

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

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

July 31, 2023

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Houston, Texas 77092

Independent Auditor's Report

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

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 149 (the "District"), as of and for the year ended July 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 149, as of July 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied

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

certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Supplementary Information schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas Supplementary Information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

U.S. Galt & Co., P.C.

Houston, Texas
November 27, 2023

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Management's Discussion and Analysis

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***Fort Bend County Municipal Utility District No. 149
Management's Discussion and Analysis
July 31, 2023***

Using this Annual Report

Within this section of the financial report of Fort Bend County Municipal Utility District No. 149 (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended July 31, 2023. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

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

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

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

Fort Bend County Municipal Utility District No. 149
Management's Discussion and Analysis
July 31, 2023

The *Statement of Activities* reports how the District's net position has changed during the fiscal year. All revenues and expenses are included on this statement, regardless of whether cash has been received or paid.

Fund Financial Statements

The fund financial statements include the *Governmental Funds Balance Sheet* and the *Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. The focus of fund financial statements is on specific activities of the District rather than the District as a whole, reported using modified accrual accounting. These statements report on the District's use of available financial resources and the balances of available financial resources at the end of the year. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties, governmental statutes or regulations.

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

Financial Analysis of the District as a Whole

The District's net position at July 31, 2023, was \$4,188,829. A comparative summary of the District's overall financial position, as of July 31, 2023 and 2022, is as follows:

	2023	2022
Current and other assets	\$ 9,135,038	\$ 8,144,869
Capital assets	23,750,786	24,049,539
Total assets	<u>32,885,824</u>	<u>32,194,408</u>
 Total deferred outflows of resources	 <u>156,654</u>	 <u>167,844</u>
 Current liabilities	 1,479,269	 1,344,470
Long-term liabilities	27,374,380	27,602,458
Total liabilities	<u>28,853,649</u>	<u>28,946,928</u>
 Net position		
Net investment in capital assets	(4,394,174)	(4,332,549)
Restricted	2,615,780	2,428,415
Unrestricted	5,967,223	5,319,458
Total net position	<u>\$ 4,188,829</u>	<u>\$ 3,415,324</u>

Fort Bend County Municipal Utility District No. 149
Management's Discussion and Analysis
July 31, 2023

The total net position of the District increased during the current fiscal year by \$773,505. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	<u>2023</u>	<u>2022</u>
Revenues		
Property taxes, penalties and interest	\$ 2,757,108	\$ 2,341,578
Water and sewer service	1,243,333	1,135,728
Other	<u>1,097,178</u>	<u>840,488</u>
Total revenues	<u>5,097,619</u>	<u>4,317,794</u>
Expenses		
Current service operations	2,313,056	2,198,704
Debt interest and fees	797,688	765,549
Developer interest	270,307	
Debt issuance costs	265,474	
Depreciation and amortization	<u>677,589</u>	<u>668,021</u>
Total expenses	<u>4,324,114</u>	<u>3,632,274</u>
Change in net position	773,505	685,520
Net position, beginning of year	<u>3,415,324</u>	<u>2,729,804</u>
Net position, end of year	<u>\$ 4,188,829</u>	<u>\$ 3,415,324</u>

Financial Analysis of the District's Funds

The District's combined fund balances, as of July 31, 2023, were \$9,014,467, which consists of \$5,965,268 in the General Fund, \$2,956,433 in the Debt Service Fund and \$92,766 in the Capital Projects Fund.

General Fund

A comparative summary of the General Fund's financial position as of July 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Total assets	<u>\$ 6,077,103</u>	<u>\$ 5,377,265</u>
Total liabilities	\$ 109,880	\$ 57,807
Total deferred inflows	1,955	4,624
Total fund balance	<u>5,965,268</u>	<u>5,314,834</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 6,077,103</u>	<u>\$ 5,377,265</u>

Fort Bend County Municipal Utility District No. 149
Management's Discussion and Analysis
July 31, 2023

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

	<u>2023</u>	<u>2022</u>
Total revenues	\$ 3,062,371	\$ 2,601,723
Total expenditures	(2,411,937)	(2,090,855)
Revenues over expenditures	<u>\$ 650,434</u>	<u>\$ 510,868</u>

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

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

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of July 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Total assets	<u>\$ 2,965,169</u>	<u>\$ 2,735,078</u>
Total liabilities	\$ 2,754	\$ 2,070
Total deferred inflows	5,982	16,376
Total fund balance	<u>2,956,433</u>	<u>2,716,632</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 2,965,169</u>	<u>\$ 2,735,078</u>

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

	<u>2023</u>	<u>2022</u>
Total revenues	\$ 2,044,780	\$ 1,715,853
Total expenditures	(1,804,979)	(1,671,331)
Revenues over expenditures	<u>\$ 239,801</u>	<u>\$ 44,522</u>

Fort Bend County Municipal Utility District No. 149
Management's Discussion and Analysis
July 31, 2023

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

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of July 31, 2023 and 2022 is as follows:

	2023	2022
Total assets	\$ 92,766	\$ 32,526
Total fund balance	\$ 92,766	\$ 32,526

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

	2023	2022
Total revenues	\$ 3,531	\$ 158
Total expenditures	(3,343,291)	(53,712)
Revenues under expenditures	(3,339,760)	(53,554)
Other changes in fund balance	3,400,000	
Net change in fund balance	\$ 60,240	\$ (53,554)

The District had considerable capital asset activity in the current year which was finance with proceeds from the issuance of its Series 2022 Unlimited Tax Bonds. The District did not have significant capital asset activity in the prior year.

General Fund Budgetary Highlights

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

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was \$50,416 greater than budgeted. The *Budgetary Comparison Schedule* on page 36 of this report provides variance information per financial statement line item.

Capital Assets

The District has entered into financing agreements with its developers for the financing of the construction of capital assets within the District. Developers will be reimbursed from proceeds of

Fort Bend County Municipal Utility District No. 149
Management's Discussion and Analysis
July 31, 2023

future bond issues or other lawfully available funds. These developer funded capital assets are recorded on the District's financial statements upon completion of construction.

Capital assets held by the District at July 31, 2023 and 2022 are summarized as follows:

	<u>2023</u>	<u>2022</u>
Capital assets not being depreciated		
Land and improvements	<u>\$ 111,004</u>	<u>\$ 111,004</u>
Capital assets being depreciated/amortized		
Infrastructure	26,273,429	26,054,718
Regional water supply capacity	215,075	54,950
Capacity in City facilities	<u>2,937,834</u>	<u>2,937,834</u>
	<u>29,426,338</u>	<u>29,047,502</u>
Less accumulated depreciation/amortization		
Infrastructure	(5,125,932)	(4,542,083)
Regional water supply capacity	(13,164)	(7,045)
Capacity in City facilities	<u>(647,460)</u>	<u>(559,839)</u>
	<u>(5,786,556)</u>	<u>(5,108,967)</u>
Depreciable capital assets, net	<u>23,639,782</u>	<u>23,938,535</u>
Capital assets, net	<u><u>\$ 23,750,786</u></u>	<u><u>\$ 24,049,539</u></u>

Long-Term Debt and Related Liabilities

As of July 31, 2023, the District owes approximately \$3,509,348 to developers for completed projects. The initial cost of the completed project and related liability is estimated based on actual construction costs plus 10-15% for engineering and other fees and is recorded on the District's financial statements upon completion of construction. The District intends to reimburse the developer from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developer is trued up when the developer is reimbursed.

At July 31, 2023 and 2022, the District had total bonded debt outstanding as shown below:

<u>Series</u>	<u>2023</u>	<u>2022</u>
2011	\$ -	\$ 80,000
2013		170,000
2014	8,865,000	9,245,000
2015	7,100,000	7,415,000
2021 Refunding	5,580,000	5,615,000
2022	<u>3,400,000</u>	
	<u><u>\$ 24,945,000</u></u>	<u><u>\$ 22,525,000</u></u>

Fort Bend County Municipal Utility District No. 149
Management's Discussion and Analysis
July 31, 2023

During the current year, the District issued \$3,400,000 in unlimited tax bonds. At July 31, 2023, the District had \$32,045,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District.

Next Year's Budget

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

	<u>2023 Actual</u>	<u>2024 Budget</u>
Total revenues	\$ 3,062,371	\$ 2,981,381
Total expenditures	<u>(2,411,937)</u>	<u>(2,612,583)</u>
Revenues over expenditures	650,434	368,798
Beginning fund balance	<u>5,314,834</u>	<u>5,965,268</u>
Ending fund balance	<u><u>\$ 5,965,268</u></u>	<u><u>\$ 6,334,066</u></u>

Property Taxes

The District's property tax base increased approximately \$124,491,000 for the 2023 tax year from \$631,620,103 to \$756,110,861. This increase was primarily due to new construction in the District and increased property values. For the 2023 tax year, the District has levied a maintenance tax rate of \$0.075 per \$100 of assessed value and a debt service tax rate of \$0.300 per \$100 of assessed value, for a total tax rate of \$0.375 per \$100 of assessed value. Tax rates for the 2022 tax year were \$0.125 per \$100 for maintenance and operations and \$0.305 per \$100 for debt service for a total of \$0.43 per \$100 of assessed value.

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Basic Financial Statements

Fort Bend County Municipal Utility District No. 149
Statement of Net Position and Governmental Funds Balance Sheet
July 31, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 312,431	\$ 32,720	\$ 10,228	\$ 355,379	\$ -	\$ 355,379
Investments	5,448,549	2,928,383	85,253	8,462,185		8,462,185
Taxes receivable	1,955	5,982		7,937		7,937
Customer service receivables	168,374			168,374		168,374
Internal balances	4,631	(1,916)	(2,715)			
Prepaid items	11,339			11,339		11,339
Other receivables	500			500		500
Operating reserve - regional water supply	129,324			129,324		129,324
Capital assets not being depreciated					111,004	111,004
Capital assets, net					23,639,782	23,639,782
Total Assets	\$ 6,077,103	\$ 2,965,169	\$ 92,766	\$ 9,135,038	23,750,786	32,885,824
Deferred Outflows of Resources						
Deferred difference on refunding					156,654	156,654
Liabilities						
Accounts payable	\$ 87,627	\$ 451	\$ -	\$ 88,078		88,078
Due to others		2,303		2,303		2,303
Customer deposits	5,400			5,400		5,400
Unearned revenue	13,280			13,280		13,280
Due to other governments	3,573			3,573		3,573
Accrued interest payable					346,635	346,635
Due to developer					3,509,348	3,509,348
Long-term debt						
Due within one year					1,020,000	1,020,000
Due after one year					23,865,032	23,865,032
Total Liabilities	109,880	2,754		112,634	28,741,015	28,853,649
Deferred Inflows of Resources						
Deferred property taxes	1,955	5,982		7,937	(7,937)	
Fund Balances/Net Position						
Fund Balances						
Nonspendable	140,663			140,663	(140,663)	
Restricted		2,956,433	92,766	3,049,199	(3,049,199)	
Unassigned	5,824,605			5,824,605	(5,824,605)	
Total Fund Balances	5,965,268	2,956,433	92,766	9,014,467	(9,014,467)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,077,103	\$ 2,965,169	\$ 92,766	\$ 9,135,038		
Net Position						
Net investment in capital assets					(4,394,174)	(4,394,174)
Restricted for debt service					2,615,780	2,615,780
Unrestricted					5,967,223	5,967,223
Total Net Position					\$ 4,188,829	\$ 4,188,829

See notes to basic financial statements.

Fort Bend County Municipal Utility District No. 149

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances

For the Year Ended July 31, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Water service	\$ 306,992	\$ -	\$ -	\$ 306,992	\$ -	\$ 306,992
Sewer service	936,341			936,341		936,341
Property taxes	791,611	1,932,770		2,724,381	(10,665)	2,713,716
Penalties and interest	27,994	17,796		45,790	(2,398)	43,392
Tap connection and inspection	93,212			93,212		93,212
Surface water	506,314			506,314		506,314
Fire service	159,697			159,697		159,697
Miscellaneous	18,454			18,454		18,454
Investment earnings	221,756	94,214	3,531	319,501		319,501
Total Revenues	3,062,371	2,044,780	3,531	5,110,682	(13,063)	5,097,619
Expenditures/Expenses						
Current service operations						
Purchased services	907,951			907,951		907,951
Professional fees	128,377		2,346	130,723		130,723
Contracted services	879,129	52,183		931,312		931,312
Repairs and maintenance	185,686			185,686		185,686
Utilities	8,508			8,508		8,508
Administrative	93,657	5,985	730	100,372		100,372
Other	48,504			48,504		48,504
Capital outlay	160,125		2,804,434	2,964,559	(2,964,559)	
Debt service						
Principal		980,000		980,000	(980,000)	
Interest and fees		766,811		766,811	30,877	797,688
Developer interest			270,307	270,307		270,307
Debt issuance costs			265,474	265,474		265,474
Depreciation/amortization					677,589	677,589
Total Expenditures/Expenses	2,411,937	1,804,979	3,343,291	7,560,207	(3,236,093)	4,324,114
Revenues Over/(Under) Expenditures						
	650,434	239,801	(3,339,760)	(2,449,525)	2,449,525	
Other Financing Sources						
Proceeds from sale of bonds			3,400,000	3,400,000	(3,400,000)	
Net Change in Fund Balances	650,434	239,801	60,240	950,475	(950,475)	
Change in Net Position					773,505	773,505
Fund Balance/Net Position						
Beginning of the year	5,314,834	2,716,632	32,526	8,063,992	(4,648,668)	3,415,324
End of the year	\$ 5,965,268	\$ 2,956,433	\$ 92,766	\$ 9,014,467	\$ (4,825,638)	\$ 4,188,829

See notes to basic financial statements.

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Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2023

Note 1 – Summary of Significant Accounting Policies

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

Creation

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

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

Reporting Entity

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

Government-Wide and Fund Financial Statements

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

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

*Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2023*

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

Use of Restricted Resources

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

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Prepaid Items

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

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At July 31, 2023, an allowance for uncollectible accounts was not considered necessary.

Unbilled Service Revenues

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

Interfund Activity

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

Capital Assets

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

Depreciable capital assets, which primarily consist of water, wastewater and drainage facilities, are depreciated using the straight-line method as follows:

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred Inflows and Outflows of Financial Resources

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

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

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

Net Position – Governmental Activities

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

Net investment in capital assets²- represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets.

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

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District's nonspendable fund balance consists of prepaid items and operating reserves paid to Fort Bend County Municipal Utility District No. 115 for the Regional Water Supply Agreement (see Note 11).

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

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds (continued)

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

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

Unassigned - all other spendable amounts in the General Fund.

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include, among others, the collectability of receivables; the value of unbilled utility revenues and receivables; the useful lives and impairment of capital assets; the value of amounts due to developer and the value of capital assets for which the developer has not been fully reimbursed. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2023

Note 2 – Adjustment from Governmental to Government-wide Basis

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

Total fund balance, governmental funds		\$ 9,014,467
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.</p>		
Historical cost	\$ 29,537,342	
Less accumulated depreciation/amortization	<u>(5,786,556)</u>	
Change due to capital assets		23,750,786
<p>The difference between the face amount of bonds refunded and the amount paid to the escrow agent is recorded as a deferred difference on refunding in the <i>Statement of Net Position</i> and amortized to interest expense. It is not recorded in the fund statements because it is not a financial resource.</p>		
		156,654
<p>Amounts due to the District's developers for prefunded construction are recorded as a liability in the <i>Statement of Net Position</i>.</p>		
		(3,509,348)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The difference consists of:</p>		
Bonds payable, net	(24,885,032)	
Interest payable on debt	<u>(346,635)</u>	
Change due to long-term debt		(25,231,667)
<p>Property taxes receivable and related penalties and interest have been levied and are due, but are not available soon enough to pay current period expenditures and, therefore, are deferred in the funds.</p>		
Property taxes receivable	6,726	
Penalty and interest receivable	<u>1,211</u>	
Change due to property taxes		7,937
Total net position - governmental activities		<u><u>\$ 4,188,829</u></u>

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2023

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

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

Net change in fund balances - total governmental funds \$ 950,475

Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for property taxes and penalties and interest. (13,063)

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

Capital outlays	\$ 2,964,559	
Depreciation/amortization expense	(677,589)	
		2,286,970

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

Issuance of long term debt	(3,400,000)	
Principal payments	980,000	
Interest expense accrual	(30,877)	
		(2,450,877)

Change in net position of governmental activities		\$ 773,505
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Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

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

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2023

Note 3 – Deposits and Investments (continued)

Investments

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

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

As of July 31, 2023, the District's investments consist of the following:

Type	Fund	Carrying Value	Percentage of Total	Rating	Weighted Average Maturity
TexPool	General	\$ 2,316,488			
	Debt Service	2,928,383			
	Capital Projects	85,253			
		<u>5,330,124</u>	63%	AAAm	25 days
Texas CLASS	General	<u>3,132,061</u>	<u>37%</u>	AAAm	39 days
Total		<u>\$ 8,462,185</u>	<u>100%</u>		

TexPool

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

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2023

Note 3 – Deposits and Investments (continued)

TexPool (continued)

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

Texas CLASS

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

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

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

Investment Credit and Interest Rate Risk

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

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2023

Note 4 – Interfund Balances and Transactions

Amounts due to/from other funds at July 31, 2023, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>	<u>Purpose</u>
General Fund	Debt Service Fund	\$ 1,916	Maintenance tax collections not remitted as of year end
General Fund	Capital Projects Fund	2,715	Bond application fees paid by the General Fund

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

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended July 31, 2023, is as follows:

	<u>Beginning Balances</u>	<u>Additions/ Adjustments</u>	<u>Ending Balances</u>
Capital assets not being depreciated			
Land and improvements	\$ 111,004	\$ -	\$ 111,004
Capital assets being depreciated/amortized			
Infrastructure	26,054,718	218,711	26,273,429
Regional water supply capacity	54,950	160,125	215,075
Capacity in City facilities	2,937,834		2,937,834
	<u>29,047,502</u>	<u>378,836</u>	<u>29,426,338</u>
Less accumulated depreciation/amortization			
Infrastructure	(4,542,083)	(583,849)	(5,125,932)
Regional water supply capacity	(7,045)	(6,119)	(13,164)
Capacity in City facilities	(559,839)	(87,621)	(647,460)
	<u>(5,108,967)</u>	<u>(677,589)</u>	<u>(5,786,556)</u>
Subtotal depreciable capital assets, net	<u>23,938,535</u>	<u>(298,753)</u>	<u>23,639,782</u>
Capital assets, net	<u>\$ 24,049,539</u>	<u>\$ (298,753)</u>	<u>\$ 23,750,786</u>

Depreciation/amortization expense for the current year was \$677,589.

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2023

Note 6 – Due to Developers

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

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

Due to developers, beginning of year	\$ 6,095,071
Developer funded construction	218,711
Developer reimbursements	<u>(2,804,434)</u>
Due to developers, end of year	<u><u>\$ 3,509,348</u></u>

Note 7 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	\$ 24,945,000
Unamortized discounts	(244,867)
Unamortized premium	184,899
	<u><u>\$ 24,885,032</u></u>
 Due within one year	 <u><u>\$ 1,020,000</u></u>

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2023

Note 7 – Long-Term Debt (continued)

The District’s bonds payable at July 31, 2023, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2014	\$ 8,865,000	\$ 11,450,000	2.0% - 4.0%	September 1, 2015 to 2038	September 1, March 1	September 1, 2022
2015	7,100,000	8,955,000	2.0% - 4.0%	September 1, 2017 to 2040	September 1, March 1	September 1, 2023
2021 Refunding	5,580,000	5,615,000	2.0% - 3.0%	September 1, 2022 to 2037	September 1, March 1	September 1, 2026
2022	3,400,000	3,400,000	3.5% - 4.0%	September 1, 2024 to 2047	September 1, March 1	September 1, 2029
	<u>\$ 24,945,000</u>					

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

At July 31, 2023, the District had authorized but unissued bonds in the amount of \$32,045,000 for water, sanitary sewer and drainage systems within the District and the refunding of such bonds.

On September 21, 2022, the District issued its \$3,400,000 Series 2022 Unlimited Tax Bonds at a net effective interest rate of 4.019978%. Proceeds of the bonds were used to reimburse developers for the cost of capital assets constructed within the District plus interest expense at the net effective interest rate of the bonds.

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

Bonds payable, beginning of year	\$ 22,525,000
Bonds issued	3,400,000
Bonds retired	(980,000)
Bonds payable, end of year	<u>\$ 24,945,000</u>

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2023

Note 7 – Long-Term Debt (continued)

As of July 31, 2023, annual debt service requirements on bonds outstanding are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ 1,020,000	\$ 806,800	\$ 1,826,800
2025	1,135,000	776,194	1,911,194
2026	1,165,000	742,501	1,907,501
2027	1,200,000	707,175	1,907,175
2028	1,240,000	670,132	1,910,132
2029	1,275,000	632,711	1,907,711
2030	1,315,000	594,727	1,909,727
2031	1,355,000	555,031	1,910,031
2032	1,395,000	512,968	1,907,968
2033	1,435,000	468,294	1,903,294
2034	1,485,000	421,426	1,906,426
2035	1,530,000	372,416	1,902,416
2036	1,580,000	321,662	1,901,662
2037	1,635,000	268,719	1,903,719
2038	1,690,000	210,619	1,900,619
2039	1,750,000	144,600	1,894,600
2040	685,000	95,900	780,900
2041	715,000	67,900	782,900
2042	170,000	50,200	220,200
2043	175,000	43,300	218,300
2044	185,000	36,100	221,100
2045	190,000	28,600	218,600
2046	200,000	20,800	220,800
2047	205,000	12,700	217,700
2048	215,000	4,300	219,300
	<u>\$ 24,945,000</u>	<u>\$ 8,565,775</u>	<u>\$ 33,510,775</u>

Note 8 – Property Taxes

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

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

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2023

Note 8 – Property Taxes (Continued)

Property taxes are collected based on rates adopted in the year of the levy. The District’s 2023 fiscal year was financed through the 2022 tax levy, pursuant to which the District levied property taxes of \$0.43 per \$100 of assessed value, of which \$0.125 was allocated to maintenance and operations and \$0.305 was allocated to debt service. The resulting tax levy was \$2,715,967 on the adjusted taxable value of \$631,620,103.

Property taxes receivable, at July 31, 2023, consisted of the following:

Current year taxes receivable	\$	6,726
Penalty and interest receivable		1,211
Total property taxes receivable	\$	<u>7,937</u>

Note 9 – Regional Wastewater Treatment Facilities Agreement

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

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

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

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

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2023

Note 9 – Regional Wastewater Treatment Facilities Agreement (continued)

During the current year, the District paid \$267,356 for monthly service charges for maintenance and operation of the facilities. As of July 31, 2023, the District has paid \$2,937,834 to the City for wastewater impact fees and improvements to the facilities.

Note 10 – Strategic Partnership Agreement

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

Note 11 – Regional Water Supply Agreement

On January 23, 2023, the District executed a Fourth Amended and Restated Regional Water Supply Agreement (the "RWS Agreement") with Fort Bend County Municipal Utility District No. 129 (MUD 129), Fort Bend County Municipal Utility District No. 46 (MUD 46) and Fort Bend County Municipal Utility District No. 115 (MUD 115). This agreement superseded and replaced the water supply contract between the District, MUD 129, MUD 115 and MUD 46 for the operation and maintenance of a joint water plant. Pursuant to the amended and restated agreement, the District paid \$160,125 to MUD 46 for additional capacity in the facilities.

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

Each of the participating Districts is billed monthly for its proportionate share of the maintenance and operating expenditures of the water supply system based on each District's actual metered usage for that month. During the current year, the District paid \$640,595 to MUD 115 pursuant to the RWS Agreement. As of July 31, 2023, the District recorded an operating reserve of \$129,324.

Fort Bend County Municipal Utility District No. 149
Notes to Financial Statements
July 31, 2023

Note 12 – Surface Water Conversion

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

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

In order for the City to recover the costs associated with implementing the GRP, all participants pay the City a pumpage fee. The amount of the fee is periodically reviewed and adjusted by the City. Costs considered in determining the amount of the fee will ultimately include all costs to operate the surface water treatment plant, capital costs not paid by bonds, debt service requirements (if applicable) and groundwater production costs. As of July 31, 2023, the fees were \$1.79 per 1,000 gallons for groundwater pumpage and an additional \$0.59 per 1,000 gallons for surface water. The District passes these fees, plus 10%, to its customers as part of the District’s standard monthly water and sewer bills. In July 2016, the District began to receive surface water from the City. During the current fiscal year, the District recorded \$506,314 in surface water revenues in the General Fund. Under the RWS Agreement, the pumpage fee and surface water are included in the monthly operation and maintenance charges billed by MUD 115.

Note 13 – Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 14 – Subsequent Event

On September 27, 2023, the District issued its \$4,400,000 Series 2023 Unlimited Tax Bonds at a net effective rate of 4.396303%. Proceeds from the bonds were used to reimburse the District’s developers for infrastructure improvements in the District.

Required Supplementary Information

Fort Bend County Municipal Utility District No. 149
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended July 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Water service	\$ 278,000	\$ 306,992	\$ 28,992
Sewer service	856,500	936,341	79,841
Property taxes	452,000	791,611	339,611
Penalties and interest	18,000	27,994	9,994
Tap connection and inspection	158,400	93,212	(65,188)
Surface water	456,850	506,314	49,464
Fire service	162,251	159,697	(2,554)
Miscellaneous	11,520	18,454	6,934
Investment earnings	9,000	221,756	212,756
Total Revenues	<u>2,402,521</u>	<u>3,062,371</u>	<u>659,850</u>
Expenditures			
Current service operations			
Purchased services	654,602	907,951	(253,349)
Professional fees	114,060	128,377	(14,317)
Contracted services	785,395	879,129	(93,734)
Repairs and maintenance	141,850	185,686	(43,836)
Utilities	10,200	8,508	1,692
Administrative	65,956	93,657	(27,701)
Other	30,440	48,504	(18,064)
Total Expenditures	<u>1,802,503</u>	<u>2,411,937</u>	<u>(609,434)</u>
Revenues Over Expenditures	600,018	650,434	50,416
Fund Balance			
Beginning of the year	5,314,834	5,314,834	
End of the year	<u>\$ 5,914,852</u>	<u>\$ 5,965,268</u>	<u>\$ 50,416</u>

*Fort Bend County Municipal Utility District No. 149
Notes to Required Supplementary Information
July 31, 2023*

Budgets and Budgetary Accounting

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

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Texas Supplementary Information

Fort Bend County Municipal Utility District No. 149
TSI-1. Services and Rates
July 31, 2023

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

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

2. Retail Service Providers

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

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate (Y / N)</u>	<u>Rate per 1,000 Gallons Over Minimum Usage</u>	<u>Usage Levels</u>
Water:	\$ 4.05	- 0 -	N	\$ 1.13	- 0 - to no limit
Wastewater:	\$ 36.25	- 0 -	N	\$ 2.21	- 0 - to no limit
GRP fee:	\$ 2.62	- 0 -	N		to _____

District employs winter averaging for wastewater usage? Yes No

Total charges per 10,000 gallons usage: Water \$ 41.55 Wastewater \$ 58.35

b. Water and Wastewater Retail Connections:

<u>Meter Size</u>	<u>Connections</u>	<u>Connections</u>	<u>ESFC Factor</u>	<u>ESFC'S</u>
Unmetered			x 1.0	
less than 3/4"	394	394	x 1.0	394
1"	1,189	1,181	x 2.5	2,953
1.5"	4	4	x 5.0	20
2"	23	23	x 8.0	184
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water	1,610	1,602		3,551
Total Wastewater	1,541	1,533	x 1.0	1,533

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 149
TSI-1. Services and Rates
July 31, 2023

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

Gallons purchased from FB 115:	<u>211,341,400</u>	Water Accountability Ratio:
Gallons billed to customers:	<u>211,341,400</u>	(Gallons billed / Gallons pumped)
		<u>100.00%</u>

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

Does the District have Debt Service standby fees? Yes No

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

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

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

5. Location of District

Is the District located entirely within one county? Yes No

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

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

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

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

Entirely Partly Not at all

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

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

If Yes, by whom? _____

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 149
TSI-2 General Fund Expenditures
For the Year Ended July 31, 2023

Purchased services		<u>\$ 907,951</u>
Professional fees		
Legal		93,380
Audit		16,000
Engineering		18,997
		<u>128,377</u>
Contracted services		
Bookkeeping		37,237
Operator		47,595
Garbage collection		413,211
Tap connection and inspection		85,560
Security Service		143,688
Fire service		151,838
		<u>879,129</u>
Repairs and maintenance		<u>185,686</u>
Utilities		<u>8,508</u>
Administrative		
Directors fees		24,898
Printing and office supplies		17,979
Insurance		12,019
Other		38,761
		<u>93,657</u>
Other		<u>48,504</u>
Capital outlay		<u>160,125</u>
Total expenditures		<u><u>\$ 2,411,937</u></u>

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

	<u>Usage</u>	<u>Cost</u>
Electrical	57,365 kWh	\$ 8,508
Water	N/A	N/A
Natural Gas	N/A	N/A

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 149
TSI-3. Investments
July 31, 2023

Fund	Interest Rate	Maturity Date	Balance at End of Year
General			
TexPool	Variable	N/A	\$ 2,316,488
Texas CLASS	Variable	N/A	3,132,061
			<u>5,448,549</u>
Debt Service			
TexPool	Variable	N/A	<u>2,928,383</u>
Capital Projects			
TexPool	Variable	N/A	<u>85,253</u>
Total - All Funds			<u><u>\$ 8,462,185</u></u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 149
TSI-4. Taxes Levied and Receivable
July 31, 2023

	Maintenance Taxes	Debt Service Taxes	Totals	
Taxes Receivable, Beginning of Year	\$ 4,624	\$ 12,767	\$ 17,391	
Adjustments	(584)	(1,668)	(2,252)	
Adjusted Receivable	4,040	11,099	15,139	
2022 Original Tax Levy	762,766	1,861,150	2,623,916	
Adjustments	26,759	65,292	92,051	
Adjusted Tax Levy	789,525	1,926,442	2,715,967	
Total to be accounted for	793,565	1,937,541	2,731,106	
Tax collections:				
Current year	787,570	1,921,671	2,709,241	
Prior years	4,040	11,099	15,139	
Total Collections	791,610	1,932,770	2,724,380	
Taxes Receivable, End of Year	\$ 1,955	\$ 4,771	\$ 6,726	
Taxes Receivable, By Years				
2022	\$ 1,955	\$ 4,771	\$ 6,726	
	2022	2021	2020	2019
Property Valuations:				
Land	\$ 110,019,076	\$ 103,225,786	\$ 102,045,956	\$ 92,384,495
Improvements	526,487,191	412,632,125	403,388,266	392,071,747
Personal Property	2,051,430	1,919,290	1,803,070	1,511,440
Exemptions	(6,937,594)	(5,389,549)	(5,778,847)	(3,482,267)
Total Property Valuations	\$ 631,620,103	\$ 512,387,652	\$ 501,458,445	\$ 482,485,415
Tax Rates per \$100 Valuation:				
Maintenance tax rates	\$ 0.125	\$ 0.12	\$ 0.09	\$ 0.13
Debt service tax rates	0.305	0.33	0.36	0.37
Total Tax Rates per \$100 Valuation	\$ 0.430	\$ 0.45	\$ 0.45	\$ 0.50
Adjusted Tax Levy:	\$ 2,715,967	\$ 2,305,744	\$ 2,256,563	\$ 2,412,427
Percentage of Taxes Collected to Taxes Levied **	99.75%	100.00%	100.00%	100.00%

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

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

See accompanying auditors' report.

*Fort Bend County Municipal Utility District No. 149
 TSI-5. Long-Term Debt Service Requirements
 Series 2014--by Years
 July 31, 2023*

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2024	\$ 400,000	\$ 317,588	\$ 717,588
2025	415,000	305,363	720,363
2026	430,000	292,688	722,688
2027	450,000	279,206	729,206
2028	470,000	264,538	734,538
2029	490,000	248,630	738,630
2030	510,000	231,436	741,436
2031	530,000	213,237	743,237
2032	555,000	193,555	748,555
2033	580,000	172,275	752,275
2034	605,000	149,300	754,300
2035	630,000	124,600	754,600
2036	655,000	98,900	753,900
2037	685,000	72,100	757,100
2038	715,000	44,100	759,100
2039	745,000	14,900	759,900
	<u>\$ 8,865,000</u>	<u>\$ 3,022,416</u>	<u>\$ 11,887,416</u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 149
TSI-5. Long-Term Debt Service Requirements
Series 2015--by Years
July 31, 2023

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2024	\$ 320,000	\$ 234,324	\$ 554,324
2025	325,000	226,581	551,581
2026	325,000	218,050	543,050
2027	330,000	209,044	539,044
2028	330,000	199,969	529,969
2029	335,000	190,406	525,406
2030	345,000	179,991	524,991
2031	345,000	169,209	514,209
2032	355,000	158,050	513,050
2033	360,000	146,206	506,206
2034	370,000	133,888	503,888
2035	375,000	121,316	496,316
2036	390,000	108,406	498,406
2037	395,000	94,913	489,913
2038	605,000	75,900	680,900
2039	515,000	53,500	568,500
2040	530,000	32,600	562,600
2041	550,000	11,000	561,000
	<u>\$ 7,100,000</u>	<u>\$ 2,563,353</u>	<u>\$ 9,663,353</u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 149
TSI-5. Long-Term Debt Service Requirements
Series 2021 Refunding--by Years
July 31, 2023

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2024	\$ 300,000	\$ 123,500	\$ 423,500
2025	310,000	114,350	424,350
2026	330,000	104,750	434,750
2027	345,000	94,625	439,625
2028	355,000	84,125	439,125
2029	365,000	75,150	440,150
2030	375,000	67,750	442,750
2031	390,000	60,100	450,100
2032	395,000	52,250	447,250
2033	410,000	44,200	454,200
2034	420,000	35,900	455,900
2035	430,000	27,400	457,400
2036	440,000	18,700	458,700
2037	450,000	9,800	459,800
2038	265,000	2,650	267,650
	<u>\$ 5,580,000</u>	<u>\$ 915,250</u>	<u>\$ 6,495,250</u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 149
TSI-5. Long-Term Debt Service Requirements
Series 2022--by Years
July 31, 2023

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2024	\$ -	\$ 131,388	\$ 131,388
2025	85,000	129,900	214,900
2026	80,000	127,013	207,013
2027	75,000	124,300	199,300
2028	85,000	121,500	206,500
2029	85,000	118,525	203,525
2030	85,000	115,550	200,550
2031	90,000	112,485	202,485
2032	90,000	109,113	199,113
2033	85,000	105,613	190,613
2034	90,000	102,338	192,338
2035	95,000	99,100	194,100
2036	95,000	95,656	190,656
2037	105,000	91,906	196,906
2038	105,000	87,969	192,969
2039	490,000	76,200	566,200
2040	155,000	63,300	218,300
2041	165,000	56,900	221,900
2042	170,000	50,200	220,200
2043	175,000	43,300	218,300
2044	185,000	36,100	221,100
2045	190,000	28,600	218,600
2046	200,000	20,800	220,800
2047	205,000	12,700	217,700
2048	215,000	4,300	219,300
	<u>\$ 3,400,000</u>	<u>\$ 2,064,756</u>	<u>\$ 5,464,756</u>

See accompanying auditors' report.

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

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2024	\$ 1,020,000	\$ 806,800	\$ 1,826,800
2025	1,135,000	776,194	1,911,194
2026	1,165,000	742,501	1,907,501
2027	1,200,000	707,175	1,907,175
2028	1,240,000	670,132	1,910,132
2029	1,275,000	632,711	1,907,711
2030	1,315,000	594,727	1,909,727
2031	1,355,000	555,031	1,910,031
2032	1,395,000	512,968	1,907,968
2033	1,435,000	468,294	1,903,294
2034	1,485,000	421,426	1,906,426
2035	1,530,000	372,416	1,902,416
2036	1,580,000	321,662	1,901,662
2037	1,635,000	268,719	1,903,719
2038	1,690,000	210,619	1,900,619
2039	1,750,000	144,600	1,894,600
2040	685,000	95,900	780,900
2041	715,000	67,900	782,900
2042	170,000	50,200	220,200
2043	175,000	43,300	218,300
2044	185,000	36,100	221,100
2045	190,000	28,600	218,600
2046	200,000	20,800	220,800
2047	205,000	12,700	217,700
2048	215,000	4,300	219,300
	<u>\$ 24,945,000</u>	<u>\$ 8,565,775</u>	<u>\$ 33,510,775</u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 149
TSI-6. Change in Long-Term Bonded Debt
July 31, 2023

	Bond Issue			
	Series 2011	Series 2013	Series 2014	Series 2015
Interest rate	4.40% - 4.25%	3.00% - 3.10%	2.0% - 4.0%	2.0% - 4.0%
Dates interest payable	9/1; 3/1	9/1; 3/1	9/1; 3/1	9/1; 3/1
Maturity dates	9/1/21 - 9/1/22	9/1/21 - 9/1/22	9/1/15 - 9/1/38	9/1/17 - 9/1/40
Beginning bonds outstanding	\$ 80,000	\$ 170,000	\$ 9,245,000	\$ 7,415,000
Bonds issued				
Bonds retired	(80,000)	(170,000)	(380,000)	(315,000)
Ending bonds outstanding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,865,000</u>	<u>\$ 7,100,000</u>
Interest paid during fiscal year	<u>\$ 1,760</u>	<u>\$ 2,635</u>	<u>\$ 331,187</u>	<u>\$ 241,390</u>
Paying agent's name and city	Regions Bank, Houston, Texas			
Series 2014, 2015 and 2022	The Bank of New York Mellon Trust Company, N.A., Dallas TX			
All other Series	The Bank of New York Mellon Trust Company, N.A., Dallas TX			
Bond Authority:	Water, Sewer and Drainage Bonds			
Amount Authorized by Voters	\$ 63,400,000			
Amount Issued	(31,355,000)			
Remaining To Be Issued	<u>\$ 32,045,000</u>			

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

Debt Service Fund cash and investment balances as of July 31, 2023:	<u>\$ 2,961,103</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:	<u>\$ 1,340,431</u>

See accompanying auditors' report.

Bond Issue		
Series 2021 Refunding	Series 2022	Totals
2.0% - 3.0%	3.5% - 4.0%	
9/1; 3/1	9/1; 3/1	
9/1/22 -	9/1/24 -	
9/1/37	9/1/47	
\$ 5,615,000	\$ -	\$ 22,525,000
	3,400,000	3,400,000
(35,000)		(980,000)
<u>\$ 5,580,000</u>	<u>\$ 3,400,000</u>	<u>\$ 24,945,000</u>
<u>\$ 128,525</u>	<u>\$ 58,394</u>	<u>\$ 763,891</u>

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

	Amounts				
	2023	2022	2021	2020	2019
Revenues					
Water service	\$ 306,992	\$ 279,667	\$ 264,130	\$ 263,417	\$ 233,923
Sewer service	936,341	856,061	822,991	786,162	740,139
Property taxes	791,611	613,904	451,853	627,530	448,545
Penalties and interest	27,994	20,361	14,550	13,614	20,667
Tap connection and inspection	93,212	166,092	180,370	43,126	53,240
Surface water	506,314	485,226	449,850	416,472	311,012
Fire service	159,697	147,838	142,111	134,031	130,331
Miscellaneous	18,454	18,649	17,117	9,791	12,276
Investment earnings	221,756	13,925	5,133	53,038	77,772
Total Revenues	3,062,371	2,601,723	2,348,105	2,347,181	2,027,905
Expenditures					
Current service operations					
Purchased services	907,951	840,018	708,847	665,544	502,899
Professional fees	128,377	113,880	104,402	103,043	96,999
Contracted services	879,129	838,750	736,588	624,199	576,633
Repairs and maintenance	185,686	173,136	135,176	117,180	111,568
Utilities	8,508	10,537	8,091	7,549	5,779
Administrative	93,657	70,043	68,927	57,100	62,579
Other	48,504	44,491	26,973	11,647	19,211
Capital outlay	160,125		387,554		
Total Expenditures	2,411,937	2,090,855	2,176,558	1,586,262	1,375,668
Revenues Over Expenditures	\$ 650,434	\$ 510,868	\$ 171,547	\$ 760,919	\$ 652,237
Total Active Retail Water Connections	1,602	1,539	1,437	1,330	1,310
Total Active Retail Wastewater Connections	1,533	1,470	1,376	1,270	1,255

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues

2023	2022	2021	2020	2019
10%	11%	11%	11%	12%
31%	33%	35%	33%	36%
26%	23%	19%	27%	22%
1%	1%	1%	1%	1%
3%	6%	8%	2%	3%
16%	18%	19%	18%	15%
5%	6%	6%	6%	6%
1%	1%	1%	*	1%
7%	1%	*	2%	4%
100%	100%	100%	100%	100%
30%	32%	30%	28%	25%
4%	4%	4%	4%	5%
29%	32%	31%	27%	28%
6%	7%	6%	5%	6%
*	*	*	*	*
3%	3%	3%	2%	3%
2%	2%	1%	*	1%
5%		17%		
79%	80%	92%	66%	68%
21%	20%	8%	34%	32%

Fort Bend County Municipal Utility District No. 149

*TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Five Fiscal Years*

	Amounts				
	2023	2022	2021	2020	2019
Revenues					
Property taxes	\$ 1,932,770	\$ 1,691,431	\$ 1,803,890	\$ 1,790,511	\$ 1,794,645
Penalties and interest	17,796	15,822	12,553	15,431	8,891
Investment earnings	94,214	8,600	1,524	22,405	48,354
Total Revenues	<u>2,044,780</u>	<u>1,715,853</u>	<u>1,817,967</u>	<u>1,828,347</u>	<u>1,851,890</u>
Expenditures					
Tax collection services	58,168	54,137	48,802	49,384	44,501
Debt service					
Principal	980,000	915,000	890,000	865,000	840,000
Interest and fees	766,811	702,194	930,897	886,179	904,906
Debt issuance costs			211,038		
Total Expenditures	<u>1,804,979</u>	<u>1,671,331</u>	<u>2,080,737</u>	<u>1,800,563</u>	<u>1,789,407</u>
Revenues Over/(Under) Expenditures	<u>\$ 239,801</u>	<u>\$ 44,522</u>	<u>\$ (262,770)</u>	<u>\$ 27,784</u>	<u>\$ 62,483</u>

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues

2023	2022	2021	2020	2019
94%	99%	99%	98%	97%
1%	1%	1%	1%	*
5%	*	*	1%	3%
100%	100%	100%	100%	100%
3%	3%	3%	3%	2%
48%	53%	49%	47%	45%
38%	41%	51%	48%	49%
		12%		
89%	97%	115%	98%	96%
11%	3%	(15%)	2%	4%

Fort Bend County Municipal Utility District No. 149
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended July 31, 2023

Complete District Mailing Address: 202 Century Square Blvd, Sugar Land, TX 77478
District Business Telephone Number: (281) 500-6050
Submission Date of the most recent District Registration Form
(TWC Sections 36.054 and 49.054): March 30, 2022
Limit on Fees of Office that a Director may receive during a fiscal year: \$ 7,200
(Set by Board Resolution -- TWC Section 49.0600)

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse- ments	Title at Year End
Board Members				
Laura Thompson	05/22 - 05/26	\$ 5,518	\$ 155	President
Susan Winters	05/22 - 05/26	4,397	155	Vice President
Rose Herbst	05/22 - 05/26	5,218	1,557	Secretary
Kristi McLeod	05/20 - 05/24	4,397	134	Assistant Vice President
Kiran Rajaya	03/22 - 05/24	5,368	288	Assistant Secretary
Consultants				
		<u>Amounts Paid</u>		
The Muller Law Group	2014			Attorney
<i>General legal fees</i>		\$ 96,509		
<i>Bond counsel</i>		98,000		
Si Environmental, LLC	2012	351,270		Operator
McLennan & Associates, LP	2007	46,320		Bookkeeper
Tax Tech, Inc.	2007	26,236		Tax Collector
Fort Bend Central Appraisal District	Legislation	21,296		Property Valuation
Perdue, Brandon, Fielder, Collins, & Mott, LLP	2007	3,688		Delinquent Tax Attorney
Costello, Inc.	2007			Engineer
<i>Amounts paid directly by district</i>		18,778		
<i>Amounts paid by developer reimbursements</i>		279,976		
McGrath & Co., PLLC	Annual	23,250		Auditor
R.. W. Baird & Co.	2015	70,394		Financial Advisor

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

See accompanying auditors' report.