

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25

ANNUAL FINANCIAL REPORT

For the year ended September 30, 2024

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25

ANNUAL FINANCIAL REPORT
For the year ended September 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Fort Bend County Municipal Utility District No. 25

Report on the Audit of the Financial Statements***Opinions***

We have audited the financial statements of the governmental activities and each major fund of the Fort Bend County Municipal Utility District No. 25 (the "District"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

(Continued)

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

(Continued)

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 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.

The District's basic financial statements for the years ended September 30, 2023, 2022, 2021, and 2020 (not presented herein), were audited by other auditors whose reports thereon dated January 17, 2024, November 30, 2022, November 16, 2021, and December 11, 2020, expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund. The reports of the other auditors dated January 17, 2024, November 30, 2022, November 16, 2021, and December 11, 2020 stated that the Texas Supplementary Information schedules for the years ended September 30, 2023, 2022, 2021, and 2020 were subjected to the auditing procedures applied in the audit of the 2023, 2022, 2021, and 2020 basic financial statements and certain additional auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or the those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, were fairly stated in all material respects in relation to the basic financial statements as a whole for the years ended September 30, 2023, 2022, 2021, and 2020.


Crowe LLP

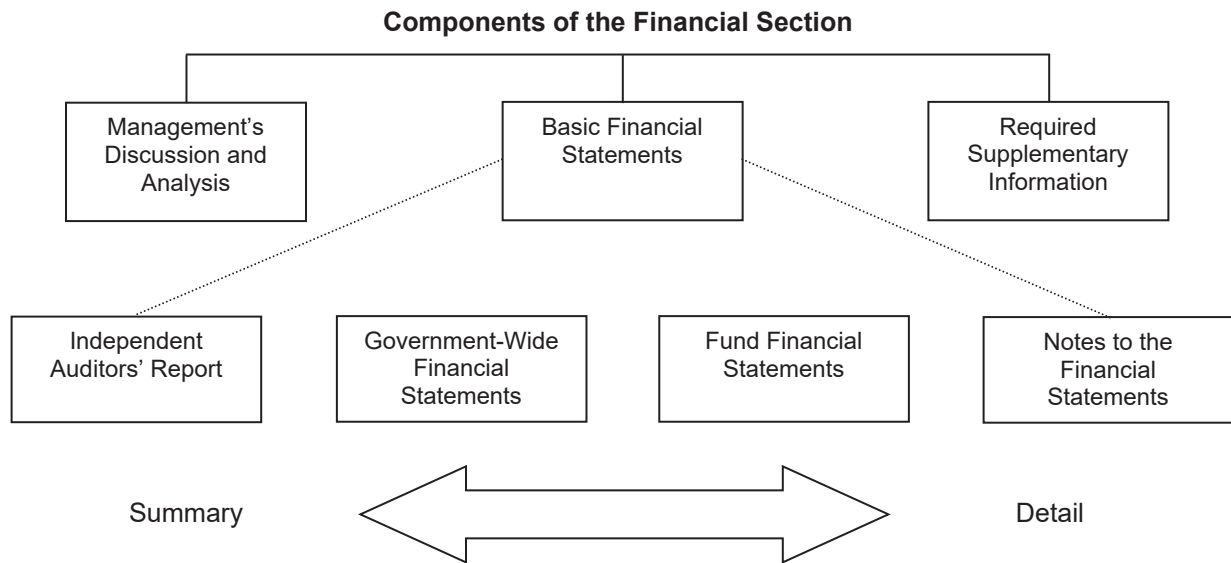
Houston, Texas
March 28, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of Fort Bend County Municipal Utility District No. 25 (the "District") for the year ended September 30, 2024. The analysis is based on currently known facts, decisions, or economic conditions. It presents a short and long-term analysis of the District's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the District's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The District's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statement themselves.

Government-Wide Statements

The government-wide statements report information for the District as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about the cost of services, operating results, and financial position of the District as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information on the District's activities that enable the reader to understand the financial condition of the District. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other nonfinancial factors, such as the District's property tax base and the condition of the District's infrastructure, need to be considered to assess the overall health of the District.

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

The Statement of Activities presents information showing how the District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities present the District using one class of activity:

1. *Governmental Activities* – The District's water distribution, wastewater collection/treatment, control and diversion of storm water, and interest payments are reported within this class.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the District. They are usually segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The District's operations are reported using governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. These statements are prepared using the *modified accrual basis of accounting*. Unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, and the capital projects fund, which are considered to be major funds for reporting purposes.

The District adopts an annual unappropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Other Information

In addition to basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities by \$2,938,022 as of year end.

A portion of the District's net position reflects its investments in capital assets (e.g., land, water and sewer system, and infrastructure) less any debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. 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 assets themselves cannot be used to liquidate these liabilities. The District's debt used to acquire assets exceeds the investments in capital assets by \$8,464,256.

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
ASSETS		
Current and other assets	\$ 36,497,237	\$ 37,678,140
Capital assets, net	<u>73,105,133</u>	<u>69,987,961</u>
Total assets	<u>109,602,370</u>	<u>107,666,101</u>
 DEFERRED OUTFLOWS ON RESOURCES		
Deferred charge on refunding	<u>327,141</u>	<u>364,404</u>
Total deferred outflows of resources	<u>327,141</u>	<u>364,404</u>
 LIABILITIES		
Long-term liabilities	105,452,993	107,359,060
Other liabilities	<u>1,538,496</u>	<u>1,192,427</u>
Total liabilities	<u>106,991,489</u>	<u>108,551,487</u>
 NET POSITION		
Net investment in capital assets	(8,464,256)	(10,771,972)
Restricted	4,852,571	4,150,099
Unrestricted	<u>6,549,707</u>	<u>6,100,891</u>
Total net position	<u>\$ 2,938,022</u>	<u>\$ (520,982)</u>

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

A portion of the District's net position represents resources that are subject to external restriction on how they may be used, which is \$4,852,571 for debt service. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligation to citizens and creditors. At year end, the District reported assets in excess of long-term and other liabilities that resulted in a net position of \$2,938,022. Long-term liabilities decreased from the prior year due to principal payments on outstanding bonds. Other liabilities increased due to an increase in accounts payable and other accrued liabilities. Current and other assets decreased primarily due to decreases in cash and investment balances used for capital improvements. Capital assets increased due to capital asset additions in excess of depreciation expense. The net result of the District's changes in total assets and liabilities caused the financial condition of the District to increase by \$3,459,004 during the fiscal year.

Statement of Activities

The following table provides a summary of the District's changes in net position:

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
Revenues		
Program revenues:		
Charges for services	\$ 3,488,352	\$ 3,681,904
General revenues:		
Property Taxes	13,090,526	11,916,052
Other	456,117	580,445
Total revenues	<u>17,034,995</u>	<u>16,178,401</u>
Expenses		
Services	7,325,362	6,042,003
Bond issuance costs	273,654	612,282
Depreciation	2,298,168	2,225,032
Interest paid on long-term debt	3,678,807	3,516,724
Total expenses	<u>13,575,991</u>	<u>12,396,041</u>
Change in net position	3,459,004	3,782,360
Net position - beginning of year	<u>(520,982)</u>	<u>(4,303,342)</u>
Net position - end of year	<u><u>\$ 2,938,022</u></u>	<u><u>\$ (520,982)</u></u>

Total revenues from governmental activities increased by \$856,594 in comparison to the prior year. This overall increase in revenue is primarily due to increases in property tax revenue and charges for services. Property tax revenue increased due to higher assessed values of properties within the District. Revenues from charges for services decreased by \$193,552 due to a decrease in number of customers and overall decreases in consumption. Total expenses for the District increased \$1,179,950 in comparison to the prior year, which was mainly due to increases in the cost of service. The District recorded an overall increase in net position of \$3,459,004 as a result of the increase in revenue which was greater than the increase in expenses.

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FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds – The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year.

The District's governmental funds reflect a combined fund balance of \$34,647,441. Of this, \$23,946,062 is restricted for capital projects, \$4,852,571 is restricted for debt service, \$163,081 is nonspendable for inventory, \$1,172,616 is assigned in a reserve fund, and \$4,513,111 is unassigned in the general fund.

The general fund reported an increase in fund balance of \$19,608. Compared to the prior year, revenues decreased \$97,967 largely due to a decrease in charges for services revenue for the reasons mentioned above. Personnel and capital outlay expenses increased from prior year, primarily related to overall salary and benefit increases in cost as well as expanded capital projects during the year, accounting for an overall increase of \$649,215 compared to the prior year. The debt service fund reported an increase in fund balance of \$702,472 primarily due to property tax collections and interest income in excess of debt service payments. The capital projects fund reported a decrease in fund balance of \$2,288,661, which was the result of the use of bond proceeds to fund capital improvements.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues were greater than final budgeted revenues by \$322,876 during the year primarily due to charges for services and other revenue collections exceeding expectation. Actual expenditures exceeded final budgeted expenditures by \$404,354 during the year primarily due to capital outlay expenses charged to the general fund that were not originally budgeted for.

CAPITAL ASSETS

At the end of the year, the District's governmental activities funds had invested \$73,105,133 in a variety of capital assets (net of accumulated depreciation). This represents a net increase of \$3,117,172 due to additions in excess to retirements and accumulated depreciation.

More detailed information about the District's capital assets is presented in note 6 to the financial statements.

LONG-TERM DEBT

As of year end, the District reported \$104,395,000 in outstanding bonds. The District issued new Series 2024 bonds in fiscal year 2024.

More detailed information about the District's long-term liabilities is presented in note 7 to the financial statements.

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FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

ECONOMIC FACTORS

For the fiscal year ending September 30, 2025, the District has budgeted revenues of \$6,979,228 and expenditures \$6,866,309, for an overall increase in fund balance of \$112,919. For the 2024 tax year, the District approved a tax rate of \$0.854 per \$100 of assessed valuation, which is a decrease of \$0.016 from the prior year, of which \$.635 is allocated for debt service and \$.219 is allocated for maintenance and operations.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the finances of the District. Questions concerning this report or requests for additional financial information should be directed to Leonela Ruvalcaba, Executive General Manager, 10347 Clodine Road, Richmond, Texas 77407; telephone (281) 277-0129.

BASIC FINANCIAL STATEMENTS

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
September 30, 2024

	Governmental Funds Balance Sheet					Statement of
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Net Position</u>
ASSETS						
Cash and cash equivalents	\$ 4,830,145	\$ 2,755,492	\$ 24,577,223	\$ 32,162,860	\$ -	\$ 32,162,860
Restricted cash and cash equivalents	431,689	-	9	431,698	-	431,698
Investments	935,353	2,078,562	-	3,013,915	-	3,013,915
Receivables	461,959	263,724	-	725,683	-	725,683
Inventory	163,081	-	-	163,081	-	163,081
Capital assets:						
Land	-	-	-	-	11,198,585	11,198,585
Construction in progress	-	-	-	-	7,596,050	7,596,050
Net depreciable capital assets	-	-	-	-	54,310,498	54,310,498
Total capital assets	-	-	-	-	73,105,133	73,105,133
Total assets	<u>\$ 6,822,227</u>	<u>\$ 5,097,778</u>	<u>\$ 24,577,232</u>	<u>\$ 36,497,237</u>	<u>73,105,133</u>	<u>109,602,370</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	-	-	-	-	327,141	327,141
LIABILITIES						
Accounts payable	394,810	825	631,170	1,026,805	-	1,026,805
Accrued liabilities	80,002	-	-	80,002	-	80,002
Customer deposits	431,689	-	-	431,689	-	431,689
Long-term liabilities						
Due within one year	-	-	-	-	5,570,000	5,570,000
Due in more than one year	-	-	-	-	99,882,993	99,882,993
Total liabilities	<u>906,501</u>	<u>825</u>	<u>631,170</u>	<u>1,538,496</u>	<u>105,452,993</u>	<u>106,991,489</u>

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
September 30, 2024

Governmental Funds Balance Sheet

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	\$ 66,918	\$ 244,382	\$ -	\$ 311,300	\$ (311,300)	\$ -
Total deferred inflows of resources	<u>66,918</u>	<u>244,382</u>	<u>-</u>	<u>311,300</u>	<u>(311,300)</u>	<u>-</u>
FUND BALANCES						
Fund balances						
Nonspendable						
Inventory	163,081	-	-	163,081	(163,081)	-
Restricted						
Debt service	-	4,852,571	-	4,852,571	(4,852,571)	-
Capital projects	-	-	23,946,062	23,946,062	(23,946,062)	-
Assigned						
Reserve fund	1,172,616	-	-	1,172,616	(1,172,616)	-
Unassigned	4,513,111	-	-	4,513,111	(4,513,111)	-
Total fund balances	<u>5,848,808</u>	<u>4,852,571</u>	<u>23,946,062</u>	<u>34,647,441</u>	<u>(34,647,441)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,822,227</u>	<u>\$ 5,097,778</u>	<u>\$ 24,577,232</u>	<u>\$ 36,497,237</u>	<u>\$ 70,494,252</u>	
NET POSITION						
Net investment in capital assets	-	-	-	-	(8,464,256)	(8,464,256)
Restricted for debt service	-	-	-	-	4,852,571	4,852,571
Unrestricted	-	-	-	-	6,549,707	6,549,707
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,938,022</u>	<u>\$ 2,938,022</u>

See notes to financial statements.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the year ended September 30, 2024

	General	Debt Service	Capital Projects	Total Funds	Adjustments	Statements of Activities
Revenues						
Charges for water service	\$ 1,873,812	\$ -	\$ -	1,873,812	\$ -	\$ 1,873,812
Charges for sewer services	1,399,669	-	-	1,399,669	-	1,399,669
Tap connection and inspection fees	214,871	-	-	214,871	-	214,871
Property taxes	3,328,633	9,722,284	-	13,050,917	39,609	13,090,526
Investment earnings	106,594	107,549	122,342	336,485	-	336,485
Other revenue	119,632	-	-	119,632	-	119,632
Total revenues	7,043,211	9,829,833	122,342	16,995,386	39,609	17,034,995
Expenditures						
Service Operations						
Personnel	3,195,603	-	-	3,195,603	-	3,195,603
Professional fees	224,237	-	-	224,237	-	224,237
Contracted services	251,275	109,750	-	361,025	-	361,025
Utilities	627,402	-	-	627,402	-	627,402
Repairs and maintenance	1,503,812	-	4,116	1,507,928	340,342	1,848,270
Administrative	483,996	-	-	483,996	-	483,996
Other	584,829	-	-	584,829	-	584,829
Capital outlay	152,449	-	5,603,233	5,755,682	(5,755,682)	-
Depreciation	-	-	-	-	2,298,168	2,298,168
Debt service	-	-	-	-	-	-
Principal	-	5,340,000	-	5,340,000	(5,340,000)	-
Interest and fiscal charges	-	3,677,611	-	3,677,611	1,196	3,678,807
Bond issuance costs	-	-	273,654	273,654	-	273,654
Total expenditures	7,023,603	9,127,361	5,881,003	22,031,967	(8,455,976)	13,575,991
Excess (deficiency) of revenues over (under) expenditures	19,608	702,472	(5,758,661)	(5,036,581)	8,495,585	3,459,004

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the year ended September 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Funds</u>	<u>Adjustments</u>	<u>Statements of Activities</u>
Other Financing Sources (Uses)						
Bonds issued	\$ -	\$ -	\$ 3,470,000	\$ 3,470,000	\$ (3,470,000)	\$ -
Total other financing sources (uses)	-	-	3,470,000	3,470,000	(3,470,000)	-
Net change in fund balances	19,608	702,472	(2,288,661)	(1,566,581)	5,025,585	3,459,004
Beginning fund balances	5,829,200	4,150,099	26,234,723	36,214,022	(36,735,004)	(520,982)
Ending fund balances	<u>\$ 5,848,808</u>	<u>\$ 4,852,571</u>	<u>\$ 23,946,062</u>	<u>\$ 34,647,441</u>	<u>\$ (31,709,419)</u>	<u>\$ 2,938,022</u>
See notes to financial statements.						

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 – CREATION OF DISTRICT

Fort Bend County Municipal Utility District No. 25, of Fort Bend County, Texas (the “District”) was created by an order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (TCEQ), effective July 18, 1978, 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 TCEQ.

The District is empowered, among other things, to finance, purchase, construct, operate, and maintain all works, improvements, facilities, and plants necessary for the supply of water; the collection, transportation, treatment of wastewater; and to provide park and recreational facilities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements and accounting policies of the District are prepared in conformity with generally accepted accounting principles for local governmental units as prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District’s significant accounting policies are described below.

Reporting Entity: The District has adopted GASB Statements No. 14, *The Financial Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units*. In accordance with these statements, a financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. There are no component units that are legally separate for which the District is considered financially accountable.

The District is governed by a board of directors consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. As required by generally accepted accounting principles, these financial statements present the activities of the District, which is considered to be the primary government, as well as the reporting entity. There are no other organizations which meet the criteria for inclusion herein as part of the financial reporting entity.

Government-Wide Financial Statements: The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government. Governmental activities are normally supported by taxes and intergovernmental revenues.

Basis of Presentation - Government-Wide Financial Statements: While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and various other functions of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Financial Statements: The fund financial statements provide information about the District's funds. Separate statements for the District's fund category, governmental, are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following governmental funds:

General Fund: The *general fund* is The general fund is used to account for the operations of the District's water and sewer system and all other financial transactions not properly includable in other funds. The principal sources of revenue are related to water and sewer service operations. Expenditures include all costs associated with the daily operations of the District. The general fund is always considered a major fund for reporting purposes.

Debt Service Fund: The *debt service fund* is used to account for the payment of interest and principal on all long-term debt of the District. The primary source of revenue for debt service is property taxes pursuant to requirements of the District's bond resolutions. Expenditures include costs incurred in assessing and collecting these taxes. The debt service fund is considered a major fund for reporting purposes.

Capital Projects Funds: The *capital projects funds* is used to account for the financial resources to be used for the acquisition or construction of major capital facilities financed principally by proceeds of bond and certificate of obligation issues. The capital projects fund is considered a major fund for reporting purposes.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting: The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the District.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance:

Cash and Cash Equivalents: The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments: Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

The District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the District is authorized to invest in the following:

- Direct obligations of the U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Statewide investment pools

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories: Supplies inventory is valued based on average cost and is reported as an expenditure when consumed.

Restricted Assets: Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., water lines, sewer lines, and storm sewers), are reported in the applicable governmental activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful years:

<u>Assets Depreciation</u>	<u>Estimated Useful Life</u>
Water system	10 to 45 years
Sewer system	10 to 45 years
Drainage system	10 to 45 years
Buildings	40 years
Furniture and equipment	3 to 20 years

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District reports a deferred charge on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

At the fund level, the District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Long-Term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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.

The property tax rate is allocated each year between the general fund and the debt service fund. An amount estimated to be required for debt service on general obligation debt is provided by the debt service tax along with interest earned in the debt service fund.

Leases: The District is a lessee for noncancellable leases of equipment. The District would recognize a lease liability and an intangible, right-to-use lease asset (the "lease asset") in the government-wide financial statements. The District's leases to report are immaterial to the financial statements as a whole and are not recognized as a lease liability or a lease asset.

Subscription-Based Information Technology Arrangements: The District has noncancellable subscription-based information technology arrangements (SBITAs) to finance the use of information technology software. The District would recognize a liability (the "subscription liability") and an intangible, right-to-use subscription asset (the "subscription asset") in the government-wide financial statements. The District's SBITAs are immaterial to the financial statements as a whole and are not recognized as a subscription liability or a subscription asset.

Net Position Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Flow Assumptions: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies: Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Directors (the "Board") is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board also may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Revenues and Expenditures/Expenses:

Program Revenues: Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes: All taxes due to the District on real or personal property are payable at the Office of the Tax Assessor-Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which is no later than October 1. Taxes are due by January 31, and all taxes not paid prior to this date are deemed delinquent and are subject to such penalty and interest.

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on October 1 and are payable prior to the next February 1. District property tax revenues are recognized when collected.

NOTE 3 - CASH AND TEMPORARY INVESTMENTS

As of September 30, 2024, the District had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of deposit	\$ 3,013,915	0.32
Total value	<u>\$ 3,013,915</u>	
Portfolio weighted average maturity		0.29

Custodial credit risk – investments. For an investment, this is the risk that the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party in the event of the failure of the counterparty. The District's investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, shall be conducted on a delivery versus payment basis or commercial book entry system as utilized by the Federal Reserve and shall be protected through the use of a third-party custody/safekeeping agent.

Custodial credit risk - deposits. In the case of deposits, this is the risk that the District's deposits may not be returned in the event of a bank failure. The District's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of September 30, 2024, fair market values of pledged securities and FDIC coverage exceeded bank balances.

Interest rate risk - In accordance with its investment policy, the District manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - CASH AND TEMPORARY INVESTMENTS (Continued)

Texas CLASS - The Texas Cooperative Liquid Assets Securities System Trust – Texas (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended. CLASS is created under an amended and restated trust agreement, dated as of December 14, 2011 (the “Agreement”), among certain Texas governmental entities investing in CLASS (the “Participants”), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State of Texas. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the “Board”), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investor Services Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS’ website at www.texasclass.com.

NOTE 4 - RECEIVABLES

Amounts are aggregated into a single accounts receivable line for certain funds. Below is the detail of receivables for the general fund and the debt service fund:

	<u>General</u>	<u>Debt Service</u>
Accounts receivable	\$ 379,717	\$ -
Accrued interest receivable	15,324	19,342
Property taxes receivable	<u>66,918</u>	<u>244,382</u>
Total	<u>\$ 461,959</u>	<u>\$ 263,724</u>

NOTE 5 – PROPERTY TAXES

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 are determined by the Fort Bend Central Appraisal District. A tax lien attaches to properties within the District on January 1 of each year when property valuations for the use in levying taxes are established. Taxes are generally levied on or about October 1 and are due upon receipt of the tax bill by the property owner. Penalties and interest are charged if taxes are not paid by the succeeding January 31. There is an additional 20 percent penalty charged on accounts delinquent after July 1 of each year, which generally is payable to the District’s delinquent tax attorney.

Property taxes are levied for debt service and operations based on rates adopted for the year of the levy. For the current year (tax year 2023), the District levied property taxes of \$0.854 per \$100 of assessed valuation. The resulting adjusted tax levy was \$13,202,931 on the adjusted taxable valuation of \$1,545,947,404 for the 2023 tax year.

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 5 – PROPERTY TAXES (Continued)

Property taxes receivable at year end consisted of the following:

	<u>Amounts</u>
2024 (2023 levy)	\$ 149,736
2023 (2022 levy)	44,307
2022 (2021 levy)	22,780
2021 (2020 levy)	16,625
2020 (2019 levy and before)	<u>77,852</u>
Total	<u>\$ 311,300</u>

NOTE 6 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year end is as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balances</u>
<u>Capital assets</u>				
Nondepreciable assets				
Land	\$ 11,198,585	\$ -	\$ -	\$ 11,198,585
Construction in progress	4,652,647	4,696,153	(1,752,750)	7,596,050
Total nondepreciable assets	<u>15,851,232</u>	<u>4,696,153</u>	<u>(1,752,750)</u>	<u>18,794,635</u>
Depreciable assets				
Water system	18,342,453	1,337,514	-	19,679,967
Sewer system	46,605,359	1,071,724	-	47,677,083
Drainage system	15,331,576	-	-	15,331,576
Buildings	4,360,547	62,699	-	4,423,246
Furniture and equipment	3,933,358	-	-	3,933,358
Accumulated depreciation	(34,436,564)	(2,298,168)	-	(36,734,732)
Net depreciable assets	<u>54,136,729</u>	<u>173,769</u>	<u>-</u>	<u>54,310,498</u>
Governmental activities capital assets, net	<u>\$ 69,987,961</u>	<u>\$ 4,869,922</u>	<u>\$ (1,752,750)</u>	<u>73,105,133</u>
				23,946,062
				<u>(105,515,451)</u>
				<u>\$ (8,464,256)</u>

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 7 – CHANGES IN LONG-TERM DEBT, DEBT SERVICE REQUIREMENTS, AND BOND RESOLUTION REQUIREMENTS

Long-term debt consists of bonds payable. Payments of principal and interest on the bonds are to be provided from tax levies on properties within the District. The bond resolutions require an amount equal to the average annual debt service requirements to be reserved by the District. This requirement has been met through the debt service fund.

Bond Sale - On November 16, 2023, the District issued its Unlimited Tax Bonds, Series 2023A (the "Series 2023A Bonds"), in the principal amount of \$3,470,000, with an interest rate ranging from 4.00% to 6.00% and a final maturity date of October 1, 2046. The proceeds from the Series 2023A Bonds will be used for the purpose of satisfying the cost of various construction projects and their associated costs as determined by the District's contracted engineer, Ardurra Group LLC.

The following is a summary of changes in bonds payable for the year ended September 30, 2024:

	Beginning Balances	Additions	(Reductions)	Ending Balances	Amounts Due Within One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 106,265,000	\$ 3,470,000	\$ (5,340,000)	\$ 104,395,000 *	\$ 5,570,000
Accreted interest payable	243,720	20,963	-	264,683	-
(Discounts)/premium	<u>850,340</u>	<u>-</u>	<u>(57,030)</u>	<u>793,310</u> *	<u>-</u>
Total governmental activities	<u>\$ 107,359,060</u>	<u>\$ 3,490,963</u>	<u>\$ (5,397,030)</u>	<u>\$ 105,452,993</u>	<u>\$ 5,570,000</u>
Long-term debt due in more than one year				<u>\$ 99,882,993</u>	
Plus deferred charge on refunding from associated debt				<u>\$ 327,141</u>	
*Debt associated with capital assets				<u>\$ 105,515,451</u> *	

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 7 – CHANGES IN LONG-TERM DEBT, DEBT SERVICE REQUIREMENTS, AND BOND RESOLUTION REQUIREMENTS (Continued)

Bonds payable at September 30, 2024 are comprised of the following issues:

	<u>Amounts Outstanding</u>	<u>Interest Rates</u>	<u>Principal Interest Payment Dates</u>	<u>Callable Date</u>
Refunding Series 2013A	\$ 300,000	2.00 to 3.50%	April 1, October 1	October 1, 2031
Refunding Series 2014	2,675,000	3.05%	April 1, October 1	October 1, 2027
Series 2014A	2,955,000	2.00 to 3.75%	April 1, October 1	October 1, 2038
Series 2014B	1,820,000	2.00 to 3.75%	April 1, October 1	October 1, 2038
Refunding Series 2015	35,540,000	2.00 to 4.00%	April 1, October 1	October 1, 2037
Series 2015A	4,290,000	2.00 to 3.75%	April 1, October 1	October 1, 2039
Series 2017A	4,230,000	2.00 to 3.00%	April 1, October 1	October 1, 2040
Series 2017A	1,445,000	2.00 to 3.00%	April 1, October 1	October 1, 2040
Series 2018	4,580,000	2.00 to 3.63%	April 1, October 1	October 1, 2041
Refunding Series 2019	11,070,000	2.00 to 4.00%	April 1, October 1	October 1, 2037
Series 2019A	3,375,000	2.00 to 3.00%	April 1, October 1	October 1, 2042
Refunding Series 2020	6,825,000	2.00 to 4.00%	April 1, October 1	October 1, 2030
Series 2020A	3,240,000	1.00 to 2.00%	April 1, October 1	October 1, 2042
Series 2021	5,240,000	2.00 to 2.13%	April 1, October 1	October 1, 2043
Series 2022	3,710,000	3.00%	April 1, October 1	October 1, 2026
Series 2022A	500,000	3.75 to 4.00%	April 1, October 1	October 1, 2026
Series 2023	9,130,000	3.00 to 4.25%	April 1, October 1	October 1, 2045
Series 2023A	3,470,000	4.00 to 6.00%	April 1, October 1	October 1, 2046
Total general obligation bonds	<u>104,395,000</u>			
Total governmental activities debt	<u>\$ 104,395,000</u>			

As of September 30, 2024, the debt service requirements on bonds outstanding are as follows:

<u>Fiscal Year Ended September 30,</u>	<u>Total Principal Due</u>	<u>Total Interest</u>	<u>Total Due</u>
2025	\$ 5,570,000	\$ 3,504,626	\$ 9,074,626
2026	5,710,000	3,309,052	9,019,052
2027	5,820,000	3,117,334	8,937,334
2028	5,965,000	2,920,211	8,885,211
2029	6,100,000	2,733,399	8,833,399
2030-2034	32,195,000	11,340,256	43,535,256
2035-2039	32,210,000	5,119,066	37,329,066
2040-2044	9,705,000	1,135,228	10,840,228
2045-2049	1,120,000	62,688	1,182,688
	<u>\$ 104,395,000</u>	<u>\$ 33,241,859</u>	<u>\$ 137,636,859</u>

(Continued)

NOTE 7 – CHANGES IN LONG-TERM DEBT, DEBT SERVICE REQUIREMENTS, AND BOND RESOLUTION REQUIREMENTS (Continued)

Bond Resolutions and TCEQ Requirements: The bond resolutions 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 2024 fiscal year, the District levied an ad valorem debt service tax at the rate of \$0.635 per \$100 of assessed valuation, which resulted in a tax levy of \$9,817,168 on the taxable valuation of \$1,545,947,404 for the 2023 tax year. The interest and principal requirements paid from the tax revenues were \$9,017,611.

Federal Arbitrage: The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the District could result. The District periodically engages an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations.

NOTE 8 – MAINTENANCE TAXES

At an election held on August 12, 1978, voters authorized a maintenance tax not to exceed \$0.25 per \$100 valuation on all property within the District subject to taxation. During the year, the District levied an ad valorem maintenance tax at the rate of \$0.219 per \$100 of assessed valuation, which resulted in a tax levy of \$3,385,763 on the taxable valuation of \$1,545,947,404 for the 2023 tax year. The maintenance tax proceeds are deposited in the general fund and used to pay expenditures for operating the District.

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 that exceeded coverage amounts for the past three fiscal years.

NOTE 10 – RETIREMENT PROGRAM

The District offers a deferred compensation plan (the “Plan”) in accordance with Internal Revenue Code Section 457 which allows employees to defer a portion of their salary until future years. In addition, the District provides alternate Federal Insurance Contributions Act (FICA) contributions to its employees in which the District contributes 6.2 percent of an employee’s pay in lieu of paying social security taxes. The alternate FICA contribution is transferred to the employee’s retirement account each pay period. The District’s contributions to the Plan are based on an employee’s length of service and range from 2 percent to 12 percent of an employee’s base pay. During the current year, the District contributed \$146,452 to the Plan.

NOTE 11 – SUBSIDENCE AND CONVERSION TO WATER SUPPLY

The District is within the boundaries of the Fort Bend Subsidence District (the “Subsidence District”), which regulates groundwater withdrawal. The District’s authority to pump groundwater is subject to an annual permit issued by the Subsidence District. The Subsidence District has adopted regulations required for reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District’s jurisdiction, including the area within the District. The Subsidence District’s regulations require the District, individually or collectively with other water users, to: (i) prepare a groundwater reduction plan (GRP) and obtain certification of the GRP from the Subsidence District; (ii) limit groundwater withdrawals to no more than 70 percent of the total water demand of the water users within the GRP beginning January 2013; and (iii) limit groundwater withdrawals to no more than 40 percent of the total water demand of the water users within the GRP beginning January 2025.

REQUIRED SUPPLEMENTARY INFORMATION

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the year ended September 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance Positive (Negative)
Revenues				
Charges for services	\$ 3,320,322	\$ 3,320,322	\$ 3,488,352	\$ 168,030
Property taxes	3,321,555	3,321,555	3,328,633	7,078
Investment earnings	69,048	69,048	106,594	37,546
Other	9,409	9,409	119,632	110,223
Total revenues	<u>6,720,335</u>	<u>6,720,335</u>	<u>7,043,211</u>	<u>322,876</u>
Expenditures				
Current				
Personnel	3,051,790	3,051,790	3,195,603	(143,813) *
Professional fees	205,800	205,800	224,237	(18,437) *
Contracted services	234,824	234,824	251,275	(16,451) *
Utilities	538,120	538,120	627,402	(89,282) *
Administrative	664,140	664,140	483,996	180,144
Repairs and maintenance	1,300,300	1,300,300	1,503,812	(203,512) *
Other	559,275	559,275	584,829	(25,554) *
Capital outlay	65,000	65,000	152,449	(87,449) *
Total expenditures	<u>6,619,249</u>	<u>6,619,249</u>	<u>7,023,603</u>	<u>(404,354)</u>
Net change in fund balance	<u>\$ 101,086</u>	<u>\$ 101,086</u>	19,608	<u>\$ (81,478)</u>
Beginning fund balance			<u>5,829,200</u>	
Ending fund balance			<u>\$ 5,848,808</u>	

*Expenditure exceeded appropriations at the legal level of control

TEXAS SUPPLEMENTARY INFORMATION

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
TSI-1 SERVICES AND RATES
For the Year Ended September 30, 2024

1. Services provided by the District:

<input checked="" type="checkbox"/> Retail Water	<input type="checkbox"/> Wholesale Water	<input checked="" type="checkbox"/> Drainage
<input checked="" type="checkbox"/> Retail Sewer	<input type="checkbox"/> Wholesale Sewer	<input type="checkbox"/> Irrigation
<input type="checkbox"/> Parks/Recreation	<input type="checkbox"/> Fire Protection	<input type="checkbox"/> Security
<input 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 (specify): _____		

2. a. **Retail rates based on 5/8" meter**

The most prevalent type of meter (if not a 5/8"):

Retail rates not applicable

Not applicable

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons Over Minimum	Usage Levels
Water	\$20.20	5,000	N	\$0.00	0 to 5,000
Surcharge	\$ 2.24	5,001 to 10,000	N	\$2.24	5,001 to 10,000
Surcharge	\$ 2.81	10,001 to 15,000	N	\$2.81	10,001 to 15,000
Surcharge	\$ 4.21	15,001 to 25,000	N	\$4.21	15,001 to 25,000
Surcharge	\$ 5.00	over 25,000	N	\$4.92	over 25,000
Waste	\$16.83	up to 15,000	N	N/A	up to 15,000
Surcharge	\$23.56	15,001 to 25,000	N	N/A	15,001 to 25,000
Surcharge	\$24.68	over 25,000	N	N/A	over 25,000

District employs winter averaging for wastewater usage?

Yes ☐ No ☒

Total water and sewer charges per 10,000 gallons usage (including surcharges)

\$ 48.23

b. **Water and Wastewater Retail Connections:** Number of retail water and/or wastewater* connections within the District as of the fiscal year end. Provide actual numbers and single family equivalents (ESFC) as noted:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC's
3/4" and 5/8"	3,424	3,373	x 1.0	3,373
1"	644	639	x 2.5	1,598
1.5"	17	16	x 5.0	80
2"	49	46	x 8.0	368
3"	2	2	x 15.0	30
4"	6	6	x 25.0	150
6"	5	5	x 50.0	250
8"	6	6	x 80.0	480
Total water	4,153	4,093		6,329
Total wastewater	4,022	4,004	x 1.0	4,004

* Number of connections relates to water service, if provided. Otherwise, the number of wastewater connections should be provided.

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
TSI-1 SERVICES AND RATES
For the Year Ended September 30, 2024

Total Water Consumption (in thousands) during the Fiscal Year:

Gallons pumped into system:	547,303,706	Water Accountability Ratio: (Gallons billed/Gallons pumped)
Gallons billed to customers:	439,825,300	<u>0.80</u>

- 4. Standby Fees:** Does the District assess standby fees: Yes ☐ No ☒
- For the most recent full fiscal year:
- | | | |
|-------------------------|----------------------|--------------|
| Debt Service: | Total levy | \$ 8,838,492 |
| | Total collected | \$ 8,801,411 |
| | Percentage collected | 99.58% |
| Operation & Maintenance | Total levy | \$ 3,083,066 |
| | Total collected | \$ 3,070,004 |
| | Percentage collected | 99.58% |
- Have standby fees been levied in accordance with Water Code Section 49.231, thereby constituting a lien on property? Yes ☒ No ☐

5. Location of District:

County in which District is located	<u>Fort Bend County</u>			
Is the District located entirely within one county?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Is the District located within a city?	Entirely	<input type="checkbox"/>	Partly	<input type="checkbox"/>
			Not at all	<input checked="" type="checkbox"/>

City in which District is located	<u>N/A</u>
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Is the District located within a city's extra territorial jurisdiction (ETJ)?	Entirely	<input type="checkbox"/>	Partly	<input checked="" type="checkbox"/>	Not at all	<input type="checkbox"/>
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- I ETJ in which District is located City of Houston

Is the general membership of the Board appointed by an office outside the District?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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If yes, by whom?	<u>N/A</u>
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FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
TSI-2 GENERAL FUND EXPENDITURES
For the Year Ended September 30, 2024

	<u>2024</u>
Current	
Personnel Services (including benefits)	\$ 3,195,603
Professtional fees	
Auditing	20,557
Consulting	36,273
Legal	61,916
Financial advisor	20,068
Engineering	85,423
	<u>224,237</u>
Contracted services	
Security	21,652
Information technology	35,039
Sludge removal	181,179
Billing	13,405
	<u>251,275</u>
Utilities	<u>627,402</u>
Repairs and maintenance	<u>1,503,812</u>
Administrative	
Director fees	9,789
Office supplies	14,908
Travel and per diem	9,800
Insurance	221,775
Postage	30,025
Regulatory charges	49,039
Other administrative	148,660
	<u>483,996</u>
Capital outlay	<u>152,449</u>
Other expenditures	
Rental fees	48,936
Computer equipment	127,146
Uniforms	21,420
Safety fees	16,073
Permit fees	49,350
Chemicals and laboratory	321,904
	<u>584,829</u>
Total expenditures	<u><u>\$ 7,023,603</u></u>
Number of employed by the District	
Full time	<u>28</u>
Part time	<u>-</u>

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
TSI-3 CASH AND TEMPORARY INVESTMENTS
For the Year Ended September 30, 2024

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>Balance</u>	<u>Accrued Interest</u>
<u>General Fund</u>					
Checking	3528	Various	Demand	\$ 126,511	\$ -
Checking	3329	Various	Demand	15,837	-
Checking	3544	Various	Demand	2,048	-
Petty cash	N/A	N/A	N/A	219	-
Checking	2156	Various	Demand	78,042	-
Checking	0021	Various	Demand	2,677	-
Checking	4572	Various	Demand	3,467,000	-
Checking	4718	Various	Demand	1,053,909	-
TexasCLASS	N/A	5.29%	N/A	515,591	-
Certificate of deposit	1056	3.73%	1/24/2025	935,353	15,402
Total General Fund				<u>6,197,187</u>	<u>15,402</u>
<u>Debt Service Fund</u>					
Checking	4696	Various	Demand	2,700,580	-
Tax Checking	N/A	N/A	N/A	54,912	-
Certificate of deposit	1055	3.73%	1/24/2025	2,078,562	34,227
Total Debt Service Fund				<u>4,834,054</u>	<u>34,227</u>
<u>Capital Projects Fund</u>					
Checking	9108	Various	Demand	20,060	-
Checking	9090	Various	Demand	9	-
Checking	9082	Various	Demand	24,557,163	-
Total Capital Projects Fund				<u>24,577,232</u>	<u>-</u>
Total - All Funds				<u>\$ 35,608,473</u>	<u>\$ 49,629</u>

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
TSI-4 ANALYSIS OF TAXES LEVIED AND RECEIVABLE
For the Year Ended September 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Total Fund</u>
Taxes receivable - beginning of year	\$ 66,918	\$ 204,773	\$ 271,691
2023 adjusted tax roll	3,385,625	9,816,766	13,202,391
Other adjustments to prior tax rolls	(18,985)	(54,874)	(73,859)
Adjusted tax roll	<u>3,366,640</u>	<u>9,761,892</u>	<u>13,128,532</u>
Total to be accounted for	<u>3,433,558</u>	<u>9,966,665</u>	<u>13,400,223</u>
 Tax collections:			
Current year	3,332,597	9,663,010	12,995,607
Prior years	34,043	59,273	93,316
Total collections	<u>3,366,640</u>	<u>9,722,283</u>	<u>13,088,923</u>
Taxes receivable - end of year	<u>\$ 66,918</u>	<u>\$ 244,382</u>	<u>\$ 311,300</u>
 Taxes receivable - by year			
2023	\$ 38,398	\$ 111,338	\$ 149,736
2022	11,458	32,848	44,306
2021	6,284	16,496	22,780
2020	4,453	12,172	16,625
2019 and prior	6,325	71,528	77,853
Taxes receivable - end of year	<u>\$ 66,918</u>	<u>\$ 244,382</u>	<u>\$ 311,300</u>

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assessed property valuations	<u>\$ 1,545,947,404</u>	<u>\$ 1,342,346,689</u>	<u>\$ 1,201,078,467</u>	<u>\$ 1,178,197,477</u>	<u>\$ 1,134,022,400</u>
Tax rates (per \$100 valuations)					
Debt service	\$ 0.635	\$ 0.645	\$ 0.630	\$ 0.615	\$ 0.615
Maintenance	0.219	0.225	0.240	0.225	0.225
Total tax rate (per \$100 valuation)	<u>\$ 0.854</u>	<u>\$ 0.870</u>	<u>\$ 0.870</u>	<u>\$ 0.840</u>	<u>\$ 0.840</u>
 Tax rolls**	<u>\$ 13,202,931</u>	<u>\$ 11,678,416</u>	<u>\$ 10,449,383</u>	<u>\$ 9,896,859</u>	<u>\$ 9,525,788</u>
 For the year ended September 30, 2024					<u>All taxes</u>
Percentage of current taxes collected to current taxes levied (as adjusted)					98.43%

** As adjusted

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS
For the Year Ended September 30, 2024

Due during fiscal year ending September 30	Series 2013A - Refunding			Series 2014 - Refunding			Series 2014A		
	Principal due October 1	Interest October 1, April 1	Total	Principal due October 1	Interest October 1, April 1	Total	Principal due October 1	Interest October 1, April 1	Total
2025	\$ -	\$ -	-	\$ 320,000	\$ 81,588	\$ 401,588	\$ 200,000	\$ 100,313	\$ 300,313
2026	-	-	-	335,000	71,828	406,828	200,000	94,313	294,313
2027	-	-	-	350,000	61,610	411,610	200,000	88,313	288,313
2028	-	-	-	1,670,000	50,935	1,720,935	200,000	82,313	282,313
2029	-	-	-	-	-	-	200,000	76,313	276,313
2030	-	-	-	-	-	-	200,000	69,813	269,813
2031	300,000	450,000	750,000	-	-	-	200,000	63,313	263,313
2032	-	-	-	-	-	-	200,000	56,563	256,563
2033	-	-	-	-	-	-	200,000	49,813	249,813
2034	-	-	-	-	-	-	200,000	42,813	242,813
2035	-	-	-	-	-	-	200,000	35,813	235,813
2036	-	-	-	-	-	-	200,000	28,313	228,313
2037	-	-	-	-	-	-	200,000	20,813	220,813
2038	-	-	-	-	-	-	200,000	13,313	213,313
2039	-	-	-	-	-	-	155,000	5,813	160,813
2040	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-
Totals	\$ 300,000	\$ 450,000	\$ 750,000	\$ 2,675,000	\$ 265,961	\$ 2,940,961	\$ 2,955,000	\$ 827,945	\$ 3,782,945

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS
For the Year Ended September 30, 2024

Due during fiscal year ending September 30	Series 2014B			Series 2015 - Refunding			Series 2015A		
	Principal due October 1	Interest October 1, April 1	Total	Principal due October 1	Interest October 1, April 1	Total	Principal due October 1	Interest October 1, April 1	Total
2025	\$ 125,000	\$ 61,875	\$ 186,875	\$ 705,000	\$ 1,303,813	\$ 2,008,813	\$ 250,000	\$ 139,563	\$ 389,563
2026	125,000	58,125	183,125	725,000	1,275,613	2,000,613	275,000	133,625	408,625
2027	125,000	54,375	179,375	740,000	1,253,863	1,993,863	275,000	126,750	401,750
2028	125,000	50,625	175,625	755,000	1,231,663	1,986,663	325,000	118,500	443,500
2029	125,000	46,875	171,875	1,270,000	1,209,013	2,479,013	300,000	108,750	408,750
2030	125,000	42,813	167,813	1,310,000	1,167,738	2,477,738	275,000	99,750	374,750
2031	110,000	38,750	148,750	1,350,000	1,125,163	2,475,163	210,000	91,500	301,500
2032	110,000	35,038	145,038	1,395,000	1,071,163	2,466,163	250,000	84,938	334,938
2033	110,000	31,325	141,325	4,130,000	1,022,338	5,152,338	150,000	76,813	226,813
2034	110,000	27,475	137,475	4,275,000	857,138	5,132,138	200,000	71,750	271,750
2035	110,000	23,625	133,625	4,435,000	707,513	5,142,513	200,000	65,000	265,000
2036	110,000	19,500	129,500	4,600,000	530,113	5,130,113	250,000	58,000	308,000
2037	110,000	15,375	125,375	4,810,000	363,363	5,173,363	250,000	49,250	299,250
2038	110,000	11,250	121,250	5,040,000	189,000	5,229,000	100,000	40,500	140,500
2039	190,000	7,125	197,125	-	-	-	490,000	36,750	526,750
2040	-	-	-	-	-	-	490,000	18,375	508,375
2041	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-
Totals	\$ 1,820,000	\$ 524,151	\$ 2,344,151	\$ 35,540,000	\$ 13,307,494	\$ 48,847,494	\$ 4,290,000	\$ 1,319,814	\$ 5,609,814

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS
For the Year Ended September 30, 2024

Due during fiscal year ending September 30	Series 2017		Series 2017A		Series 2018	
	Principal due October 1	Interest October 1, April 1	Principal due October 1	Interest October 1, April 1	Principal due October 1	Interest October 1, April 1
	Total		Total		Total	
2025	\$ 245,000	\$ 136,588	\$ 381,588	\$ 46,856	\$ 225,000	\$ 149,494
2026	245,000	129,238	374,238	44,306	225,000	142,744
2027	245,000	121,888	366,888	41,756	225,000	135,994
2028	245,000	114,538	359,538	39,206	225,000	129,244
2029	250,000	107,188	357,188	36,656	225,000	122,494
2030	250,000	99,688	349,688	34,106	225,000	115,744
2031	250,000	92,188	342,188	31,556	225,000	108,994
2032	250,000	84,688	334,688	29,006	225,000	102,244
2033	250,000	77,188	327,188	26,456	225,000	95,213
2034	250,000	69,688	319,688	23,906	225,000	88,181
2035	250,000	62,188	312,188	21,144	225,000	80,869
2036	250,000	54,063	304,063	18,381	225,000	73,556
2037	250,000	45,938	295,938	15,619	225,000	65,963
2038	250,000	36,875	286,875	12,538	325,000	58,369
2039	250,000	27,813	277,813	9,456	325,000	46,994
2040	250,000	18,750	268,750	6,375	325,000	35,619
2041	250,000	9,375	259,375	3,188	325,000	24,244
2042	-	-	-	-	355,000	12,869
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
Totals	\$ 4,230,000	\$ 1,287,882	\$ 5,517,882	\$ 440,511	\$ 4,580,000	\$ 1,588,829
						\$ 6,168,829

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS
For the Year Ended September 30, 2024

Due during fiscal year ending September 30	Series 2019 - Refunding			Series 2019A			Series 2020 - Refunding		
	Principal due October 1	Interest October 1, April 1	Total	Principal due October 1	Interest October 1, April 1	Total	Principal due October 1	Interest October 1, April 1	Total
2025	\$ 2,090,000	\$ 427,976	\$ 2,517,976	\$ 125,000	\$ 78,594	\$ 203,594	\$ 35,000	\$ 137,550	\$ 172,550
2026	2,165,000	344,374	2,509,374	125,000	76,094	201,094	35,000	136,150	171,150
2027	2,240,000	257,774	2,497,774	125,000	73,594	198,594	40,000	135,100	175,100
2028	910,000	168,176	1,078,176	125,000	71,094	196,094	125,000	134,300	259,300
2029	2,165,000	131,774	2,296,774	125,000	68,594	193,594	175,000	131,800	306,800
2030	190,000	45,176	235,176	125,000	66,094	191,094	2,275,000	128,300	2,403,300
2031	185,000	39,474	224,474	125,000	63,594	188,594	1,680,000	82,800	1,762,800
2032	180,000	33,926	213,926	125,000	61,094	186,094	2,460,000	49,200	2,509,200
2033	175,000	28,524	203,524	125,000	58,438	183,438	-	-	-
2034	165,000	23,276	188,276	125,000	55,624	180,624	-	-	-
2035	160,000	18,326	178,326	125,000	52,812	177,812	-	-	-
2036	155,000	13,524	168,524	125,000	50,000	175,000	-	-	-
2037	150,000	8,877	158,877	125,000	46,876	171,876	-	-	-
2038	140,000	4,374	144,374	125,000	43,750	168,750	-	-	-
2039	-	-	-	325,000	40,626	365,626	-	-	-
2040	-	-	-	325,000	32,500	357,500	-	-	-
2041	-	-	-	325,000	24,376	349,376	-	-	-
2042	-	-	-	325,000	16,250	341,250	-	-	-
2043	-	-	-	325,000	8,126	333,126	-	-	-
2044	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-
Totals	\$ 11,070,000	\$ 1,545,551	\$ 12,615,551	\$ 3,375,000	\$ 988,130	\$ 4,363,130	\$ 6,825,000	\$ 935,200	\$ 7,760,200

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS
For the Year Ended September 30, 2024

Due during fiscal year ending September 30	Series 2020A		Series 2021		Series 2022	
	Principal due October 1	Interest October 1, April 1	Principal due October 1	Interest October 1, April 1	Principal due October 1	Interest October 1, April 1
	Total		Total		Total	
2025	\$ 175,000	\$ 54,550	\$ 229,550	\$ 105,775	\$ 180,000	\$ 134,050
2026	175,000	51,050	226,050	100,475	180,000	128,650
2027	170,000	49,300	219,300	95,175	180,000	123,250
2028	170,000	47,600	217,600	89,875	180,000	117,850
2029	170,000	45,900	215,900	84,575	180,000	112,450
2030	170,000	43,775	213,775	79,275	180,000	107,050
2031	170,000	41,650	211,650	73,975	180,000	101,650
2032	170,000	39,100	209,100	68,675	175,000	96,250
2033	170,000	36,550	206,550	63,375	175,000	91,000
2034	170,000	33,575	203,575	58,175	175,000	84,000
2035	170,000	30,600	200,600	52,975	175,000	77,000
2036	170,000	27,200	197,200	47,775	175,000	70,000
2037	170,000	23,800	193,800	42,575	175,000	63,000
2038	170,000	20,400	190,400	37,375	175,000	56,000
2039	170,000	17,000	187,000	32,175	175,000	49,000
2040	170,000	13,600	183,600	26,975	175,000	42,000
2041	170,000	10,200	180,200	21,775	175,000	35,000
2042	170,000	6,800	176,800	16,575	175,000	28,000
2043	170,000	3,400	173,400	11,050	175,000	21,000
2044	-	-	-	5,525	175,000	14,000
2045	-	-	-	-	175,000	7,000
2046	-	-	-	-	-	-
Totals	\$ 3,240,000	\$ 596,050	\$ 3,836,050	\$ 1,114,125	\$ 3,710,000	\$ 1,558,200
						\$ 5,268,200

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS
For the Year Ended September 30, 2024

Due during fiscal year ending September 30	Series 2022A			Series 2023			Series 2023A		
	Principal due October 1	Interest October 1, April 1	Total	Principal due October 1	Interest October 1, April 1	Total	Principal due October 1	Interest October 1, April 1	Total
2025	\$ 50,000	\$ 17,250	\$ 67,250	\$ 400,000	\$ 356,794	\$ 756,794	\$ 95,000	\$ 172,000	\$ 267,000
2026	50,000	15,375	65,375	400,000	340,794	740,794	100,000	166,300	266,300
2027	50,000	13,500	63,500	400,000	324,794	724,794	105,000	160,300	265,300
2028	50,000	11,500	61,500	400,000	308,794	708,794	110,000	154,000	264,000
2029	50,000	10,000	60,000	400,000	292,794	692,794	115,000	148,225	263,225
2030	50,000	8,500	58,500	400,000	276,794	676,794	120,000	142,475	262,475
2031	50,000	6,875	56,875	425,000	264,794	689,794	125,000	135,275	260,275
2032	50,000	5,250	55,250	425,000	252,044	677,044	130,000	130,275	260,275
2033	50,000	3,500	53,500	425,000	238,763	663,763	135,000	124,750	259,750
2034	50,000	1,750	51,750	425,000	221,763	646,763	140,000	119,013	259,013
2035	-	-	-	425,000	204,763	629,763	150,000	112,713	262,713
2036	-	-	-	425,000	187,763	612,763	155,000	105,588	260,588
2037	-	-	-	425,000	170,763	595,763	165,000	98,225	263,225
2038	-	-	-	430,000	153,763	583,763	170,000	90,388	260,388
2039	-	-	-	475,000	136,563	611,563	175,000	82,313	257,313
2040	-	-	-	475,000	117,563	592,563	185,000	74,000	259,000
2041	-	-	-	475,000	98,563	573,563	195,000	64,750	259,750
2042	-	-	-	475,000	79,563	554,563	200,000	55,000	255,000
2043	-	-	-	475,000	59,969	534,969	210,000	45,000	255,000
2044	-	-	-	475,000	40,375	515,375	220,000	34,500	254,500
2045	-	-	-	475,000	20,188	495,188	230,000	23,500	253,500
2046	-	-	-	-	-	-	240,000	12,000	252,000
Totals	\$ 500,000	\$ 93,500	\$ 593,500	\$ 9,130,000	\$ 4,147,964	\$ 13,277,964	\$ 3,470,000	\$ 2,250,590	\$ 5,720,590

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
TSI-6 CHANGE IN LONG-TERM BONDED DEBT
For the Year Ended September 30, 2024

	Bond Issues				
	<u>Series 2013A</u>	<u>Series 2014</u>	<u>Series 2014A</u>	<u>Series 2014B</u>	<u>Series 2015A</u>
Interest rate	2.00-3.5%	3.05%	2.00-3.75%	2.00-3.75%	2.00-3.75%
Dates interest payable	4/1 and 10/1	4/1 and 10/1	4/1 and 10/1	4/1 and 10/1	4/1 and 10/1
Final maturity date	10/1/2032	10/1/2028	10/1/2039	10/1/2039	10/1/2040
Bonds outstanding at beginning of current year	\$ 300,000	\$ 2,980,000	\$ 3,155,000	\$ 1,945,000	\$ 35,985,000
Bonds sold or (refunded)	-	-	-	-	-
Principal retirements	-	(305,000)	(200,000)	(125,000)	(445,000)
Bonds outstanding at end of current year	\$ 300,000	\$ 2,675,000	\$ 2,955,000	\$ 1,820,000	\$ 35,540,000
Interest retirements	\$ -	\$ 90,890	\$ 106,313	\$ 65,625	\$ 1,321,613

Paying Agent/Registrar

Series 2013A, 2014A, and 2014B

Wells Fargo Bank, N.A.
Minneapolis, Minnesota

Series 2014

Trustmark National Bank
Jackson, Mississippi

Series 2015, 2015A, 2017, 2017A, 2018, 2019,
2019A, 2020, 2020A, 2021, 2022, 2022A, 2023, and 2023A

NA dba Amergy Bank
Houston, Texas

Bond Authority

Amount authorized by voters

Amount issued

Remaining

Debt service fund cash and temporary investment
balance as of year end:

Average annual debt service payment (principal
and interest for remaining terms of all debt):

Refunding

Tax Bonds

Bonds

\$ 202,715,000	\$ 33,000,000
\$ 152,390,000	\$ 23,893,337
\$ 5,035,200	\$ 9,106,663

\$	4,779,142
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\$	6,375,899
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(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
TSI-6 CHANGE IN LONG-TERM BONDED DEBT
For the Year Ended September 30, 2024

	Bond Issues					
	Series 2017	Series 2017A	Series 2018	Series 2019	Series 2019A	Series 2020
Interest rate	2.00-3.00%	2.00-3.00%	2.00-3.63%	3.00-4.00%	2.00-3.00%	2.00-4.00%
Dates interest payable	4/1 and 10/1	4/1 and 10/1	4/1 and 10/1	4/1 and 10/1	4/1 and 10/1	4/1 and 10/1
Final maturity date	10/1/2041	10/1/2041	10/1/2042	10/1/2038	10/1/2043	10/1/2031
Bonds outstanding at beginning of current year	\$ 4,475,000	\$ 1,530,000	\$ 4,805,000	\$ 13,210,000	\$ 3,500,000	\$ 6,970,000
Bonds sold or (refunded)	-	-	-	-	-	-
Principal retirements	(245,000)	(85,000)	(225,000)	(2,140,000)	(125,000)	(145,000)
Bonds outstanding at end of current year	\$ 4,230,000	\$ 1,445,000	\$ 4,580,000	\$ 11,070,000	\$ 3,375,000	\$ 6,825,000
Interest retirements	\$ 143,938	\$ 49,406	\$ 156,244	\$ 513,574	\$ 82,344	\$ 143,350

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
TSI-6 CHANGE IN LONG-TERM BONDED DEBT
For the Year Ended September 30, 2024

	Bond Issues						Total
	Series 2020A	Series 2021	Series 2022	Series 2022A	Series 2023	Series 2023A	
Interest rate	1.00-2.00%	2.00-2.13%	3.00%	3.75-4.00%	3.00-4.25%	4.00-6.00%	n/a
Dates interest payable	4/1 and 10/1	4/1 and 10/1	4/1 and 10/1	4/1 and 10/1	4/1 and 10/1	4/1 and 10/1	n/a
Final maturity date	10/1/2043	10/1/2044	10/1/2045	10/1/2034	10/1/2045	10/1/2046	n/a
Bonds outstanding at beginning of current year	\$ 3,415,000	\$ 5,505,000	\$ 3,890,000	\$ 555,000	\$ 9,530,000	\$ 3,470,000	\$ 109,735,000
Bonds sold or (refunded)	-	-	-	-	-	-	-
Principal retirements	(175,000)	(265,000)	(180,000)	(55,000)	(400,000)	-	(5,340,000)
Bonds outstanding at end of current year	\$ 3,240,000	\$ 5,240,000	\$ 3,710,000	\$ 500,000	\$ 9,130,000	\$ 3,470,000	\$ 104,395,000
Interest retirements	\$ 58,050	\$ 111,075	\$ 139,450	\$ 19,313	\$ 372,794	\$ 150,500	\$ 3,668,823

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
TSI-7 – COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL AND DEBT SERVICE FUNDS
Last Five Years

	Amounts				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>General fund revenues</u>					
Charges for services	\$ 3,488,352	\$ 3,681,904	\$ 3,506,807	\$ 3,270,713	\$ 3,316,329
Property taxes	3,328,633	3,074,000	2,861,500	2,646,889	2,556,006
Interest on investments	106,594	61,709	26,919	32,616	43,801
Other	119,632	323,565	206,327	84,211	36,000
Total revenues	<u>7,043,211</u>	<u>7,141,178</u>	<u>6,601,553</u>	<u>6,034,429</u>	<u>5,952,136</u>
<u>General fund expenditures</u>					
Current	7,023,603	6,374,388	6,279,688	5,646,334	5,656,835
Total expenditures	<u>7,023,603</u>	<u>6,374,388</u>	<u>6,279,688</u>	<u>5,646,334</u>	<u>5,656,835</u>
Excess of revenues over expenditures	<u>\$ 19,608</u>	<u>\$ 766,790</u>	<u>\$ 321,865</u>	<u>\$ 388,095</u>	<u>\$ 295,301</u>
<u>Debt service fund revenues</u>					
Property taxes	\$ 9,722,284	\$ 8,798,064	\$ 7,521,249	\$ 7,229,877	\$ 6,955,065
Interest on investments	107,549	81,985	27,484	31,514	91,986
Total revenues	<u>9,829,833</u>	<u>8,880,049</u>	<u>7,548,733</u>	<u>7,261,391</u>	<u>7,047,051</u>
<u>Debt service fund expenditures</u>					
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service*	9,127,361	8,424,365	7,918,493	7,534,734	15,999,483
Total expenditures	<u>9,127,361</u>	<u>8,424,365</u>	<u>7,918,493</u>	<u>7,534,734</u>	<u>15,999,483</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 702,472</u>	<u>\$ 455,684</u>	<u>\$ (369,760)</u>	<u>\$ (273,343)</u>	<u>\$ (8,952,432)</u>

* Current refunding bonds issued. Related proceeds and premiums are recognized in other financing sources.

(Continued)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
TSI-7 – COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL AND DEBT SERVICE FUNDS
Last Five Years

	Percentage of total fund revenues				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>General fund revenues</u>					
Charges for services	49.5%	51.6%	53.1%	54.2%	55.7%
Property taxes	47.3%	43.0%	43.3%	43.9%	42.9%
Interest on investments	1.5%	0.9%	0.4%	0.5%	0.7%
Other	1.7%	4.5%	3.1%	1.4%	0.6%
Total revenues	100.0%	100.0%	100.0%	100.0%	100.0%
<u>General fund expenditures</u>					
Current	99.7%	89.3%	95.1%	93.6%	95.0%
Total expenditures	99.7%	89.3%	95.1%	93.6%	95.0%
Excess of revenues over expenditures	0.3%	10.7%	4.9%	6.4%	5.0%
<u>Debt service fund revenues</u>					
Property taxes	98.9%	99.1%	99.6%	99.6%	98.7%
Interest on investments	1.1%	0.9%	0.4%	0.4%	1.3%
Total revenues	100.0%	100.0%	100.0%	100.0%	100.0%
<u>Debt service fund expenditures</u>					
Other	0.0%	0.0%	0.0%	0.0%	0.0%
Debt service*	92.9%	94.9%	104.9%	103.8%	227.0%
Total expenditures	92.9%	94.9%	104.9%	103.8%	227.0%
Excess (deficiency) of revenues over (under) expenditures	7.1%	5.1%	-4.9%	-3.8%	-127.0%

* Current refunding bonds issued. Related proceeds and premiums are recognized in other financing sources.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25
TSI-8 BOARD OF DIRECTORS, KEY PERSONNEL, AND CONSULTANTS
For the Year Ended September 30, 2024

<u>Consultants</u>	<u>Name</u>	<u>Date Hired</u>	<u>Fees and expenses</u>	<u>Title</u>
	Sechrist - Duckers LLP	4/11/2008	\$ 129,191	General Counsel and Bond Counsel
	Crowe LLP, formerly Belt Harris Pechacek, LLLP	7/31/2008	\$ 20,557	Auditor
	Vinson & Elkins, LLP	4/16/2010	\$ 13,316	Environmental Attorney
	Assessment of the Southwest	9/26/1978	\$ 54,344	Tax Assessor/Collector
	Ogletree, Deakins, Noah, Smoak & Steart P.C.	11/1/2015	\$ 5,000	Labor Attorney
	Masterson Advisors LLC	4/9/2018	\$ 72,803	Financial Advisor
	CapFinancial Partners	1/1/2015	\$ 20,068	Retirement Plan Consultant
	Orrick, Herrington & Sutcliffe LLP	1/1/2017	\$ 5,000	Special Tax Bond Counsel
	McCall, Parkhurst & Horton, LLP	1/1/2017	\$ 8,500	Bond Disclosure Counsel
	Ardurra Group, Inc.	3/22/2017	\$ 1,183,379	District Engineer