



Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

**Independent Auditor's Report and
Financial Statements**

September 30, 2023



**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas
September 30, 2023**

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Independent Auditor's Report

Board of Directors
Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas (the District), as of and for the year ended September 30, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of September 30, 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 (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance

and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 accompanying schedules required by the Texas Commission on Environmental Quality listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

FORVIS, LLP

Houston, Texas
February 11, 2024

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas
Management's Discussion and Analysis
September 30, 2023**

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and by the District's state oversight agency, the Texas Commission on Environmental Quality (the Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, sanitary sewer and drainage services. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets, liabilities, and deferred inflows and outflows of resources of the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period and expenses are recorded even though they may not have used cash during the current year.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Management's Discussion and Analysis (Continued)

September 30, 2023

Although the statement of activities looks different from a commercial enterprise's statement of income, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as change in net position, essentially the same thing.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the general fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

Governmental Funds

Governmental-fund financial statements consist of a balance sheet and a statement of revenues, expenditures and changes in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and water, sewer and drainage systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's assets, liabilities, and deferred inflows and outflows of resources is labeled the fund balance and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

Because the focus of the government-wide and fund financial statements is different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in the notes to financial statements that describes the adjustments to fund balances to arrive at net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in the notes to financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position, as reported in the governmental activities column in the statement of activities.

Notes to Financial Statements

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

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Management's Discussion and Analysis (Continued)

September 30, 2023

Financial Analysis of the District as a Whole

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

Summary of Net Position

	2023	2022
Current and other assets	\$ 9,936,519	\$ 8,906,351
Capital assets	20,334,595	20,518,074
Total assets	30,271,114	29,424,425
Deferred outflows of resources	383,086	429,260
Total assets and deferred outflows of resources	\$ 30,654,200	\$ 29,853,685
Long-term liabilities	\$ 16,136,248	\$ 17,302,201
Other liabilities	1,445,926	1,105,077
Total liabilities	17,582,174	18,407,278
Net position:		
Net investment in capital assets	4,581,433	3,655,826
Restricted	1,318,633	1,221,800
Unrestricted	7,171,960	6,568,781
Total net position	\$ 13,072,026	\$ 11,446,407

The total net position of the District increased by \$1,625,619, or about 14%. The majority of the increase in net position is related to tax revenues intended to pay principal on the District's bonded indebtedness, which is shown as long-term liabilities in the government-wide financial statements. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**

Management's Discussion and Analysis (Continued)

September 30, 2023

Summary of Changes in Net Position

	<u>2023</u>	<u>2022</u>
Revenues:		
Property taxes	\$ 3,157,632	\$ 2,755,489
Charges for services	4,823,860	4,578,049
Other revenues	<u>591,453</u>	<u>251,384</u>
Total revenues	<u>8,572,945</u>	<u>7,584,922</u>
Expenses:		
Services	5,815,376	5,458,723
Depreciation	626,599	628,918
Debt service	<u>505,351</u>	<u>824,337</u>
Total expenses	<u>6,947,326</u>	<u>6,911,978</u>
Change in net position	1,625,619	672,944
Net position, beginning of year	<u>11,446,407</u>	<u>10,773,463</u>
Net position, end of year	<u>\$ 13,072,026</u>	<u>\$ 11,446,407</u>

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended September 30, 2023, were \$8,444,099, an increase of \$629,301 from the prior year.

The general fund's fund balance increased by \$578,365, primarily due to property taxes and service revenues and investment income exceeding service operation and capital outlay expenditures.

The water plant fund's fund balance increased by \$47,759 due to an increase in the District's share of the operating reserve.

The wastewater treatment plant fund's fund balance increased by \$26,799 due to an increase in the District's share of the operating reserve.

The debt service fund's fund balance decreased by \$11,247 because bond principal and interest requirements were greater than property tax revenues generated.

The capital projects fund's fund balance decreased by \$12,375, primarily due to an interfund transfer to the general fund.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Management's Discussion and Analysis (Continued) September 30, 2023

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due water service revenues and investment income as well as purchased services and repairs and maintenance expenditures being higher than expected and tap connection and inspection fees revenues, professional fees and capital outlay expenditures being lower than expected. In addition, interfund transfers out were not budgeted for. The fund balance as of September 30, 2023, was expected to be \$5,692,255 and the actual end-of-year fund balance was \$7,135,643.

Capital Assets and Related Debt

Capital Assets

Capital assets held by the District at the end of the current and previous fiscal years are summarized below:

Capital Assets (Net of Accumulated Depreciation)

	2023	2022
Land and improvements	\$ 8,464,403	\$ 8,254,290
Construction in progress	188,804	33,647
Water facilities	4,173,218	4,381,850
Wastewater facilities	3,901,012	4,065,994
Drainage facilities	3,402,795	3,551,958
Park facilities	204,363	230,335
Total capital assets	\$ 20,334,595	\$ 20,518,074

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

Construction in progress related to the Little Prong Creek slope repair and outfall replacement, Phase 2, wastewater treatment plant reuse project and remote well generator addition	\$ 155,157
Little Prong Creek slope repair and outfall replacement, Phase 1	210,113
Installation of new well pump and amp transfer switch at water plant	22,285
Installation of drum screen and manhole rehabilitation	55,565
Total additions to capital assets	\$ 443,120

Debt

The changes in the debt position of the District during the fiscal year ended September 30, 2023, are summarized as follows.

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas
Management's Discussion and Analysis (Continued)
September 30, 2023**

Long-term debt payable, beginning of year	\$ 17,302,201
Decreases in long-term debt	<u>(1,165,953)</u>
Long-term debt payable, end of year	<u>\$ 16,136,248</u>

At September 30, 2023, the District had \$5,400,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District.

The District's bonds carry an underlying rating of "A-" from Standard & Poor's. The Series 2014 refunding, 2015 refunding and 2021 bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Build America Mutual Assurance Corporation. The Series 2020 refunding bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Assured Guaranty Municipal Corp.

Other Relevant Factors

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (the City), the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City without the District's consent, if the City complies with the procedures and requirements of Chapter 43, Texas Local Government Code.

Strategic Partnership Agreement

Effective May 8, 2012, the District entered into a Strategic Partnership Agreement (the Agreement) with the City which annexed certain portions of the District into the City for "limited purposes," as described therein. Under the terms of the Agreement, the City agreed it will not annex the District as a whole for full purposes for 30 years. By law, if the City chooses to annex the District during the term of the Agreement, the Agreement's annexation procedures will apply rather than those otherwise applicable under Chapter 43, Texas Local Government Code.

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2023

	General Fund	Water Plant Fund	Wastewater Treatment Plant Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets								
Cash	\$ 296,611	\$ 355,250	\$ 166,315	\$ 17,268	\$ 365	\$ 835,809	\$ -	\$ 835,809
Certificates of deposit	955,000	-	-	-	-	955,000	-	955,000
Short-term investments	5,638,938	-	-	914,714	10,304	6,563,956	-	6,563,956
Receivables:								
Property taxes	36,317	-	-	32,916	-	69,233	-	69,233
Service accounts	444,129	-	-	-	-	444,129	-	444,129
Accrued penalty and interest	-	-	-	-	-	-	13,940	13,940
Accrued interest	29,282	-	-	-	-	29,282	-	29,282
Interfund receivable	-	-	-	5,048	-	5,048	(5,048)	-
Due from participants	-	791,358	146,153	-	-	937,511	(199,355)	738,156
Due from others	279,397	-	-	-	-	279,397	-	279,397
Prepaid expenditures	7,617	-	-	-	-	7,617	-	7,617
Capital assets (net of accumulated depreciation):								
Land and improvements	-	-	-	-	-	-	8,464,403	8,464,403
Construction in progress	-	-	-	-	-	-	188,804	188,804
Infrastructure	-	-	-	-	-	-	11,681,388	11,681,388
Total assets	7,687,291	1,146,608	312,468	969,946	10,669	10,126,982	20,144,132	30,271,114
Deferred Outflows of Resources								
Deferred amount on debt refundings	0	0	0	0	0	0	383,086	383,086
Total assets and deferred outflows of resources	\$ 7,687,291	\$ 1,146,608	\$ 312,468	\$ 969,946	\$ 10,669	\$ 10,126,982	\$ 20,527,218	\$ 30,654,200

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**
Statement of Net Position and Governmental Funds Balance Sheet (Continued)
September 30, 2023

	General Fund	Water Plant Fund	Wastewater Treatment Plant Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities								
Accounts payable	\$ 410,958	\$ 405,142	\$ 109,627	\$ 4,589	\$ -	\$ 930,316	\$ (199,355)	\$ 730,961
Retainage payable	-	27,208	-	-	-	27,208	-	27,208
Accrued interest payable	-	-	-	-	-	-	36,679	36,679
Customer deposits	99,325	-	-	-	-	99,325	-	99,325
Operating deposits	-	429,958	121,795	-	-	551,753	-	551,753
Interfund payable	5,048	-	-	-	-	5,048	(5,048)	-
Long-term liabilities:								
Due within one year	-	-	-	-	-	-	1,065,000	1,065,000
Due after one year	-	-	-	-	-	-	15,071,248	15,071,248
Total liabilities	515,331	862,308	231,422	4,589	0	1,613,650	15,968,524	17,582,174
Deferred Inflows of Resources								
Deferred property tax revenues	36,317	0	0	32,916	0	69,233	(69,233)	0
Fund Balances/Net Position								
Fund balances:								
Nonspendable, prepaid expenditures	7,617	-	-	-	-	7,617	(7,617)	-
Restricted:								
Unlimited tax bonds	-	-	-	932,441	-	932,441	(932,441)	-
Water, sewer and drainage	-	-	-	-	10,669	10,669	(10,669)	-
Committed:								
Water production and distribution	-	284,300	-	-	-	284,300	(284,300)	-
Wastewater treatment	-	-	81,046	-	-	81,046	(81,046)	-
Assigned, future expenditures	640,743	-	-	-	-	640,743	(640,743)	-
Unassigned	6,487,283	-	-	-	-	6,487,283	(6,487,283)	-
Total fund balances	7,135,643	284,300	81,046	932,441	10,669	8,444,099	(8,444,099)	0
Total liabilities, deferred inflows of resources and fund balances	\$ 7,687,291	\$ 1,146,608	\$ 312,468	\$ 969,946	\$ 10,669	\$ 10,126,982		
Net position:								
Net investment in capital assets							4,581,433	4,581,433
Restricted for plant operations							365,346	365,346
Restricted for debt service							942,618	942,618
Restricted for capital projects							10,669	10,669
Unrestricted							7,171,960	7,171,960
Total net position							\$ 13,072,026	\$ 13,072,026

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

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

Year Ended September 30, 2023

	General Fund	Water Plant Fund	Wastewater Treatment Plant Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues								
Property taxes	\$ 1,635,073	\$ -	\$ -	\$ 1,479,314	\$ -	\$ 3,114,387	\$ 43,245	\$ 3,157,632
Water service	538,550	3,705,715	-	-	-	4,244,265	(1,602,372)	2,641,893
Sewer service	621,575	-	934,256	-	-	1,555,831	(473,669)	1,082,162
Regional water fee	1,099,805	-	-	-	-	1,099,805	-	1,099,805
Penalty and interest	13,309	-	-	23,132	-	36,441	13,940	50,381
Tap connection and inspection fees	9,620	-	-	-	-	9,620	-	9,620
Investment income	324,159	2,273	-	80,734	648	407,814	-	407,814
Other income	35,730	-	8	-	-	35,738	87,900	123,638
Total revenues	4,277,821	3,707,988	934,264	1,583,180	648	10,503,901	(1,930,956)	8,572,945
Expenditures/Expenses								
Service operations:								
Purchased services	1,819,747	2,465,215	-	-	-	4,284,962	(1,819,747)	2,465,215
Regional water fee	-	576,057	-	-	-	576,057	-	576,057
Professional fees	119,557	12,718	5,026	5,486	-	142,787	58,212	200,999
Contracted services	489,141	24,354	23,964	51,839	-	589,298	-	589,298
Utilities	111,537	101,524	96,985	-	-	310,046	-	310,046
Repairs and maintenance	580,115	139,083	551,755	-	-	1,270,953	242,627	1,513,580
Other expenditures	85,914	24,506	35,897	9,039	375	155,731	4,000	159,731
Tap connections	450	-	-	-	-	450	-	450
Capital outlay	430,499	364,531	220,637	-	586	1,016,253	(1,016,253)	-
Depreciation	-	-	-	-	-	-	626,599	626,599
Debt service:								
Principal retirement	-	-	-	1,050,000	-	1,050,000	(1,050,000)	-
Interest and fees	-	-	-	478,063	-	478,063	27,288	505,351
Total expenditures/expenses	3,636,960	3,707,988	934,264	1,594,427	961	9,874,600	(2,927,274)	6,947,326
Excess (Deficiency) of Revenues Over Expenditures								
	640,861	0	0	(11,247)	(313)	629,301	996,318	

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**

**Statement of Activities and Governmental Funds Revenues,
Expenditures and Changes in Fund Balances (Continued)**

Year Ended September 30, 2023

	General Fund	Water Plant Fund	Wastewater Treatment Plant Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Other Financing Sources (Uses)								
Interfund transfers in (out)	\$ (62,496)	\$ 47,759	\$ 26,799	\$ 0	\$ (12,062)	\$ 0	\$ 0	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	578,365	47,759	26,799	(11,247)	(12,375)	629,301	(629,301)	
Change in Net Position							1,625,619	\$ 1,625,619
Fund Balances/Net Position								
Beginning of year	6,557,278	236,541	54,247	943,688	23,044	7,814,798	-	11,446,407
End of year	\$ 7,135,643	\$ 284,300	\$ 81,046	\$ 932,441	\$ 10,669	\$ 8,444,099	\$ 0	\$ 13,072,026

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Notes to Financial Statements

September 30, 2023

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Fort Bend County Municipal Utility District No. 34, 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 (the Commission), effective March 10, 1981, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate waterworks, wastewater and drainage facilities and to provide such facilities and services to the customers of the District.

The District is governed by a Board of Directors (the Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for which the District is considered to be financially accountable. Accountability is defined as the District's substantive appointment of the voting majority of the component unit's governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

Government-wide and Fund Financial Statements

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, wastewater, drainage and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, charges for services and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Notes to Financial Statements

September 30, 2023

The fund financial statements provide information about the District's governmental funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental funds:

General Fund – The general fund is the primary operating fund of the District which accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, charges for services and interest income.

Water Plant Fund – Accounts for revenues and expenditures involving specific revenue sources that are legally restricted to expenditures for specified purposes. The primary source of revenue is water service revenues.

Wastewater Treatment Plant Fund – Accounts for revenues and expenditures involving specific revenue sources that are legally restricted to expenditures for specified purposes. The primary source of revenue is sewer service revenues.

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

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

Fund Balances – Governmental Funds

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

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

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

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

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

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Notes to Financial Statements

September 30, 2023

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

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as liabilities. Intergovernmental revenues are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted.

Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Notes to Financial Statements

September 30, 2023

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

Interfund Transactions

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Pension Costs

The District does not participate in a pension plan and, therefore, has no pension costs.

Use of Estimates

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

Investments and Investment Income

Investments in certificates of deposit, U.S. Government and agency securities, and certain pooled funds which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

Property Taxes

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes, penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Notes to Financial Statements

September 30, 2023

district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended September 30, 2023, include collections during the current period or within 60 days of year-end related to the 2022 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended September 30, 2023, the 2022 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of \$5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Water production and distribution facilities	10-45
Wastewater collection and treatment facilities	10-45
Drainage facilities	10-45
Parks and recreational facilities	10-20

Deferred Amount on Debt Refundings

In the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt in a debt refunding is deferred and amortized to interest expense using the effective interest rate method over the remaining life of the old debt or the life of the new debt, whichever is shorter. Such amounts are classified as deferred outflows or inflows of resources.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Notes to Financial Statements

September 30, 2023

Debt Issuance Costs

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

Long-term Obligations

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

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

Net Position/Fund Balances

Fund balances and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.

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

Reconciliation of Government-wide and Fund Financial Statements

Amounts reported for net position of governmental activities in the statement of net position and fund balances in the governmental funds balance sheet are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	\$ 20,334,595
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Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	69,233
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Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Notes to Financial Statements

September 30, 2023

Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.	\$ 13,940
Deferred amount on debt refundings for governmental activities are not financial resources and are not reported in the funds.	383,086
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	(36,679)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	<u>(16,136,248)</u>
Adjustment to fund balances to arrive at net position.	<u><u>\$ 4,627,927</u></u>

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balances in the governmental funds statement of revenues, expenditures and changes in fund balances because:

Change in fund balances.	\$ 629,301
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense and noncapitalized costs exceeded capital outlay expenditures in the current period.	(183,479)
Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.	1,050,000
Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported as revenues in the statement of activities.	157,085
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(27,288)</u>
Change in net position of governmental activities.	<u><u>\$ 1,625,619</u></u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Notes to Financial Statements

September 30, 2023

Note 2: Deposits, Investments and Investment Income

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; or certain collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.

At September 30, 2023, none of the District's bank balances were exposed to custodial credit risk.

Investments

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, obligations of states, agencies and counties and other political subdivisions with an investment rating not less than "A," insured or collateralized certificates of deposit, and certain bankers' acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts and investment pools.

The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas CLASS, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Trustees, elected by the participants, has oversight of Texas CLASS. The District's investments may be redeemed at any time. Texas CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques and limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. The District's investments in Texas CLASS are reported at net asset value.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Notes to Financial Statements

September 30, 2023

At September 30, 2023, the District had the following investments and maturities:

Type	Maturities in Years				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
Texas CLASS	<u>\$ 6,563,956</u>	<u>\$ 6,563,956</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2023, the District's investments in Texas CLASS were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet at September 30, 2023, as follows:

Carrying value:	
Deposits	\$ 1,790,809
Investments	<u>6,563,956</u>
Total	<u>\$ 8,354,765</u>

Included in the following statement of net position captions:

Cash	\$ 835,809
Certificates of deposit	955,000
Short-term investments	<u>6,563,956</u>
Total	<u>\$ 8,354,765</u>

Investment Income

Investment income of \$407,814 for the year ended September 30, 2023, consisted of interest income.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Notes to Financial Statements

September 30, 2023

Fair Value Measurements

The District has the following recurring fair value measurement as of September 30, 2023:

- Pooled investments of \$6,563,956 are valued at fair value per share of the pool's underlying portfolio.

Note 3: Capital Assets

A summary of changes in capital assets for the year ended September 30, 2023, is presented below:

Governmental Activities	Balances, Beginning of Year	Additions	Balances, End of Year
Capital assets, non-depreciable:			
Land and improvements	\$ 8,254,290	\$ 210,113	\$ 8,464,403
Construction in progress	33,647	155,157	188,804
Total capital assets, non-depreciable	<u>8,287,937</u>	<u>365,270</u>	<u>8,653,207</u>
Capital assets, depreciable:			
Water production and distribution facilities	7,889,704	22,285	7,911,989
Wastewater collection and treatment facilities	7,760,139	55,565	7,815,704
Drainage facilities	6,790,571	-	6,790,571
Park facilities	412,264	-	412,264
Total capital assets, depreciable	<u>22,852,678</u>	<u>77,850</u>	<u>22,930,528</u>
Less accumulated depreciation:			
Water production and distribution facilities	(3,507,854)	(230,917)	(3,738,771)
Wastewater collection and treatment facilities	(3,694,145)	(220,547)	(3,914,692)
Drainage facilities	(3,238,613)	(149,163)	(3,387,776)
Park facilities	(181,929)	(25,972)	(207,901)
Total accumulated depreciation	<u>(10,622,541)</u>	<u>(626,599)</u>	<u>(11,249,140)</u>
Total governmental activities, net	<u>\$ 20,518,074</u>	<u>\$ (183,479)</u>	<u>\$ 20,334,595</u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Notes to Financial Statements September 30, 2023

Note 4: Long-term Liabilities

Changes in long-term liabilities for the year ended September 30, 2023, were as follows:

Governmental Activities	Balances, Beginning of Year	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable:				
General obligation bonds	\$ 17,135,000	\$ 1,050,000	\$ 16,085,000	\$ 1,065,000
Add premiums on bonds	228,075	26,280	201,795	-
Less discounts on bonds	160,774	10,227	150,547	-
	17,202,301	1,066,053	16,136,248	1,065,000
Due to developers	99,900	99,900	-	-
Total governmental activities long-term liabilities	<u>\$ 17,302,201</u>	<u>\$ 1,165,953</u>	<u>\$ 16,136,248</u>	<u>\$ 1,065,000</u>

General Obligation Bonds

	Refunding Series 2014	Refunding Series 2015
Amounts outstanding, September 30, 2023	\$2,675,000	\$5,855,000
Interest rates	3.00% to 3.75%	2.250% to 3.375%
Maturity dates, serially beginning/ending	September 1, 2024/2028	September 1, 2024/2033
Interest payment dates	March 1/ September 1	March 1/ September 1
Callable dates*	September 1, 2022	September 1, 2023
	Refunding Series 2020	Series 2021
Amounts outstanding, September 30, 2023	\$2,270,000	\$5,285,000
Interest rates	2.00% to 3.00%	2.000% to 2.125%
Maturity dates, serially beginning/ending	September 1, 2024/2035	September 1, 2029/2038
Interest payment dates	March 1/ September 1	March 1/ September 1
Callable dates*	September 1, 2026	September 1, 2027

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

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Notes to Financial Statements

September 30, 2023

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at September 30, 2023:

Year	Principal	Interest	Total
2024	\$ 1,065,000	\$ 440,144	\$ 1,505,144
2025	1,080,000	405,395	1,485,395
2026	1,120,000	370,169	1,490,169
2027	1,150,000	332,995	1,482,995
2028	1,155,000	296,256	1,451,256
2029-2033	6,085,000	945,194	7,030,194
2034-2038	4,430,000	250,087	4,680,087
Total	<u>\$ 16,085,000</u>	<u>\$ 3,040,240</u>	<u>\$ 19,125,240</u>

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount.

Bonds voted	\$ 35,650,000
Bonds sold	30,250,000
Refunding bonds voted	33,500,000
Refunding bonds authorization used	1,795,477

Note 5: Significant Bond Order and Commission Requirements

- A. The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended September 30, 2023, the District levied an ad valorem debt service tax at the rate of \$0.2800 per \$100 of assessed valuation, which resulted in a tax levy of \$1,503,073 on the taxable valuation of \$536,811,813 for the 2022 tax year. The interest and principal requirements paid from the tax revenues and other available funds were \$1,524,145.
- B. During the current year, the District transferred \$12,062 from the capital projects fund to the general fund. The transfer was in accordance with the rules of the Commission.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Notes to Financial Statements

September 30, 2023

Note 6: Maintenance Taxes

At an election held November 3, 1981, voters authorized a maintenance tax not to exceed \$0.50 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended September 30, 2023, the District levied an ad valorem maintenance tax at the rate of \$0.3100 per \$100 of assessed valuation, which resulted in a tax levy of \$1,664,117 on the taxable valuation of \$536,811,813 for the 2022 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 7: Contracts With Other Districts

Waste Disposal Agreement

On April 27, 1999, the District and Fort Bend County Municipal Utility District No. 35 (District No. 35) entered into a waste disposal agreement. Under the terms of the agreement, which was last amended May 1, 2019, the District has 297,000 gallons per day of capacity and District No. 35 has 703,000 gallons per day of capacity. Operation and maintenance costs are to be shared based on active connections served by the plant. In the current year, the District's share of operating costs is \$403,610. The transactions for the plant during the current year are as shown below:

	The District	District No. 35	Total
Due from participants, beginning of year	\$ 41,896	\$ 88,246	\$ 130,142
Current year billings	403,610	530,646	934,256
Current year collections	(396,026)	(522,219)	(918,245)
Due from participants, end of year	\$ 49,480	\$ 96,673	\$ 146,153

District No. 35 and the District have deposited \$121,795 and \$81,046, respectively, as plant operating reserves.

Water Supply Agreement

On April 27, 1999, the District and District No. 35 entered into a water supply agreement. The agreement was last amended May 1, 2019. Under the agreement, 2,154 equivalent single-family connections (ESFC) are currently reserved for the District and 2,383 ESFCs are reserved for District No. 35.

Operation and maintenance costs are to be shared by the District and District No. 35 based on ESFCs served by the water plant. The District's share of operating costs in the current year was \$1,416,137, including \$1,135,002 in regional water authority fees.

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Notes to Financial Statements

September 30, 2023

The transactions for the water plant during the current year are as follows:

	The District	District No. 35	Total
Due from participants, beginning of year	\$ 125,051	\$ 390,974	\$ 516,025
Current year billings	1,416,137	2,289,578	3,705,715
Current year collections	(1,391,313)	(2,039,069)	(3,430,382)
Due from participants, end of year	\$ 149,875	\$ 641,483	\$ 791,358

District No. 35 and the District have deposited \$429,958 and \$284,300, respectively, as plant operating reserves.

Note 8: Risk Management

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

Note 9: Regional Water Authority

The District is within the boundaries of the North Fort Bend Regional Water Authority (the Authority), which was created by the Texas Legislature. The Authority was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Fort Bend Subsidence District, which regulates groundwater withdrawal. As of September 30, 2023, the Authority was billing the District \$4.55 per 1,000 gallons of water pumped from its wells and \$4.90 per 1,000 gallons of surface water purchased from the Authority. These amounts are subject to future increases.

Note 10: Strategic Partnership Agreement

Effective May 8, 2012, the District and the City of Houston (the City) entered into a Strategic Partnership Agreement (the Agreement) under which the City annexed a tract of land (the tract) within the boundaries of the District for limited purposes. The District continues to exercise all powers and functions of a municipal utility district as provided by law. As consideration for the District providing services as detailed in the Agreement, the City agrees to remit one-half of all sales

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**

Notes to Financial Statements

September 30, 2023

and use tax revenues generated within the boundaries of the tract. As consideration for the sales tax payments by the City, the District agrees to continue to provide and develop water, sewer and drainage services within the District in lieu of full purpose annexation. The City agrees it will not annex the District for full purposes or commence any action to annex the District during the term of the Agreement, which is 30 years. By law, if the City chooses to annex the District during the term of the Agreement, the Agreement's annexation procedures will apply rather than those otherwise applicable under Chapter 43, Texas Local Government Code. During the current year, the District recorded no revenues related to the Agreement.

Required Supplementary Information

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**

**Budgetary Comparison Schedule – General Fund
Year Ended September 30, 2023**

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 1,640,000	\$ 1,635,073	\$ (4,927)
Sales tax rebates	100	-	(100)
Water service	513,100	538,550	25,450
Sewer service	624,000	621,575	(2,425)
Regional water fee	1,108,872	1,099,805	(9,067)
Penalty and interest	22,400	13,309	(9,091)
Tap connection and inspection fees	78,200	9,620	(68,580)
Investment income	109,100	324,159	215,059
Other	67,000	35,730	(31,270)
Total revenues	<u>4,162,772</u>	<u>4,277,821</u>	<u>115,049</u>
Expenditures			
Service operations:			
Purchased services	1,522,085	1,819,747	(297,662)
Professional fees	175,200	119,557	55,643
Contracted services	486,760	489,141	(2,381)
Utilities	105,500	111,537	(6,037)
Repairs and maintenance	554,000	580,115	(26,115)
Other expenditures	81,750	85,914	(4,164)
Tap connections	30,000	450	29,550
Capital outlay	2,072,500	430,499	1,642,001
Total expenditures	<u>5,027,795</u>	<u>3,636,960</u>	<u>1,390,835</u>
Excess (Deficiency) of Revenues Over Expenditures	(865,023)	640,861	1,505,884
Other Financing Uses			
Interfund transfers out	-	(62,496)	(62,496)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(865,023)	578,365	1,443,388
Fund Balance, Beginning of Year	<u>6,557,278</u>	<u>6,557,278</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 5,692,255</u>	<u>\$ 7,135,643</u>	<u>\$ 1,443,388</u>

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**

**Budgetary Comparison Schedule – Water Plant Fund
Year Ended September 30, 2023**

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Service fees:			
The District	\$ 1,705,804	\$ 1,416,137	\$ (289,667)
District No. 35	2,579,746	2,289,578	(290,168)
Investment income	800	2,273	1,473
	<u>4,286,350</u>	<u>3,707,988</u>	<u>(578,362)</u>
Total revenues			
Expenditures			
Service operations:			
Purchased services	-	2,465,215	(2,465,215)
Regional water fee	2,965,900	576,057	2,389,843
Audit fees	2,500	2,600	(100)
Legal fees	5,000	878	4,122
Engineering fees	15,000	9,240	5,760
Mowing	6,400	5,544	856
Bookkeeping	10,500	14,081	(3,581)
Operator fees	9,000	10,273	(1,273)
Utilities	95,600	101,524	(5,924)
Repairs and maintenance	101,100	98,691	2,409
Telephone	2,500	2,697	(197)
Chemicals	21,800	34,848	(13,048)
Office supplies and postage	250	70	180
Insurance	13,400	15,174	(1,774)
Permit fees	3,200	-	3,200
Administrative	6,000	6,000	-
Other expenditures	2,200	565	1,635
Capital outlay	1,026,000	364,531	661,469
	<u>4,286,350</u>	<u>3,707,988</u>	<u>578,362</u>
Total expenditures			
Excess of Revenues Over Expenditures	-	-	-
Other Financing Sources			
Interfund transfers in	-	47,759	47,759
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	47,759	47,759
Fund Balance, Beginning of Year	236,541	236,541	-
Fund Balance, End of Year	<u>\$ 236,541</u>	<u>\$ 284,300</u>	<u>\$ 47,759</u>

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**
Budgetary Comparison Schedule – Wastewater Treatment Plant Fund
Year Ended September 30, 2023

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Service fees:			
The District	\$ 486,280	\$ 403,610	\$ (82,670)
District No. 35	730,770	530,646	(200,124)
Other income	-	8	8
	<u>1,217,050</u>	<u>934,264</u>	<u>(282,786)</u>
Expenditures			
Service operations:			
Audit fees	2,500	2,600	(100)
Legal fees	3,000	1,234	1,766
Engineering fees	10,000	1,192	8,808
Bookkeeping fees	10,500	14,077	(3,577)
Operator fees	12,900	9,887	3,013
Garbage	3,100	3,000	100
Utilities	90,500	96,985	(6,485)
Repairs and maintenance	170,300	252,558	(82,258)
Sludge removal	151,000	139,374	11,626
Mowing	3,500	3,003	497
Chemicals	117,500	89,441	28,059
Laboratory	55,900	67,379	(11,479)
Telephone	2,000	2,070	(70)
Office supplies and postage	250	158	92
Insurance	13,900	15,775	(1,875)
Permit fees	12,500	8,389	4,111
Administrative charge	6,000	6,000	-
Other	1,700	505	1,195
Capital outlay	550,000	220,637	329,363
	<u>1,217,050</u>	<u>934,264</u>	<u>282,786</u>
Excess of Revenues Over Expenditures	-	-	-
Other Financing Sources			
Interfund transfers in	-	26,799	26,799
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	26,799	26,799
Fund Balance, Beginning of Year	54,247	54,247	-
Fund Balance, End of Year	<u>\$ 54,247</u>	<u>\$ 81,046</u>	<u>\$ 26,799</u>

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**

**Notes to Required Supplementary Information
September 30, 2023**

Budgets and Budgetary Accounting

Annual operating budgets are prepared for the general, water plant and wastewater treatment plant funds by the District's Board and its consultants. The budgets reflect resources expected to be received during the current year and expenditures expected to be incurred. The Board of Directors is required to adopt the budgets prior to the start of its fiscal year. The budgets are not a spending limitation (a legally restricted appropriation). The original budgets of the general fund, water plant fund and wastewater treatment plant fund were not amended during fiscal year 2023.

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

Supplementary Information

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**
Other Schedules Included Within This Report
September 30, 2023

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

- [X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 14-28
- [X] Schedule of Services and Rates
- [X] Schedule of General Fund Expenditures
- [X] Schedule of Temporary Investments
- [X] Analysis of Taxes Levied and Receivable
- [X] Schedule of Long-term Debt Service Requirements by Years
- [X] Changes in Long-term Bonded Debt
- [X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund –
Five Years
- [X] Board Members, Key Personnel and Consultants

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas
Schedule of Services and Rates
Year Ended September 30, 2023**

1. Services provided by the District:

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

2. Retail service providers

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

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1,000 Gallons Over Minimum	Usage Levels
Water:	\$ 20.00	10,000	N	\$ 1.25	10,001 to 15,000
				\$ 1.75	15,001 to 20,000
				\$ 2.25	20,001 to 30,000
				\$ 2.75	30,001 to 40,000
				\$ 3.25	40,001 to No Limit
Wastewater:	\$ 38.56	0	Y		
Regional water fee:	\$ 4.90	1	N	\$ 4.90	1,001 to No Limit
Does the District employ winter averaging for wastewater usage?					Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Total charges per 10,000 gallons usage (including fees):				Water \$ 69.00	Wastewater \$ 38.56

b. Water and wastewater retail connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC*
Unmetered	-	-	x1.0	-
≤ 3/4"	1,009	1,001	x1.0	1,001
1"	88	88	x2.5	220
1 1/2"	4	4	x5.0	20
2"	29	29	x8.0	232
3"	-	-	x15.0	-
4"	2	2	x25.0	50
6"	-	-	x50.0	-
8"	6	6	x80.0	480
10"	-	-	x115.0	-
Total water	1,138	1,130		2,003
Total wastewater	1,083	1,076	x1.0	1,076

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

Gallons pumped into the system:	630,127
Gallons billed to customers:	611,996
Water accountability ratio (gallons billed/gallons pumped):	97.12%

*"ESFC" means equivalent single-family connections

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**

**Schedule of General Fund Expenditures
Year Ended September 30, 2023**

Personnel (including benefits)		\$ -
Professional Fees		
Auditing	\$ 22,800	
Legal	56,613	
Engineering	40,144	
Financial advisor	-	
	-	119,557
Purchased Services for Resale		
Bulk water and wastewater service purchases		1,819,747
Regional Water Fee		-
Contracted Services		
Bookkeeping	54,611	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	77,265	
Other contracted services	88,020	
	88,020	219,896
Utilities		111,537
Repairs and Maintenance		580,115
Administrative Expenditures		
Directors' fees	12,496	
Office supplies	7,155	
Insurance	5,501	
Other administrative expenditures	60,762	
	60,762	85,914
Capital Outlay		
Capitalized assets	217,267	
Expenditures not capitalized	213,232	
	213,232	430,499
Tap Connection Expenditures		450
Solid Waste Disposal		269,245
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		-
		-
Total expenditures		\$ 3,636,960

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas
Schedule of Temporary Investments
September 30, 2023**

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Certificates of Deposit				
No. 440011721	3.50%	10/18/23	\$ 240,000	\$ 7,963
No. 197882285	3.50%	10/18/23	240,000	7,986
No. 6000029741	4.00%	01/15/24	240,000	6,786
No. 9009004443	4.54%	02/18/24	235,000	6,547
Texas CLASS	5.54%	Demand	<u>5,638,938</u>	<u>-</u>
			6,593,938	29,282
Debt Service Fund				
Texas CLASS	5.54%	Demand	914,714	-
Capital Projects Fund				
Texas CLASS	5.54%	Demand	<u>10,304</u>	<u>-</u>
Totals			<u><u>\$ 7,518,956</u></u>	<u><u>\$ 29,282</u></u>

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**
Analysis of Taxes Levied and Receivable
Year Ended September 30, 2023

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year	\$ 11,503	\$ 14,485
Additions and corrections to prior years' taxes	(4,230)	(5,328)
Adjusted receivable, beginning of year	7,273	9,157
 2022 Original Tax Levy	 1,635,005	 1,476,778
Additions and corrections	29,112	26,295
Adjusted tax levy	1,664,117	1,503,073
Total to be accounted for	1,671,390	1,512,230
Tax collections: Current year	(1,628,122)	(1,470,561)
Prior years	(6,951)	(8,753)
Receivable, end of year	\$ 36,317	\$ 32,916
 Receivable, by Years		
2022	\$ 35,995	\$ 32,512
2021	299	376
2020	23	28
Receivable, end of year	\$ 36,317	\$ 32,916

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**

**Analysis of Taxes Levied and Receivable (Continued)
Year Ended September 30, 2023**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Property Valuations				
Land	\$ 107,888,680	\$ 101,506,410	\$ 88,475,900	\$ 78,968,340
Improvements	511,567,255	372,597,027	361,265,130	356,530,138
Personal property	5,160,710	5,333,550	5,026,180	3,626,440
Exemptions	<u>(87,804,832)</u>	<u>(27,635,538)</u>	<u>(20,268,247)</u>	<u>(19,289,890)</u>
Total property valuations	<u>\$ 536,811,813</u>	<u>\$ 451,801,449</u>	<u>\$ 434,498,963</u>	<u>\$ 419,835,028</u>
Tax Rates per \$100 Valuation				
Debt service tax rates	\$ 0.2800	\$ 0.3400	\$ 0.3400	\$ 0.3400
Maintenance tax rates*	<u>0.3100</u>	<u>0.2700</u>	<u>0.2700</u>	<u>0.2700</u>
Total tax rates per \$100 valuation	<u>\$ 0.5900</u>	<u>\$ 0.6100</u>	<u>\$ 0.6100</u>	<u>\$ 0.6100</u>
Tax Levy	<u>\$ 3,167,190</u>	<u>\$ 2,755,989</u>	<u>\$ 2,650,445</u>	<u>\$ 2,560,994</u>
Percent of Taxes Collected to Taxes Levied**				
	<u>98%</u>	<u>99%</u>	<u>99%</u>	<u>100%</u>

*Maximum tax rate approved by voters: \$0.50 on November 3, 1981

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

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**

**Schedule of Long-term Debt Service Requirements by Years
September 30, 2023**

	Refunding Series 2014		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1, September 1	Total
2024	\$ 560,000	\$ 95,438	\$ 655,438
2025	565,000	75,838	640,838
2026	825,000	56,063	881,063
2027	365,000	27,188	392,188
2028	360,000	13,500	373,500
Totals	\$ 2,675,000	\$ 268,027	\$ 2,943,027

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**
Schedule of Long-term Debt Service Requirements by Years (Continued)
September 30, 2023

Due During Fiscal Years Ending September 30	Refunding Series 2015		
	Principal Due September 1	Interest Due March 1, September 1	Total
2024	\$ 140,000	\$ 185,269	\$ 325,269
2025	140,000	181,069	321,069
2026	240,000	176,869	416,869
2027	735,000	169,669	904,669
2028	725,000	147,619	872,619
2029	990,000	125,869	1,115,869
2030	980,000	94,931	1,074,931
2031	970,000	63,081	1,033,081
2032	610,000	31,556	641,556
2033	325,000	10,969	335,969
Totals	\$ 5,855,000	\$ 1,186,901	\$ 7,041,901

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**
Schedule of Long-term Debt Service Requirements by Years (Continued)
September 30, 2023

Due During Fiscal Years Ending September 30	Refunding Series 2020		
	Principal Due September 1	Interest Due March 1, September 1	Total
2024	\$ 365,000	\$ 52,800	\$ 417,800
2025	375,000	41,850	416,850
2026	55,000	30,600	85,600
2027	50,000	29,500	79,500
2028	70,000	28,500	98,500
2029	90,000	27,100	117,100
2030	90,000	25,300	115,300
2031	100,000	23,500	123,500
2032	200,000	21,500	221,500
2033	195,000	17,500	212,500
2034	340,000	13,600	353,600
2035	340,000	6,800	346,800
Totals	\$ 2,270,000	\$ 318,550	\$ 2,588,550

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**
Schedule of Long-term Debt Service Requirements by Years (Continued)
September 30, 2023

Due During Fiscal Years Ending September 30	Series 2021		Total
	Principal Due September 1	Interest Due March 1, September 1	
2024	\$ -	\$ 106,637	\$ 106,637
2025	-	106,638	106,638
2026	-	106,637	106,637
2027	-	106,638	106,638
2028	-	106,637	106,637
2029	100,000	106,638	206,638
2030	120,000	104,637	224,637
2031	140,000	102,238	242,238
2032	425,000	99,437	524,437
2033	750,000	90,938	840,938
2034	750,000	75,937	825,937
2035	750,000	60,938	810,938
2036	750,000	45,937	795,937
2037	750,000	30,938	780,938
2038	750,000	15,937	765,937
Totals	\$ 5,285,000	\$ 1,266,762	\$ 6,551,762

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**
Schedule of Long-term Debt Service Requirements by Years (Continued)
September 30, 2023

Due During Fiscal Years Ending September 30	Annual Requirements For All Series		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2024	\$ 1,065,000	\$ 440,144	\$ 1,505,144
2025	1,080,000	405,395	1,485,395
2026	1,120,000	370,169	1,490,169
2027	1,150,000	332,995	1,482,995
2028	1,155,000	296,256	1,451,256
2029	1,180,000	259,607	1,439,607
2030	1,190,000	224,868	1,414,868
2031	1,210,000	188,819	1,398,819
2032	1,235,000	152,493	1,387,493
2033	1,270,000	119,407	1,389,407
2034	1,090,000	89,537	1,179,537
2035	1,090,000	67,738	1,157,738
2036	750,000	45,937	795,937
2037	750,000	30,938	780,938
2038	750,000	15,937	765,937
Totals	<u>\$ 16,085,000</u>	<u>\$ 3,040,240</u>	<u>\$ 19,125,240</u>

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas
Changes in Long-term Bonded Debt
Year Ended September 30, 2023**

	Bond	
	Series 2013	Refunding Series 2014
Interest rates	2.50%	3.00% to 3.75%
Dates interest payable	March 1/ September 1	March 1/ September 1
Maturity dates		September 1, 2024/2028
Bonds outstanding, beginning of current year	\$ 60,000	\$ 3,235,000
Retirements, principal	60,000	560,000
Bonds outstanding, end of current year	\$ 0	\$ 2,675,000
Interest paid during current year	\$ 1,500	\$ 115,038

Paying agent's name and address:

Series 2013 - Wells Fargo Bank Texas, N.A., Houston, Texas

Series 2014 - Wells Fargo Bank, N.A., Minneapolis, Minnesota

Series 2015 - Regions Bank, Houston, Texas

Series 2020 - Regions Bank, Houston, Texas

Series 2021 - Regions Bank, Houston, Texas

Bond authority:

	Tax Bonds	Other Bonds	Refunding Bonds
Amount authorized by voters	\$ 35,650,000	0	\$ 33,500,000
Amount issued	\$ 30,250,000	0	\$ 1,795,477
Remaining to be issued	\$ 5,400,000	0	\$ 31,704,523

Debt service fund cash and temporary investment balances as of September 30, 2023: \$ 931,982

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 1,275,016

Issues

Refunding Series 2015	Refunding Series 2020	Series 2021	Totals
2.250% to 3.375%	2.00% to 3.00%	2.000% to 2.125%	
March 1/ September 1	March 1/ September 1	March 1/ September 1	
September 1, 2024/2033	September 1, 2024/2035	September 1, 2029/2038	
\$ 5,995,000	\$ 2,560,000	\$ 5,285,000	\$ 17,135,000
<u>140,000</u>	<u>290,000</u>	<u>-</u>	<u>1,050,000</u>
<u>\$ 5,855,000</u>	<u>\$ 2,270,000</u>	<u>\$ 5,285,000</u>	<u>\$ 16,085,000</u>
<u>\$ 189,469</u>	<u>\$ 61,500</u>	<u>\$ 106,638</u>	<u>\$ 474,145</u>

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended September 30,

	Amounts				
	2023	2022	2021	2020	2019
General Fund					
Revenues					
Property taxes	\$ 1,635,073	\$ 1,213,336	\$ 1,171,987	\$ 1,140,068	\$ 1,145,424
Sales tax rebates	-	-	79	3,281	-
Water service	538,550	503,229	435,942	453,273	452,840
Sewer service	621,575	591,704	563,128	557,228	557,799
Regional water fee	1,099,805	1,066,238	753,187	785,336	712,096
Penalty and interest	13,309	21,682	19,784	15,932	15,713
Tap connection and inspection fees	9,620	78,795	134,375	4,490	13,045
Investment income	324,159	38,831	21,776	87,128	108,376
Other income	35,730	78,719	74,102	41,847	42,438
Total revenues	<u>4,277,821</u>	<u>3,592,534</u>	<u>3,174,360</u>	<u>3,088,583</u>	<u>3,047,731</u>
Expenditures					
Service operations:					
Purchased services	1,819,747	1,539,556	1,283,322	1,397,110	1,079,209
Professional fees	119,557	123,318	147,120	143,081	161,768
Contracted services	489,141	439,491	403,046	386,354	365,628
Utilities	111,537	102,672	97,853	98,604	105,793
Repairs and maintenance	580,115	528,901	404,259	413,992	352,782
Other expenditures	85,914	95,400	61,746	59,347	74,358
Tap connections	450	32,285	68,580	-	7,950
Capital outlay	430,499	75,388	191,492	101,009	224,103
Debt service, debt issuance costs	-	-	37,388	11,250	-
Total expenditures	<u>3,636,960</u>	<u>2,937,011</u>	<u>2,694,806</u>	<u>2,610,747</u>	<u>2,371,591</u>
Excess of Revenues Over Expenditures	640,861	655,523	479,554	477,836	676,140
Other Financing Sources (Uses)					
Interfund transfers in (out)	<u>(62,496)</u>	<u>(7,475)</u>	<u>26,604</u>	<u>(73,122)</u>	<u>71,619</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	578,365	648,048	506,158	404,714	747,759
Fund Balance, Beginning of Year	<u>6,557,278</u>	<u>5,909,230</u>	<u>5,403,072</u>	<u>4,998,358</u>	<u>4,250,599</u>
Fund Balance, End of Year	<u>\$ 7,135,643</u>	<u>\$ 6,557,278</u>	<u>\$ 5,909,230</u>	<u>\$ 5,403,072</u>	<u>\$ 4,998,358</u>
Total Active Retail Water Connections	<u>1,130</u>	<u>1,124</u>	<u>1,078</u>	<u>991</u>	<u>990</u>
Total Active Retail Wastewater Connections	<u>1,076</u>	<u>1,069</u>	<u>1,024</u>	<u>942</u>	<u>942</u>

Percent of Fund Total Revenues

2023	2022	2021	2020	2019
38.2 %	33.8 %	36.9 %	36.9 %	37.6 %
-	-	0.1	0.1	-
12.6	14.0	13.7	14.7	14.8
14.5	16.4	17.8	18.0	18.3
25.7	29.7	23.7	25.4	23.4
0.3	0.6	0.6	0.5	0.5
0.2	2.2	4.2	0.2	0.4
7.6	1.1	0.7	2.8	3.6
0.9	2.2	2.3	1.4	1.4
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
42.5	42.9	40.4	45.2	35.4
2.8	3.4	4.6	4.6	5.3
11.4	12.2	12.7	12.5	12.0
2.6	2.9	3.1	3.2	3.5
13.6	14.7	12.7	13.4	11.6
2.0	2.7	1.9	1.9	2.4
0.0	0.9	2.2	-	0.3
10.1	2.1	6.0	3.3	7.3
-	-	1.2	0.4	-
<u>85.0</u>	<u>81.8</u>	<u>84.8</u>	<u>84.5</u>	<u>77.8</u>
<u>15.0 %</u>	<u>18.2 %</u>	<u>15.2 %</u>	<u>15.5 %</u>	<u>22.2 %</u>

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Five Years Ended September 30,

	Amounts				
	2023	2022	2021	2020	2019
Debt Service Fund					
Revenues					
Property taxes	\$ 1,479,314	\$ 1,527,904	\$ 1,475,836	\$ 1,435,972	\$ 1,442,386
Penalty and interest	23,132	18,386	13,437	19,759	20,613
Investment income	80,734	13,126	5,687	26,381	37,499
Other income	-	9	11	46	33
Total revenues	<u>1,583,180</u>	<u>1,559,425</u>	<u>1,494,971</u>	<u>1,482,158</u>	<u>1,500,531</u>
Expenditures					
Current:					
Professional fees	5,486	3,628	2,296	6,611	409
Contracted services	51,839	35,615	38,441	35,595	34,147
Other expenditures	9,039	10,052	5,846	8,813	8,480
Debt service:					
Principal retirement	1,050,000	1,030,000	1,030,000	975,000	955,000
Interest and fees	478,063	494,359	421,280	489,950	514,792
Debt issuance costs	-	-	134,437	-	-
Total expenditures	<u>1,594,427</u>	<u>1,573,654</u>	<u>1,632,300</u>	<u>1,515,969</u>	<u>1,512,828</u>
Deficiency of Revenues Over Expenditures	<u>(11,247)</u>	<u>(14,229)</u>	<u>(137,329)</u>	<u>(33,811)</u>	<u>(12,297)</u>
Other Financing Sources (Uses)					
General obligation bonds issued	-	53,319	2,870,000	-	-
Deposit with escrow agent	-	-	(2,844,707)	-	-
Premium on debt issued	-	-	114,034	-	-
Total other financing sources	<u>0</u>	<u>53,319</u>	<u>139,327</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(11,247)</u>	<u>39,090</u>	<u>1,998</u>	<u>(33,811)</u>	<u>(12,297)</u>
Fund Balance, Beginning of Year	<u>943,688</u>	<u>904,598</u>	<u>902,600</u>	<u>936,411</u>	<u>948,708</u>
Fund Balance, End of Year	<u>\$ 932,441</u>	<u>\$ 943,688</u>	<u>\$ 904,598</u>	<u>\$ 902,600</u>	<u>\$ 936,411</u>

Percent of Fund Total Revenues

2023	2022	2021	2020	2019
93.4 %	98.0 %	98.7 %	96.9 %	96.1 %
1.5	1.2	0.9	1.3	1.4
5.1	0.8	0.4	1.8	2.5
-	0.0	0.0	0.0	0.0
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
0.3	0.2	0.1	0.4	0.0
3.3	2.3	2.6	2.4	2.3
0.6	0.6	0.4	0.6	0.6
66.3	66.1	68.9	65.8	63.6
30.2	31.7	28.2	33.1	34.3
-	-	9.0	-	-
<u>100.7</u>	<u>100.9</u>	<u>109.2</u>	<u>102.3</u>	<u>100.8</u>
<u><u>(0.7) %</u></u>	<u><u>(0.9) %</u></u>	<u><u>(9.2) %</u></u>	<u><u>(2.3) %</u></u>	<u><u>(0.8) %</u></u>

Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas

Board Members, Key Personnel and Consultants Year Ended September 30, 2023

Complete District mailing address:	Fort Bend County Municipal Utility District No. 34 c/o Schwartz, Page & Harding, L.L.P. 1300 Post Oak Boulevard, Suite 2400 Houston, Texas 77056
District business telephone number:	713.623.4531
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	May 24, 2022
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-end
Billy E. Haehnel	Elected 05/20- 05/24	\$ 2,605	\$ 0	President
James A. Marken	Elected 05/22- 05/26	3,134	3,250	Vice President
Jose Torres	Elected 05/22- 05/26	1,634	174	Secretary
Craig A. Hajovsky	Elected 05/22- 05/26	3,055	1,139	Assistant Secretary
Sean Piper	Elected 05/20- 05/24	2,068	2,203	Assistant Secretary

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

**Fort Bend County Municipal Utility District No. 34,
of Fort Bend County, Texas**

**Board Members, Key Personnel and Consultants (Continued)
Year Ended September 30, 2023**

Consultants	Date Hired	Fees and Expense Reimbursements	Title
BGE, Inc.	08/27/13	\$ 149,248	Engineer
Bob Leared Interests	01/13/83	33,045	Tax Assessor/ Collector
Fort Bend Central Appraisal District	Legislative Action	31,751	Appraiser
FORVIS, LLP	10/15/85	28,600	Auditor
Masterson Advisors LLC	05/22/18	0	Financial Advisor
Municipal Accounts & Consulting, L.P.	07/07/81	89,074	Bookkeeper
Municipal Operations & Consulting, Inc.	06/01/12	1,390,091	Operator
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	02/11/97	5,486	Delinquent Tax Attorney
Schwartz, Page & Harding, L.L.P.	06/22/81	67,604	General Counsel
Investment Officers			
Mark M. Burton and Ghia Lewis	07/27/04	N/A	Bookkeepers