.25 on November 7, 2007

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

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 149
TSI-5. Long-Term Debt Service Requirements
Series 2014--by Years
July 31, 2024

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 415,000	\$ 305,363	\$ 720,363
2026	430,000	292,688	722,688
2027	450,000	279,206	729,206
2028	470,000	264,538	734,538
2029	490,000	248,630	738,630
2030	510,000	231,436	741,436
2031	530,000	213,237	743,237
2032	555,000	193,555	748,555
2033	580,000	172,275	752,275
2034	605,000	149,300	754,300
2035	630,000	124,600	754,600
2036	655,000	98,900	753,900
2037	685,000	72,100	757,100
2038	715,000	44,100	759,100
2039	745,000	14,900	759,900
	<u>\$ 8,465,000</u>	<u>\$ 2,704,828</u>	<u>\$ 11,169,828</u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 149
TSI-5. Long-Term Debt Service Requirements
Series 2015--by Years
July 31, 2024

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 325,000	\$ 226,581	\$ 551,581
2026	325,000	218,050	543,050
2027	330,000	209,044	539,044
2028	330,000	199,969	529,969
2029	335,000	190,406	525,406
2030	345,000	179,991	524,991
2031	345,000	169,209	514,209
2032	355,000	158,050	513,050
2033	360,000	146,206	506,206
2034	370,000	133,888	503,888
2035	375,000	121,316	496,316
2036	390,000	108,406	498,406
2037	395,000	94,913	489,913
2038	605,000	75,900	680,900
2039	515,000	53,500	568,500
2040	530,000	32,600	562,600
2041	550,000	11,000	561,000
	<u>\$ 6,780,000</u>	<u>\$ 2,329,029</u>	<u>\$ 9,109,029</u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 149
TSI-5. Long-Term Debt Service Requirements
Series 2021 Refunding--by Years
July 31, 2024

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 310,000	\$ 114,350	\$ 424,350
2026	330,000	104,750	434,750
2027	345,000	94,625	439,625
2028	355,000	84,125	439,125
2029	365,000	75,150	440,150
2030	375,000	67,750	442,750
2031	390,000	60,100	450,100
2032	395,000	52,250	447,250
2033	410,000	44,200	454,200
2034	420,000	35,900	455,900
2035	430,000	27,400	457,400
2036	440,000	18,700	458,700
2037	450,000	9,800	459,800
2038	265,000	2,650	267,650
	<u>\$ 5,280,000</u>	<u>\$ 791,750</u>	<u>\$ 6,071,750</u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 149
TSI-5. Long-Term Debt Service Requirements
Series 2022--by Years
July 31, 2024

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 85,000	\$ 129,900	\$ 214,900
2026	80,000	127,013	207,013
2027	75,000	124,300	199,300
2028	85,000	121,500	206,500
2029	85,000	118,525	203,525
2030	85,000	115,550	200,550
2031	90,000	112,485	202,485
2032	90,000	109,113	199,113
2033	85,000	105,613	190,613
2034	90,000	102,338	192,338
2035	95,000	99,100	194,100
2036	95,000	95,656	190,656
2037	105,000	91,906	196,906
2038	105,000	87,969	192,969
2039	490,000	76,200	566,200
2040	155,000	63,300	218,300
2041	165,000	56,900	221,900
2042	170,000	50,200	220,200
2043	175,000	43,300	218,300
2044	185,000	36,100	221,100
2045	190,000	28,600	218,600
2046	200,000	20,800	220,800
2047	205,000	12,700	217,700
2048	215,000	4,300	219,300
	<u>\$ 3,400,000</u>	<u>\$ 1,933,368</u>	<u>\$ 5,333,368</u>

See accompanying auditors' report.

*Fort Bend County Municipal Utility District No. 149
 TSI-5. Long-Term Debt Service Requirements
 Series 2023--by Years
 July 31, 2024*

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 110,000	\$ 191,075	\$ 301,075
2026	100,000	184,775	284,775
2027	105,000	178,625	283,625
2028	110,000	172,175	282,175
2029	115,000	165,425	280,425
2030	120,000	158,375	278,375
2031	125,000	151,338	276,338
2032	130,000	145,300	275,300
2033	140,000	139,900	279,900
2034	145,000	134,200	279,200
2035	150,000	128,300	278,300
2036	160,000	122,100	282,100
2037	165,000	115,600	280,600
2038	175,000	108,800	283,800
2039	180,000	101,700	281,700
2040	190,000	94,300	284,300
2041	200,000	86,500	286,500
2042	210,000	78,300	288,300
2043	220,000	69,700	289,700
2044	230,000	60,700	290,700
2045	240,000	51,000	291,000
2046	250,000	40,588	290,588
2047	265,000	29,643	294,643
2048	275,000	18,168	293,168
2049	290,000	6,163	296,163
	<u>\$ 4,400,000</u>	<u>\$ 2,732,750</u>	<u>\$ 7,132,750</u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 149
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
July 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	\$ 1,245,000	\$ 967,269	\$ 2,212,269
2026	1,265,000	927,276	2,192,276
2027	1,305,000	885,800	2,190,800
2028	1,350,000	842,307	2,192,307
2029	1,390,000	798,136	2,188,136
2030	1,435,000	753,102	2,188,102
2031	1,480,000	706,369	2,186,369
2032	1,525,000	658,268	2,183,268
2033	1,575,000	608,194	2,183,194
2034	1,630,000	555,626	2,185,626
2035	1,680,000	500,716	2,180,716
2036	1,740,000	443,762	2,183,762
2037	1,800,000	384,319	2,184,319
2038	1,865,000	319,419	2,184,419
2039	1,930,000	246,300	2,176,300
2040	875,000	190,200	1,065,200
2041	915,000	154,400	1,069,400
2042	380,000	128,500	508,500
2043	395,000	113,000	508,000
2044	415,000	96,800	511,800
2045	430,000	79,600	509,600
2046	450,000	61,388	511,388
2047	470,000	42,343	512,343
2048	490,000	22,468	512,468
2049	290,000	6,163	296,163
	<u>\$ 28,325,000</u>	<u>\$ 10,491,725</u>	<u>\$ 38,816,725</u>

See accompanying auditors' report.

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Fort Bend County Municipal Utility District No. 149
TSI-6. Change in Long-Term Bonded Debt
July 31, 2024

	Bond Issue			
	Series 2014	Series 2015	Series 2021 Refunding	Series 2022
Interest rate	2.0% - 4.0%	2.0% - 4.0%	2.0% - 3.0%	3.5% - 4.0%
Dates interest payable	9/1; 3/1	9/1; 3/1	9/1; 3/1	9/1; 3/1
Maturity dates	9/1/15 - 9/1/38	9/1/17 - 9/1/40	9/1/22 - 9/1/37	9/1/24 - 9/1/47
Beginning bonds outstanding	\$ 8,865,000	\$ 7,100,000	\$ 5,580,000	\$ 3,400,000
Bonds issued				
Bonds retired	<u>(400,000)</u>	<u>(320,000)</u>	<u>(300,000)</u>	<u></u>
Ending bonds outstanding	<u>\$ 8,465,000</u>	<u>\$ 6,780,000</u>	<u>\$ 5,280,000</u>	<u>\$ 3,400,000</u>
Interest paid during fiscal year	<u>\$ 317,588</u>	<u>\$ 234,324</u>	<u>\$ 123,500</u>	<u>\$ 131,388</u>
Paying agent's name and city	Regions Bank, Houston, Texas			
Series 2014, 2015 and 2022	The Bank of New York Mellon Trust Company, N.A., Dallas TX			
Series 2021 Refunding	BOKF, N.A., Dallas, Texas			
Series 2023	BOKF, N.A., Dallas, Texas			
Bond Authority:	Water, Sewer and Drainage Bonds			
Amount Authorized by Voters	\$ 63,400,000			
Amount Issued	<u>(35,755,000)</u>			
Remaining To Be Issued	<u>\$ 27,645,000</u>			

All bonds are secured with tax revenues. Bonds may also be secured with other revenues in combination with taxes.

Debt Service Fund cash and investment balances as of July 31, 2024: \$ 3,407,518

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 1,552,669

See accompanying auditors' report.

<u>Bond Issue</u>	
<u>Series 2023</u>	<u>Totals</u>
4.0% - 6.0%	
9/1; 3/1	
9/1/24 -	
9/1/48	
\$ -	\$ 24,945,000
4,400,000	4,400,000
	<u>(1,020,000)</u>
<u>\$ 4,400,000</u>	<u>\$ 28,325,000</u>
<u>\$ 83,149</u>	<u>\$ 889,948</u>

Fort Bend County Municipal Utility District No. 149
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2024	2023	2022	2021	2020
Revenues					
Water service	\$ 338,048	\$ 306,992	\$ 279,667	\$ 264,130	\$ 263,417
Sewer service	979,489	936,341	856,061	822,991	786,162
Property taxes	567,987	791,611	613,904	451,853	627,530
Penalties and interest	32,340	27,994	20,361	14,550	13,614
Tap connection and inspection	10,820	93,212	166,092	180,370	43,126
Surface water	614,340	506,314	485,226	449,850	416,472
Fire service	242,952	159,697	147,838	142,111	134,031
Miscellaneous	10,432	18,454	18,649	17,117	9,791
Investment earnings	316,622	221,756	13,925	5,133	53,038
Total Revenues	<u>3,113,030</u>	<u>3,062,371</u>	<u>2,601,723</u>	<u>2,348,105</u>	<u>2,347,181</u>
Expenditures					
Current service operations					
Purchased services	1,099,532	907,951	840,018	708,847	665,544
Professional fees	134,060	128,377	113,880	104,402	103,043
Contracted services	1,073,697	879,129	838,750	736,588	624,199
Repairs and maintenance	193,192	185,686	173,136	135,176	117,180
Utilities	12,341	8,508	10,537	8,091	7,549
Administrative	102,661	93,657	70,043	68,927	57,100
Other	63,711	48,504	44,491	26,973	11,647
Capital outlay		160,125		387,554	
Total Expenditures	<u>2,679,194</u>	<u>2,411,937</u>	<u>2,090,855</u>	<u>2,176,558</u>	<u>1,586,262</u>
Revenues Over Expenditures	<u>\$ 433,836</u>	<u>\$ 650,434</u>	<u>\$ 510,868</u>	<u>\$ 171,547</u>	<u>\$ 760,919</u>
Total Active Retail Water Connections	<u>1,614</u>	<u>1,602</u>	<u>1,539</u>	<u>1,437</u>	<u>1,330</u>
Total Active Retail Wastewater Connections	<u>1,542</u>	<u>1,533</u>	<u>1,470</u>	<u>1,376</u>	<u>1,270</u>

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues

2024	2023	2022	2021	2020
11%	10%	11%	11%	11%
31%	31%	33%	35%	33%
18%	26%	23%	19%	27%
1%	1%	1%	1%	1%
*	3%	6%	8%	2%
21%	16%	18%	19%	18%
8%	5%	6%	6%	6%
*	1%	1%	1%	*
10%	7%	1%	*	2%
100%	100%	100%	100%	100%

35%	30%	32%	30%	28%
4%	4%	4%	4%	4%
34%	29%	32%	31%	27%
6%	6%	7%	6%	5%
*	*	*	*	*
3%	3%	3%	3%	2%
2%	2%	2%	1%	*
	5%		17%	
84%	79%	80%	92%	66%
16%	21%	20%	8%	34%

Fort Bend County Municipal Utility District No. 149
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Five Fiscal Years

	Amounts				
	2024	2023	2022	2021	2020
Revenues					
Property taxes	\$ 2,272,017	\$ 1,932,770	\$ 1,691,431	\$ 1,803,890	\$ 1,790,511
Penalties and interest	13,845	17,796	15,822	12,553	15,431
Investment earnings	130,654	94,214	8,600	1,524	22,405
Total Revenues	<u>2,416,516</u>	<u>2,044,780</u>	<u>1,715,853</u>	<u>1,817,967</u>	<u>1,828,347</u>
Expenditures					
Tax collection services	58,343	58,168	54,137	48,802	49,384
Debt service					
Principal	1,020,000	980,000	915,000	890,000	865,000
Interest and fees	893,173	766,811	702,194	930,897	886,179
Debt issuance costs				211,038	
Total Expenditures	<u>1,971,516</u>	<u>1,804,979</u>	<u>1,671,331</u>	<u>2,080,737</u>	<u>1,800,563</u>
Revenues Over/(Under)					
Expenditures	<u>\$ 445,000</u>	<u>\$ 239,801</u>	<u>\$ 44,522</u>	<u>\$ (262,770)</u>	<u>\$ 27,784</u>

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues

2024	2023	2022	2021	2020
94%	94%	99%	99%	98%
1%	1%	1%	1%	1%
5%	5%	0%	*	1%
100%	100%	100%	100%	100%
2%	3%	3%	3%	3%
42%	48%	53%	49%	47%
37%	38%	41%	51%	48%
			12%	
81%	89%	97%	115%	98%
19%	11%	3%	(15%)	2%

Fort Bend County Municipal Utility District No. 149
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended July 31, 2024

Complete District Mailing Address: 202 Century Square Blvd, Sugar Land, TX 77478
 District Business Telephone Number: (281) 500-6050
 Submission Date of the most recent District Registration Form
 (TWC Sections 36.054 and 49.054): May 29, 2024
 Limit on Fees of Office that a Director may receive during a fiscal year: \$ 7,200
 (Set by Board Resolution -- TWC Section 49.0600)

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse- ments	Title at Year End
Board Members				
Laura Thompson	05/22 - 05/26	\$ 6,851	\$ 198	President
Susan Winters	05/22 - 05/26	5,304	133	Vice President
Rose Herbst	05/22 - 05/26	7,072	263	Secretary
Kristi McLeod	05/24 - 05/28	6,630	119	Assistant Vice President
Kiran Rajaya	03/24 - 05/28	6,630	226	Assistant Secretary
Amounts Paid				
Consultants				
The Muller Law Group	2014			Attorney
<i>General legal fees</i>		\$ 94,352		
<i>Bond counsel</i>		118,000		
Si Environmental, LLC	2012	50,877		Operator
McLennan & Associates, LP	2007	45,116		Bookkeeper
Tax Tech, Inc.	2007	27,221		Tax Collector
Fort Bend Central Appraisal District	Legislation	23,406		Property Valuation
Linebarger, Goggan, Blair, & Sampson, LLP	2022	2,105		Delinquent Tax Attorney
Pape-Dawson Engineering	2007			Engineer
<i>Amounts paid directly by district</i>		24,645		
<i>Amounts paid by developer reimbursements</i>		350,881		
McGrath & Co., PLLC	Annual	25,250		Auditor
R. W. Baird & Co.	2015	90,466		Financial Advisor

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

See accompanying auditors' report.