

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JUNE 30, 2024

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-8
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET	9-12
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	13
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	14-15
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	16
NOTES TO THE FINANCIAL STATEMENTS	17-29
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND AND SPECIAL REVENUE FUND	31-32
SUPPLEMENTARY INFORMATION-REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE	
NOTES REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE (Included in the notes to the financial statements)	
SERVICES AND RATES	34-36
GENERAL FUND EXPENDITURES	37
INVESTMENTS	38
TAXES LEVIED AND RECEIVABLE	39-40
LONG-TERM DEBT SERVICE REQUIREMENTS	41-43
CHANGES IN LONG-TERM BOND DEBT	44-45
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND AND DEBT SERVICE FUND - FIVE YEARS	46-49
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS	50-51

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

13100 Wortham Center Drive
Suite 235
Houston, Texas 77065-5610
(713) 462-0341
Fax (713) 462-2708

PO Box 29584
Austin, TX 78755-5126
(512) 610-2209
www.mgsbpllc.com
E-Mail: mgsb@mgsbpllc.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
West Memorial Municipal Utility District
Harris County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of West Memorial Municipal Utility District (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

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 the Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund and Special Revenue Fund 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.

Board of Directors
West Memorial Municipal Utility District

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 supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is 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 supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "McCall Gibson Swedlund Barfoot PLLC". The signature is written in a cursive, flowing style.

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

October 28, 2024

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2024

Management's discussion and analysis of the financial performance of West Memorial Municipal Utility District (the "District") provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. This report also includes required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

This Statement of Net Position includes all of the District's assets, liabilities, and deferred outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has four governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, operating costs and general expenditures. The Special Revenue Fund accounts for financial resources restricted for the operation of regional wastewater treatment facilities. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

**WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assists in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") and other supplementary information. Budgetary comparison schedules are included as RSI for the General Fund and the Special Revenue Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by \$13,331,270 as of June 30, 2024. A portion of the District's net position reflects its net investment in capital assets which includes buildings and improvements as well as the water and wastewater facilities less any debt used to acquire those assets that is still outstanding.

The tables on the following page are comparative analyses of the District's financial statements as of June 30, 2024, and June 30, 2023.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following is a comparative analysis of the Statement of Net Position as of June 30, 2024, and June 30, 2023:

	<u>Summary of Changes in the Statement of Net Position</u>		
	<u>2024</u>	<u>2023</u>	<u>Change Positive (Negative)</u>
Current and Other Assets	\$ 8,838,104	\$ 8,104,405	\$ 733,699
Capital Assets (Net of Accumulated Depreciation)	<u>11,376,546</u>	<u>11,456,498</u>	<u>(79,952)</u>
Total Assets	<u>\$ 20,214,650</u>	<u>\$ 19,560,903</u>	<u>\$ 653,747</u>
Deferred Outflows of Resources	<u>\$ 85,089</u>	<u>\$ 92,722</u>	<u>\$ (7,633)</u>
Bonds Payable	\$ 5,820,373	\$ 6,127,631	\$ 307,258
Other Liabilities	<u>1,148,096</u>	<u>965,254</u>	<u>(182,842)</u>
Total Liabilities	<u>\$ 6,968,469</u>	<u>\$ 7,092,885</u>	<u>\$ 124,416</u>
Net Position:			
Net Investment in Capital Assets	\$ 6,748,623	\$ 6,470,342	\$ 278,281
Restricted	771,792	733,839	37,953
Unrestricted	<u>5,810,855</u>	<u>5,356,559</u>	<u>454,296</u>
Total Net Position	<u>\$ 13,331,270</u>	<u>\$ 12,560,740</u>	<u>\$ 770,530</u>

The following table provides a comparative analysis of the District's operations for the fiscal years ending June 30, 2024, and June 30, 2023:

	<u>Summary of Changes in the Statement of Activities</u>		
	<u>2024</u>	<u>2023</u>	<u>Change Positive (Negative)</u>
Revenues:			
Property Taxes	\$ 1,317,439	\$ 1,276,666	\$ 40,773
Charges for Services	3,440,861	3,829,621	(388,760)
Other Revenues	<u>887,641</u>	<u>723,944</u>	<u>163,697</u>
Total Revenues	<u>\$ 5,645,941</u>	<u>\$ 5,830,231</u>	<u>\$ (184,290)</u>
Expenses for Services	<u>4,875,411</u>	<u>5,414,361</u>	<u>538,950</u>
Change in Net Position	\$ 770,530	\$ 415,870	\$ 354,660
Net Position, Beginning of Year	<u>12,560,740</u>	<u>12,144,870</u>	<u>415,870</u>
Net Position, End of Year	<u>\$ 13,331,270</u>	<u>\$ 12,560,740</u>	<u>\$ 770,530</u>

**WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT’S GOVERNMENTAL FUNDS

The District’s combined fund balances as of June 30, 2024, were \$7,656,047, an increase of \$528,385 from the prior year.

The General Fund fund balance increased by \$444,328 primarily due to service and tax revenues exceeding operating expenditures.

The Special Revenue Fund bills the participants for all costs incurred and, therefore, shows no profit or loss.

The Debt Service Fund fund balance increased by \$26,711, primarily due to the structure of the District’s outstanding debt requirements.

The Capital Projects Fund fund balance increased by \$57,346 as a result of investment earnings.

BUDGETARY HIGHLIGHTS

The Board of Directors adopted a budget for the General Fund for the current fiscal year. The budget was amended to include a separate line item for mowing expenditures. Actual revenues were \$269,453 more than budgeted revenues and actual expenditures were \$36,069 less than budgeted expenditures which resulted in a positive variance of \$305,522. See the budget to actual comparison for more information.

The Board of Directors did not amend the Special Revenue Fund budget during the current fiscal year. Actual expenditures were lower than budgeted expenditures by \$240,838, primarily due to lower than anticipated contracted services and capital costs.

LONG-TERM DEBT ACTIVITY

The District’s Series 2014 and Series 2019 Refunding bonds carry insured ratings of “AA” by virtue of bond insurance issued by Assured Guaranty Municipal. The District’s underlying rating is “A2”. Credit enhanced ratings provided through bond insurance policies are subject to change based on changes to the rating of the insurer.

As of June 30, 2024, the District had total bond debt payable of \$5,805,000. The changes in the debt position of the District during the fiscal year ended June 30, 2024, are summarized as follows:

Bond Debt Payable, July 1, 2023	\$ 6,110,000
Less: Bond Principal Paid	<u>(305,000)</u>
Bond Debt Payable, June 30, 2024	<u>\$ 5,805,000</u>

**WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

CAPITAL ASSETS

Capital assets as of June 30, 2024, total \$11,376,546 and include land, buildings and improvements as well as the water and wastewater systems. Significant capital asset activity during the current fiscal year included water well no. 4 rehabilitation and improvements to shared facilities. See Note 6 for additional information on the District's capital assets.

Capital Assets At Year-End			
	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 833,273	\$ 833,273	\$
Construction in Progress	31,106	403,177	(372,071)
Capital Assets Not Subject to Depreciation:			
Building and Improvements	315,167	315,167	
Water System	7,802,266	7,525,262	277,004
Wastewater System	17,552,877	16,836,705	716,172
Less Accumulated Depreciation	<u>(15,158,143)</u>	<u>(14,457,086)</u>	<u>(701,057)</u>
Total Net Capital Assets	<u>\$ 11,376,546</u>	<u>\$ 11,456,498</u>	<u>\$ (79,952)</u>

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to West Memorial Municipal Utility District, c/o Mitchell, Zientek & Scruggs, LLP, 24624 I-45 North, Suite 200, The Woodlands, Texas 77386.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2024

	General Fund	Special Revenue Fund
ASSETS		
Cash	\$ 103,871	\$ 209,815
Investments	5,755,201	190,618
Receivables:		
Property Taxes	40,089	
Penalty and Interest on Delinquent Taxes		
Service Accounts	181,605	
Due from Other Funds	9,180	14,329
Due from Other Governmental Entities	107,746	294,896
Joint Facilities Operating Advance	58,791	
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	\$ 6,256,483	\$ 709,658
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	\$ -0-	\$ -0-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 6,256,483	\$ 709,658

The accompanying notes to the financial
statements are an integral part of this report.

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 47,998	\$	\$ 361,684	\$	\$ 361,684
742,865	1,107,361	7,796,045		7,796,045
29,759		69,848		69,848
			26,280	26,280
		181,605		181,605
		23,509	(23,509)	
		402,642		402,642
		58,791	(58,791)	
			833,273	833,273
			31,106	31,106
			10,512,167	10,512,167
<u>\$ 820,622</u>	<u>\$ 1,107,361</u>	<u>\$ 8,894,124</u>	<u>\$ 11,320,526</u>	<u>\$ 20,214,650</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 85,089</u>	<u>\$ 85,089</u>
<u>\$ 820,622</u>	<u>\$ 1,107,361</u>	<u>\$ 8,894,124</u>	<u>\$ 11,405,615</u>	<u>\$ 20,299,739</u>

The accompanying notes to the financial statements are an integral part of this report.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2024

	General Fund	Special Revenue Fund
LIABILITIES		
Accounts Payable	\$ 296,496	\$ 161,232
Accrued Interest Payable		
Due to Other Funds	14,329	
Security Deposits	134,803	
Participant Operating Advances		548,426
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	\$ 445,628	\$ 709,658
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 40,089	\$ -0-
FUND BALANCES		
Nonspendable: Operating Advance	\$ 58,791	\$
Restricted for Authorized Construction		
Restricted for Debt Service		
Unassigned	5,711,975	
TOTAL FUND BALANCES	\$ 5,770,766	\$ -0-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,256,483	\$ 709,658
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

The accompanying notes to the financial
statements are an integral part of this report.

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 3,763	\$	\$ 461,491	\$	\$ 461,491
			62,167	62,167
9,180		23,509	(23,509)	134,803
		134,803		489,635
		548,426	(58,791)	
			315,000	315,000
			5,505,373	5,505,373
<u>\$ 12,943</u>	<u>\$ -0-</u>	<u>\$ 1,168,229</u>	<u>\$ 5,800,240</u>	<u>\$ 6,968,469</u>
<u>\$ 29,759</u>	<u>\$ -0-</u>	<u>\$ 69,848</u>	<u>\$ (69,848)</u>	<u>\$ -0-</u>
\$	\$	\$ 58,791	\$ (58,791)	\$
	1,107,361	1,107,361	(1,107,361)	
777,920		777,920	(777,920)	
		5,711,975	(5,711,975)	
<u>\$ 777,920</u>	<u>\$ 1,107,361</u>	<u>\$ 7,656,047</u>	<u>\$ (7,656,047)</u>	<u>\$ -0-</u>
<u>\$ 820,622</u>	<u>\$ 1,107,361</u>	<u>\$ 8,894,124</u>		
			\$ 6,748,623	\$ 6,748,623
			771,792	771,792
			5,810,855	5,810,855
			<u>\$ 13,331,270</u>	<u>\$ 13,331,270</u>

The accompanying notes to the financial statements are an integral part of this report.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balances - Governmental Funds \$ 7,656,047

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets are reported as assets in the government-wide financial statements. 11,376,546

Interest paid in advance as part of a refunding bond sale is recorded as a deferred outflow of resources in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. 85,089

Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2023 and prior tax levies became part of recognized revenue in the governmental activities of the District. 96,128

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Accrued Interest Payable	\$ (62,167)	
Bonds Payable	<u>(5,820,373)</u>	<u>(5,882,540)</u>

Total Net Position - Governmental Activities \$ 13,331,270

The accompanying notes to the financial statements are an integral part of this report.

THIS PAGE INTENTIONALLY LEFT BLANK

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund
REVENUES		
Property Taxes	\$ 780,958	\$
Water Service	322,346	
Wastewater Service	279,176	2,350,376
Water Authority Fees	647,155	
Sales Tax Revenues	421,638	
Penalty and Interest	22,706	
Connection and Inspection Fees	45,984	
Investment and Miscellaneous Revenues	322,046	57,236
TOTAL REVENUES	\$ 2,842,009	\$ 2,407,612
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 193,649	\$ 65,732
Contracted Services	191,093	250,419
Purchased Wastewater Service	248,053	
Utilities	60,752	334,774
Water Authority Assessments	410,501	
Repairs and Maintenance	787,471	577,881
Depreciation		
Other	229,157	834,706
Capital Outlay	277,005	344,100
Debt Service:		
Bond Principal		
Bond Interest		
TOTAL EXPENDITURES/EXPENSES	\$ 2,397,681	\$ 2,407,612
NET CHANGE IN FUND BALANCES	\$ 444,328	\$ -0-
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JULY 1, 2023	5,326,438	
FUND BALANCES/NET POSITION - JUNE 30, 2024	\$ 5,770,766	\$ -0-

The accompanying notes to the financial statements are an integral part of this report.

Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
\$ 521,179	\$	\$ 1,302,137	\$ 15,302	\$ 1,317,439
		322,346		322,346
		2,629,552	(248,053)	2,381,499
		647,155		647,155
		421,638		421,638
18,096		40,802	3,075	43,877
		45,984		45,984
<u>29,375</u>	<u>57,346</u>	<u>466,003</u>		<u>466,003</u>
<u>\$ 568,650</u>	<u>\$ 57,346</u>	<u>\$ 5,875,617</u>	<u>\$ (229,676)</u>	<u>\$ 5,645,941</u>
\$ 4,826	\$	\$ 264,207	\$	\$ 264,207
35,339		476,851		476,851
		248,053	(248,053)	
		395,526		395,526
		410,501		410,501
		1,365,352		1,365,352
			701,057	701,057
6,024		1,069,887	(1,262)	1,068,625
		621,105	(621,105)	
305,000		305,000	(305,000)	
<u>190,750</u>		<u>190,750</u>	<u>2,542</u>	<u>193,292</u>
<u>\$ 541,939</u>	<u>\$ - 0 -</u>	<u>\$ 5,347,232</u>	<u>\$ (471,821)</u>	<u>\$ 4,875,411</u>
\$ 26,711	\$ 57,346	\$ 528,385	\$ (528,385)	\$
			770,530	770,530
<u>751,209</u>	<u>1,050,015</u>	<u>7,127,662</u>	<u>5,433,078</u>	<u>12,560,740</u>
<u>\$ 777,920</u>	<u>\$ 1,107,361</u>	<u>\$ 7,656,047</u>	<u>\$ 5,675,223</u>	<u>\$ 13,331,270</u>

The accompanying notes to the financial statements are an integral part of this report.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Governmental Funds	\$	528,385
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		15,302
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.		3,075
Governmental funds do not account for depreciation. However, in the Statement of Activities, depreciation expense is recorded on capital assets.		(701,057)
Governmental funds report capital outlay as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		621,105
Governmental funds report lease and bond principal payments as expenditures. However, in the Statement of Net Position, lease and bond principal payments are reported as decreases in long-term liabilities.		306,262
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		(2,542)
Change in Net Position - Governmental Activities	\$	<u>770,530</u>

The accompanying notes to the financial statements are an integral part of this report.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. CREATION OF DISTRICT

West Memorial Municipal Utility District, located in Harris County, Texas was originally created as Harris County Water Control and Improvement District No. 134 by an order of the Texas Water Rights Commission, presently known as the Texas Commission on Environmental Quality (the “Commission”). On July 6, 1976, the District was converted to West Memorial Municipal Utility District. Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The District is also empowered to contract for or employ its own peace officers with powers to make arrests and to establish, operate and maintain a fire department to perform all fire-fighting activities within the District. The Board of Directors held its first meeting on June 2, 1970, and the first bonds were sold on May 9, 1971.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local 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 statement as component units.

The District owns and operates the West Memorial Sewage Treatment Plant (the “Plant”). Since the District exercises oversight responsibility for the Plant, the Plant’s operations are accounted for as a joint venture of the District (see Note 8).

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated to obtain net total revenues and expenses of the government-wide Statement of Activities.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements and Governmental Funds

The District’s fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

The District has four governmental funds and considers each to be a major fund. The General Fund accounts for resources not required to be accounted for in another fund, customer service revenues, operating costs and general expenditures. The Special Revenue Fund accounts for financial resources restricted for the operation of regional wastewater treatment facilities. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of June 30, 2024, the Debt Service Fund owed the General Fund \$9,180 for maintenance tax collections and the General Fund owed the Special Revenue Fund \$14,329 for purchased wastewater service costs.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs, that extend the life of an asset, are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset. Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation over periods ranging from 10 to 45 years.

Budgeting

Budgets are adopted for the General Fund and Special Revenue Fund by the District's Board of Directors. The budgets are prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended. The Special Revenue Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund and Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund present the original and revised budgeted amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service determined that fees of office received by Directors are considered to be wages subject to federal income tax withholding for payroll purposes only.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

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.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. 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 expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

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

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3. LONG-TERM DEBT

	<u>Series 2014</u>	<u>Refunding Series 2019</u>
Amounts Outstanding – June 30, 2024	\$ 2,960,000	\$ 2,845,000
Interest Rates	3.00% - 4.00%	3.00% - 4.00%
Maturity Dates – Serially Beginning/Ending	September 1, 2024/2039	September 1, 2024/2035
Interest Payment Dates	September 1 / March 1	September 1 / March 1
Callable Dates	September 1, 2023*	September 1, 2025*

* Or on any date thereafter, in whole or part, at a price of par value plus accrued interest to the date fixed for redemption. Series 2014 Term Bonds maturing on September 1, 2028, 2030, 2032, 2034, 2037, and 2039, are subject to mandatory redemption beginning September 1, 2027, 2029, 2031, 2033, 2035, and 2038, respectively.

Bonds payable activity for the current fiscal year are summarized in the following table:

	July 1, 2023	Additions	Retirements	June 30, 2024
Bonds Payable	\$ 6,110,000	\$	\$ 305,000	\$ 5,805,000
Unamortized Discounts	(39,625)		(2,455)	(37,170)
Unamortized Premiums	57,256		4,713	52,543
Bonds Payable, Net	<u>\$ 6,127,631</u>	<u>\$ -0-</u>	<u>\$ 307,258</u>	<u>\$ 5,820,373</u>
		Amount Due Within One Year		\$ 315,000
		Amount Due After One Year		<u>5,505,373</u>
		Bonds Payable, Net		<u>\$ 5,820,373</u>

As of June 30, 2024, the District had authorized but unissued bonds in the amount of \$5,695,000 for improvements and facilities and \$14,070,000 for refunding bonds. The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3. LONG-TERM DEBT (Continued)

As of June 30, 2024, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 315,000	\$ 181,775	\$ 496,775
2026	330,000	171,150	501,150
2027	345,000	160,075	505,075
2028	365,000	149,425	514,425
2029	380,000	138,250	518,250
2030-2034	2,150,000	506,539	2,656,539
2035-2039	1,675,000	173,798	1,848,798
2040	245,000	4,900	249,900
	<u>\$ 5,805,000</u>	<u>\$ 1,485,912</u>	<u>\$ 7,290,912</u>

During the year ended June 30, 2024, the District levied an ad valorem debt service tax rate of \$0.135 per \$100 of assessed valuation, which resulted in a tax levy of \$531,281 on the adjusted taxable valuation of \$393,541,444 for the 2023 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

All property values and exempt status, if any, are determined by the 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.

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

The bond orders state that the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data, and notices of certain events, to certain information repositories. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds, within the meaning of section 148(f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on each five-year anniversary of the bonds.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District’s deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District’s deposits was \$361,684 and the bank balance was \$744,670. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits at June 30, 2024, are summarized in the following table:

	Cash
GENERAL FUND	\$ 103,871
SPECIAL REVENUE FUND	209,815
DEBT SERVICE FUND	47,998
TOTAL DEPOSITS	\$ 361,684

Investments

The District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest District funds without express written authority from the Board of Directors. Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District’s written investment policy is reviewed annually and may be more restrictive than the Public Funds Investment Act.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District invests in TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District’s investment in TexPool was rated “AAAm” by Standard and Poor’s. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in TexPool to have a maturity of less than one year since the share position can be redeemed each day at the discretion of the District.

As of June 30, 2024, the District had the following investments and maturities:

Funds and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
TexPool	\$ 5,755,201	\$ 5,755,201
<u>SPECIAL REVENUE FUND</u>		
TexPool	190,618	190,618
<u>DEBT SERVICE FUND</u>		
TexPool	742,865	742,865
<u>CAPITAL PROJECTS FUND</u>		
TexPool	1,107,361	1,107,361
TOTAL INVESTMENTS	\$ 7,796,045	\$ 7,796,045

Restrictions

All cash and investments of the Special Revenue Fund are restricted for the regional wastewater treatment facility operations.

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes.

All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6. CAPITAL ASSETS

Capital asset activity for the current fiscal year is summarized in the following table:

	July 1, 2023	Increases	Decreases	June 30, 2024
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 833,273	\$	\$	\$ 833,273
Construction in Progress	<u>403,177</u>	<u>621,105</u>	<u>993,176</u>	<u>31,106</u>
Total Capital Assets Not Being Depreciated	<u>\$ 1,236,450</u>	<u>\$ 621,105</u>	<u>\$ 993,176</u>	<u>\$ 864,379</u>
Capital Assets Subject to Depreciation				
Building and Improvements	\$ 315,167	\$	\$	\$ 315,167
Water System	7,525,262	277,004		7,802,266
Wastewater System	<u>16,836,705</u>	<u>716,172</u>		<u>17,552,877</u>
Total Capital Assets Subject to Depreciation	<u>\$ 24,677,134</u>	<u>\$ 993,176</u>	<u>\$ - 0 -</u>	<u>\$ 25,670,310</u>
Less Accumulated Depreciation				
Building and Improvements	\$ 231,081	\$ 5,064	\$	\$ 236,145
Water System	4,832,645	258,517		5,091,162
Wastewater System	<u>9,393,360</u>	<u>437,476</u>		<u>9,830,836</u>
Total Accumulated Depreciation	<u>\$ 14,457,086</u>	<u>\$ 701,057</u>	<u>\$ - 0 -</u>	<u>\$ 15,158,143</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 10,220,048</u>	<u>\$ 292,119</u>	<u>\$ - 0 -</u>	<u>\$ 10,512,167</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 11,456,498</u>	<u>\$ 913,224</u>	<u>\$ 993,176</u>	<u>\$ 11,376,546</u>

NOTE 7. MAINTENANCE TAX

On August 11, 2001, the voters within the District approved for the District to levy a maintenance tax in an amount not to exceed \$0.30 per \$100 of assessed valuation on property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater system. During the year ended June 30, 2024, the District levied an ad valorem maintenance tax rate of \$0.2025 per \$100 of assessed valuation, which resulted in a tax levy of \$796,921 on the adjusted taxable valuation of \$393,541,444 for the 2023 tax year.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8. SEWAGE TREATMENT PLANT JOINT VENTURE

On December 18, 1972, the District entered into agreements with Harris County Municipal Utility District No. 81, Mason Creek Utility District, and Cimarron Municipal Utility District (the “Participants”) for the operation of regional wastewater treatment facilities. On August 30, 1983, the District and the Participants amended the agreement to include Interstate Municipal Utility District. The amendment approved on January 25, 1994, provided for the expansion of the Plant to the current capacity of 6,475,000 gpd. The term of the agreement is 40 years from the effective date of the amendment. Current capacity ownership is as follows:

	Capacity in Gallons Per Day	Percentage of Ownership
West Memorial Municipal Utility District	599,000	9.25%
Harris County Municipal Utility District No. 81	1,255,000	19.38
Mason Creek Utility District	800,000	12.36
Cimarron Municipal Utility District	2,471,000	38.16
Interstate Municipal Utility District	1,350,000	20.85
TOTAL	6,475,000	100.00%

Oversight of the Plant is exercised by the Board of Directors of the District and financial activity of the Plant has been included in the financial statements of the District. The District operates the Plant and bills the Participants for operations based on a budgeted cost per connection. At year-end, revenues are adjusted to equal actual expenditures. Overages are disbursed to Participants and shortages are billed to Participants. The District’s pro rata share of current year expenditures was \$248,053. The agreement requires a 3-month operating reserve which is allocated to the Participants based on equivalent connections.

The allocation of the operating reserve at June 30, 2024, is as follows:

West Memorial Municipal Utility District	\$ 58,791
Harris County Municipal Utility District No. 81	102,136
Mason Creek Utility District	49,075
Cimarron Municipal Utility District	237,984
Interstate Municipal Utility District	100,440
	\$ 548,425

From time-to-time, the District on behalf of the West Memorial Sewage Treatment Plant, leases unused land to various outside parties. The short-term leases do not meet the criteria for treatment in accordance with GASB Statement No. 87.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9. EMERGENCY WATER SUPPLY AGREEMENTS

On September 6, 1984, the District and Interstate Municipal Utility District executed an Emergency Water Supply Agreement. The agreement provides that both parties will own a one-half undivided interest in the meter box with locking mechanism, the two-way meter and the double valve cut-off. Water supply will be for emergencies and neither district will be obligated to supply water longer than a temporary period. Water will be repaid in kind or at the lowest rate at which water is supplied by the supplying party.

On September 20, 2006, the District and Cimarron Municipal Utility District entered into an emergency water supply agreement whereby both districts will supply water to one another on an emergency basis at the rate of \$1.00 per 1,000 gallons plus any pumpage fees imposed by the West Harris County Regional Water Authority. This agreement was amended on June 20, 2007. In the event that one of the districts converts to surface water, in whole or in part, the rate per thousand gallons is the actual cost per thousand gallons to the supplying district to purchase surface water, excluding any initial surface water conversion capital costs.

NOTE 10. 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. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 11. STRATEGIC PARTNERSHIP AGREEMENT

Effective July 1, 2003, the District entered into a Strategic Partnership Agreement with the City of Houston, Texas. In accordance with the agreement and Subchapter F of Chapter 43 of the Local Government Code and Act, the City annexed a tract of land defined as the "Subject Tract" for the limited purposes of applying the City's Planning, Zoning, Health, and Safety Ordinances within the Subject Tract within the boundaries of the District. Upon annexation, the City began imposing a Sales and Use Tax within the boundaries of the Subject Tract on the receipts from the sale and use at retail of taxable items at the rate of one percent or the rate specified under the future amendments to Chapter 321 of the Tax Code. The City pays the District one-half of all Sales and Use Tax revenues generated within the boundaries of the Subject Tract within 30 days of the City receiving the funds from the State Comptroller's office. During the current fiscal year, the District recorded sales tax revenues of \$421,638, of which \$107,746 was recorded as a receivable at year end. The City agrees that it will not annex the District for full purposes or commence any action to annex the District for full purposes during the term of this Agreement. The term of this Agreement is 30 years from the effective date of the agreement.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12. WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

The District is located within the boundaries of the West Harris County Regional Water Authority (the “Authority”). The Authority’s purpose includes the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, and the control of subsidence caused by withdrawal of water from those groundwater reservoirs or their subdivisions. The Authority charges a fee, based on the amount of water pumped from a well, to the owner of wells located within the boundaries of the Authority, unless exempted. The current fee being charged is \$3.95 per 1,000 gallons of water pumped from each well. The District recorded costs of \$410,501 for fees assessed during the current fiscal year.

NOTE 13. NRG RELIABILITY SERVICE AGREEMENT

Effective March 1, 2014, the District entered into a Reliability Service Agreement with NRG Reliability Solutions LLC (“NRG”). NRG agrees to provide backup power equipment to service water plant nos. 1 and 2. The term of this agreement was 10 years at a fixed monthly rate of \$2,400. Right-of-use assets under the agreement totaled \$197,812. As of June 30, 2024, right-of-use assets have been fully amortized.

The 120-month lease accrues interest at 8% annually with monthly payments of \$2,400. Current year lease payments totaled \$26,548, of which \$18,636 applied to principal and the remainder applied to interest. The changes in lease liability during the current fiscal year are summarized as follows:

Lease Payable, July 1, 2023	\$ 18,636
Less: Lease Principal Paid	<u>(18,636)</u>
Lease Payable, June 30, 2024	<u>\$ - 0 -</u>

THIS PAGE INTENTIONALLY LEFT BLANK

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2024

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Amended and Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Taxes	\$ 700,556	\$ 700,556	\$ 780,958	\$ 80,402
Water Service	340,000	340,000	322,346	(17,654)
Wastewater Service	282,000	282,000	279,176	(2,824)
Water Authority Fees	615,000	615,000	647,155	32,155
Sales Tax Revenues	405,000	405,000	421,638	16,638
Penalty and Interest	20,000	20,000	22,706	2,706
Connection and Inspection Fees	50,000	50,000	45,984	(4,016)
Investment and Miscellaneous Revenues	<u>160,000</u>	<u>160,000</u>	<u>322,046</u>	<u>162,046</u>
TOTAL REVENUES	<u>\$ 2,572,556</u>	<u>\$ 2,572,556</u>	<u>\$ 2,842,009</u>	<u>\$ 269,453</u>
EXPENDITURES				
Service Operations:				
Professional Fees	\$ 156,200	\$ 156,200	\$ 193,649	\$ (37,449)
Contracted Services	195,200	195,200	191,093	4,107
Purchased Wastewater Service	200,000	200,000	248,053	(48,053)
Utilities	96,500	96,500	60,752	35,748
Water Authority Assessments	600,000	600,000	410,501	189,499
Repairs, Maintenance, Capital Outlay	995,475	995,475	1,064,476	(69,001)
Other	<u>190,375</u>	<u>190,375</u>	<u>229,157</u>	<u>(38,782)</u>
TOTAL EXPENDITURES	<u>\$ 2,433,750</u>	<u>\$ 2,433,750</u>	<u>\$ 2,397,681</u>	<u>\$ 36,069</u>
NET CHANGE IN FUND BALANCE	\$ 138,806	\$ 138,806	\$ 444,328	\$ 305,522
FUND BALANCE - JULY 1, 2023	<u>5,326,438</u>	<u>5,326,438</u>	<u>5,326,438</u>	<u>_____</u>
FUND BALANCE - JUNE 30, 2024	<u>\$ 5,465,244</u>	<u>\$ 5,465,244</u>	<u>\$ 5,770,766</u>	<u>\$ 305,522</u>

See accompanying independent auditor's report.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Wastewater Service	\$ 2,864,040	\$ 2,350,376	\$ (513,664)
Investment and Miscellaneous Revenues	10,000	57,236	47,236
TOTAL REVENUES	\$ 2,874,040	\$ 2,407,612	\$ (466,428)
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 63,000	\$ 65,732	\$ (2,732)
Contracted Services	288,200	250,419	37,781
Utilities	272,250	334,774	(62,524)
Repairs and Maintenance	460,000	577,881	(117,881)
Other	865,000	834,706	30,294
Capital Outlay	700,000	344,100	355,900
TOTAL EXPENDITURES	\$ 2,648,450	\$ 2,407,612	\$ 240,838
NET CHANGE IN FUND BALANCE	\$ 225,590	\$ -0-	\$ (225,590)
FUND BALANCE - JULY 1, 2023	_____	_____	_____
FUND BALANCE - JUNE 30, 2024	\$ 225,590	\$ -0-	\$ (225,590)

See accompanying independent auditor's report.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
SUPPLEMENTARY INFORMATION – REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE
JUNE 30, 2024

**WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2024**

1. SERVICES PROVIDED BY THE DISTRICT DURING THE FISCAL YEAR:

<u> X </u>	Retail Water	_____	Wholesale Water	<u> X </u>	Drainage
<u> X </u>	Retail Wastewater	_____	Wholesale Wastewater	_____	Irrigation
_____	Parks/Recreation	_____	Fire Protection	_____	Security
_____	Solid Waste/Garbage	_____	Flood Control	_____	Roads
<u> X </u>	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
_____	Other (specify): _____				

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 5/8” METER (OR EQUIVALENT):

The following rates are based on the rate order effective May 1, 2022.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	\$ 10.00	15,000	N	\$ 1.50 \$ 1.75 \$ 2.00	15,001 to 25,000 25,001 to 35,000 35,001 and up
WASTEWATER:	\$ 12.50		Y		
SURCHARGE: Water Authority Fees	Current rate plus 10% per 1,000 gallons				

District employs winter averaging for wastewater usage? _____ _____
Yes No X

Total monthly charges per 10,000 gallons usage: Water: \$10.00 Wastewater: \$12.50 Surcharge: \$43.45

See accompanying independent auditor’s report.

**WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2024**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤¾"	<u>1,330</u>	<u>1,305</u>	x 1.0	<u>1,305</u>
1"	<u>53</u>	<u>50</u>	x 2.5	<u>125</u>
1½"	<u>26</u>	<u>26</u>	x 5.0	<u>130</u>
2"	<u>29</u>	<u>29</u>	x 8.0	<u>232</u>
3"	<u>1</u>	<u>1</u>	x 15.0	<u>15</u>
4"	<u>2</u>	<u>2</u>	x 25.0	<u>50</u>
6"			x 50.0	
8"	<u>1</u>	<u>1</u>	x 80.0	<u>80</u>
10"			x 115.0	
Total Water Connections	<u><u>1,442</u></u>	<u><u>1,414</u></u>		<u><u>1,937</u></u>
Total Wastewater Connections	<u><u>1,394</u></u>	<u><u>1,367</u></u>	x 1.0	<u><u>1,367</u></u>

3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND:

Gallons pumped into system:	108,344,000	Water Accountability Ratio: 90.21% (Gallons billed and sold/Gallons pumped and purchased)
Gallons billed to customers:	150,117,000	
Gallons Purchased:	80,756,000	From: Interstate Municipal Utility District
Gallons sold:	20,462,000	To: Interstate Municipal Utility District

See accompanying independent auditor's report.

**WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2024**

4. STANDBY FEES (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes No

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No

County in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely Partly Not at all

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

Entirely Partly Not at all

ETJ in which District is located:

City of Houston, Texas.

Are Board Members appointed by an office outside the District?

Yes No

See accompanying independent auditor's report.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2024

PROFESSIONAL FEES:	
Auditing and Other Services	\$ 19,000
Engineering	94,499
Legal	80,150
TOTAL PROFESSIONAL FEES	<u>\$ 193,649</u>
PURCHASED WASTEWATER SERVICES	<u>\$ 248,053</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 19,136
Operations and Billing	119,157
Recording Secretary	52,800
TOTAL CONTRACTED SERVICES	<u>\$ 191,093</u>
UTILITIES:	
Electricity	\$ 57,988
Telephone	2,764
TOTAL UTILITIES	<u>\$ 60,752</u>
REPAIRS AND MAINTENANCE	<u>\$ 787,471</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 21,484
Insurance	26,221
Office Supplies and Postage	11,528
Sales Tax Audit	7,200
Travel, Website, Meetings, and Other	18,805
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 85,238</u>
TOTAL CAPITAL OUTLAY	<u>\$ 277,005</u>
GENERATOR LEASE	<u>\$ 26,548</u>
OTHER EXPENDITURES:	
Chemicals	\$ 21,102
Laboratory Fees	11,609
Permit Fees	42,683
Connection, Inspection and Reconnection Fees	38,752
Water Authority Assessments	410,501
Regulatory Assessment	3,225
TOTAL OTHER EXPENDITURES	<u>\$ 527,872</u>
TOTAL EXPENDITURES	<u><u>\$ 2,397,681</u></u>

See accompanying independent auditor's report.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
INVESTMENTS
JUNE 30, 2024

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<u>GENERAL FUND</u>					
TexPool	XXXX0006	Varies	Daily	\$ 1,014,806	\$
TexPool	XXXX0008	Varies	Daily	4,740,395	
TOTAL GENERAL FUND				<u>\$ 5,755,201</u>	<u>\$ - 0 -</u>
<u>SPECIAL REVENUE FUND</u>					
TexPool	XXXX0003	Varies	Daily	\$ 190,618	\$ - 0 -
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0004	Varies	Daily	\$ 742,865	\$ - 0 -
<u>CAPITAL PROJECTS FUND</u>					
TexPool	XXXX0005	Varies	Daily	\$ 1,107,361	\$ - 0 -
TOTAL - ALL FUNDS				<u>\$ 7,796,045</u>	<u>\$ - 0 -</u>

See accompanying independent auditor's report.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2024

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
JULY 1, 2023	\$	30,121	\$	24,425
Adjustments to Beginning				
Balance		<u>(5,995)</u>		<u>(4,768)</u>
	\$	24,126	\$	19,657
Original 2023 Tax Levy	\$	712,480	\$	474,987
Adjustment to 2023 Tax Levy		<u>84,441</u>	<u>796,921</u>	<u>56,294</u>
			<u>531,281</u>	
TOTAL TO BE				
ACCOUNTED FOR		\$	821,047	\$
				550,938
TAX COLLECTIONS:				
Prior Years	\$	3,870	\$	3,120
Current Year		<u>777,088</u>	<u>780,958</u>	<u>521,179</u>
			<u>518,059</u>	<u>521,179</u>
TAXES RECEIVABLE -				
JUNE 30, 2024		<u>\$</u>	<u>40,089</u>	<u>\$</u>
				<u>29,759</u>
TAXES RECEIVABLE BY				
YEAR:				
2023		\$	19,833	\$
2022			4,661	3,729
2021			5,786	4,471
2020			3,050	2,356
2019			2,685	2,075
2018			1,309	1,243
2017			506	506
2016			572	602
2015			472	518
2014			179	214
2013 and prior			<u>1,036</u>	<u>823</u>
TOTAL		<u>\$</u>	<u>40,089</u>	<u>\$</u>
				<u>29,759</u>

See accompanying independent auditor's report.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2024

	2023	2022	2021	2020
PROPERTY VALUATIONS:				
Land	\$ 126,920,109	\$ 120,862,458	\$ 110,360,299	\$ 110,099,289
Improvements	302,258,267	267,396,834	232,333,342	226,733,541
Personal Property	30,428,023	29,490,900	24,575,837	27,578,433
Exemptions	<u>(66,064,955)</u>	<u>(61,621,395)</u>	<u>(57,360,212)</u>	<u>(56,736,923)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 393,541,444</u>	<u>\$ 356,128,797</u>	<u>\$ 309,909,266</u>	<u>\$ 307,674,340</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.1350	\$ 0.16	\$ 0.17	\$ 0.17
Maintenance	<u>0.2025</u>	<u>0.20</u>	<u>0.22</u>	<u>0.22</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.3375</u>	<u>\$ 0.36</u>	<u>\$ 0.39</u>	<u>\$ 0.39</u>
ADJUSTED TAX LEVY*	<u>\$ 1,328,202</u>	<u>\$ 1,282,064</u>	<u>\$ 1,208,646</u>	<u>\$ 1,199,930</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>97.51 %</u>	<u>99.35 %</u>	<u>99.15 %</u>	<u>99.55 %</u>

* Based upon adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

** Maintenance Tax - Maximum tax rate of \$0.30 per \$100 of assessed valuation approved by voters on August 11, 2001.

See accompanying independent auditor's report.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2024

S E R I E S - 2 0 1 4

Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2025	\$ 135,000	\$ 97,225	\$ 232,225
2026	140,000	93,100	233,100
2027	145,000	88,825	233,825
2028	155,000	84,325	239,325
2029	160,000	79,600	239,600
2030	165,000	74,725	239,725
2031	170,000	69,700	239,700
2032	180,000	64,405	244,405
2033	185,000	58,838	243,838
2034	195,000	52,946	247,946
2035	200,000	46,724	246,724
2036	210,000	39,636	249,636
2037	215,000	31,669	246,669
2038	225,000	23,419	248,419
2039	235,000	14,500	249,500
2040	245,000	4,900	249,900
	<u>\$ 2,960,000</u>	<u>\$ 924,537</u>	<u>\$ 3,884,537</u>

See accompanying independent auditor's report.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2024

SERIES - 2019 REFUNDING

Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2025	\$ 180,000	\$ 84,550	\$ 264,550
2026	190,000	78,050	268,050
2027	200,000	71,250	271,250
2028	210,000	65,100	275,100
2029	220,000	58,650	278,650
2030	230,000	51,900	281,900
2031	240,000	44,850	284,850
2032	250,000	37,500	287,500
2033	260,000	29,850	289,850
2034	275,000	21,825	296,825
2035	290,000	13,350	303,350
2036	300,000	4,500	304,500
2037			
2038			
2039			
2040			
	<u>\$ 2,845,000</u>	<u>\$ 561,375</u>	<u>\$ 3,406,375</u>

See accompanying independent auditor's report.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2024

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending June 30	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2025	\$ 315,000	\$ 181,775	\$ 496,775
2026	330,000	171,150	501,150
2027	345,000	160,075	505,075
2028	365,000	149,425	514,425
2029	380,000	138,250	518,250
2030	395,000	126,625	521,625
2031	410,000	114,550	524,550
2032	430,000	101,905	531,905
2033	445,000	88,688	533,688
2034	470,000	74,771	544,771
2035	490,000	60,074	550,074
2036	510,000	44,136	554,136
2037	215,000	31,669	246,669
2038	225,000	23,419	248,419
2039	235,000	14,500	249,500
2040	245,000	4,900	249,900
	<u>\$ 5,805,000</u>	<u>\$ 1,485,912</u>	<u>\$ 7,290,912</u>

See accompanying independent auditor's report.

THIS PAGE INTENTIONALLY LEFT BLANK

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JUNE 30, 2024

Description	Original Bonds Issued	Bonds Outstanding July 1, 2023
West Memorial Municipal Utility District Unlimited Tax Bonds - Series 2014	\$ 4,005,000	\$ 3,090,000
West Memorial Municipal Utility District Unlimited Tax Refunding Bonds - Series 2019	<u>3,360,000</u>	<u>3,020,000</u>
TOTAL	<u>\$ 7,365,000</u>	<u>\$ 6,110,000</u>
Bond Authority:	Tax Bonds	Refunding Bonds
Amount Authorized by Voters	\$ 20,800,000	\$ 14,145,000
Amount Issued	<u>15,105,000</u>	<u>75,000</u>
Remaining to be Issued	<u>\$ 5,695,000</u>	<u>\$ 14,070,000</u>
See Note 3 for interest rates, interest payment dates and maturity dates.		
Debt Service Fund cash and investment balances as of June 30, 2024:		<u>\$ 790,863</u>
Average annual debt service payment for remaining term of all bond debt:		<u>\$ 455,682</u>

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding June 30, 2024</u>	<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>		
\$	\$ 130,000	\$ 100,875	\$ 2,960,000	Bank of Texas Austin, TX
	<u>175,000</u>	<u>89,875</u>	<u>2,845,000</u>	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
<u>\$ - 0 -</u>	<u>\$ 305,000</u>	<u>\$ 190,750</u>	<u>\$ 5,805,000</u>	

See accompanying independent auditor's report.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 780,958	\$ 711,238	\$ 667,145
Water Service	322,346	305,897	262,333
Wastewater Service	279,176	284,292	283,415
Water Authority Fees	647,155	630,225	564,410
Sales Tax Revenues	421,638	407,791	387,282
Penalty and Interest	22,706	21,492	22,004
Connection and Inspection Fees	45,984	49,711	31,591
Investment and Miscellaneous Revenues	322,046	217,321	39,587
TOTAL REVENUES	\$ 2,842,009	\$ 2,627,967	\$ 2,257,767
EXPENDITURES			
Professional Fees	\$ 193,649	\$ 156,503	\$ 144,254
Contracted Services	191,093	182,991	173,693
Purchased Wastewater Service	248,053	300,384	255,174
Utilities	60,752	95,158	79,016
Water Authority Assessments	410,501	903,642	578,270
Repairs, Maintenance, Capital Outlay	1,064,476	666,275	339,082
Other	229,157	179,678	169,795
TOTAL EXPENDITURES	\$ 2,397,681	\$ 2,484,631	\$ 1,739,284
NET CHANGE IN FUND BALANCE	\$ 444,328	\$ 143,336	\$ 518,483
BEGINNING FUND BALANCE	5,326,438	5,183,102	4,664,619
ENDING FUND BALANCE	\$ 5,770,766	\$ 5,326,438	\$ 5,183,102

See accompanying independent auditor's report.

		Percentage of Total Revenues						
2021	2020	2024	2023	2022	2021	2020		
\$ 672,638	\$ 658,548	27.6 %	27.1 %	29.4 %	31.2 %	31.8 %		
253,855	241,492	11.3	11.6	11.6	11.7	11.6		
276,082	271,470	9.8	10.8	12.6	12.7	13.1		
518,992	506,151	22.8	24.0	25.0	24.0	24.4		
384,273	294,001	14.8	15.5	17.2	17.7	14.2		
15,961	16,144	0.8	0.8	1.0	0.7	0.8		
30,838	31,030	1.6	1.9	1.4	1.4	1.5		
13,132	54,283	11.3	8.3	1.8	0.6	2.6		
<u>\$ 2,165,771</u>	<u>\$ 2,073,119</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>		
\$ 108,377	\$ 103,776	6.8 %	6.0 %	6.4 %	5.0 %	5.0 %		
149,514	341,803	6.7	7.0	7.7	6.9	16.5		
215,985	201,967	8.7	11.4	11.3	10.0	9.7		
66,930	73,355	2.1	3.6	3.5	3.1	3.5		
279,934	663,720	14.4	34.4	25.6	12.9	32.0		
384,199	358,464	37.5	25.4	15.0	17.7	17.3		
169,615	191,638	8.1	6.8	7.5	7.8	9.2		
<u>\$ 1,374,554</u>	<u>\$ 1,934,723</u>	<u>84.3 %</u>	<u>94.6 %</u>	<u>77.0 %</u>	<u>63.4 %</u>	<u>93.2 %</u>		
\$ 791,217	\$ 138,396	15.7 %	5.4 %	23.0 %	36.6 %	6.8 %		
<u>3,873,402</u>	<u>3,735,006</u>							
<u>\$ 4,664,619</u>	<u>\$ 3,873,402</u>							

See accompanying independent auditor's report.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 521,179	\$ 569,170	\$ 515,568
Penalty and Interest	18,096	21,588	11,107
Investment and Miscellaneous Revenues	<u>29,375</u>	<u>20,052</u>	<u>8,196</u>
TOTAL REVENUES	<u>\$ 568,650</u>	<u>\$ 610,810</u>	<u>\$ 534,871</u>
EXPENDITURES			
Tax Collection Costs	\$ 45,789	\$ 46,457	\$ 44,077
Debt Service Principal	305,000	290,000	280,000
Debt Service Interest and Fees	<u>191,150</u>	<u>200,094</u>	<u>208,538</u>
TOTAL EXPENDITURES	<u>\$ 541,939</u>	<u>\$ 536,551</u>	<u>\$ 532,615</u>
NET CHANGE IN FUND BALANCE	\$ 26,711	\$ 74,259	\$ 2,256
BEGINNING FUND BALANCE	<u>751,209</u>	<u>676,950</u>	<u>674,694</u>
ENDING FUND BALANCE	<u>\$ 777,920</u>	<u>\$ 751,209</u>	<u>\$ 676,950</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>1,414</u>	<u>1,411</u>	<u>1,422</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>1,367</u>	<u>1,364</u>	<u>1,375</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 520,116	\$ 509,789	91.6 %	93.2 %	96.4 %	97.4 %	96.4 %
12,873	12,969	3.2	3.5	2.1	2.4	2.5
<u>860</u>	<u>6,055</u>	<u>5.2</u>	<u>3.3</u>	<u>1.5</u>	<u>0.2</u>	<u>1.1</u>
\$ <u>533,849</u>	\$ <u>528,813</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 41,804	\$ 40,290	8.1 %	7.6 %	8.2 %	7.8 %	7.6 %
265,000	240,000	53.6	47.5	52.3	49.6	45.4
<u>214,863</u>	<u>194,139</u>	<u>33.6</u>	<u>32.8</u>	<u>39.0</u>	<u>40.2</u>	<u>36.7</u>
\$ <u>521,667</u>	\$ <u>474,429</u>	<u>95.3 %</u>	<u>87.9 %</u>	<u>99.5 %</u>	<u>97.6 %</u>	<u>89.7 %</u>
\$ 12,182	\$ 54,384	<u>4.7 %</u>	<u>12.1 %</u>	<u>0.5 %</u>	<u>2.4 %</u>	<u>10.3 %</u>
<u>662,512</u>	<u>608,128</u>					
\$ <u>674,694</u>	\$ <u>662,512</u>					
<u>1,413</u>	<u>1,420</u>					
<u>1,366</u>	<u>1,373</u>					

See accompanying independent auditor's report.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2024

District Mailing Address - West Memorial Municipal Utility District
c/o Mitchell, Zientek & Scruggs, LLP
24624 I-45 North, Suite 200
The Woodlands, Texas 77386

District Telephone Number - (281) 719-1990

Board Members:	Term of Office (Elected or Appointed)	Fees of Office for the year ended June 30, 2024	Expense Reimbursements for the year ended June 30, 2024	Title
Kenneth Cryar	11/20 11/24 (Elected)	\$ 6,851	\$ 5,283	President
Patty Leo	06/21 11/24 (Appointed)	\$ 4,199	\$ 352	Vice President
Elena Vanderloo	11/22 11/26 (Elected)	\$ 3,757	\$ 45	Secretary
Anna Khan	11/22 11/26 (Elected)	\$ 2,652	\$ -0-	Assistant Secretary
Jerry Wells	11/22 11/26 (Elected)	\$ 2,431	\$ -0-	Director

Note: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developer or with any of the District's consultants.

Submission date of most recent District Registration Form: March 15, 2023

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution on July 1, 2001. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2024

<u>Consultants:</u>	<u>Date Hired</u>	<u>Fees for the year ended June 30, 2024 District</u>	<u>Fees for the year ended June 30, 2024 Plant</u>	<u>Title</u>
Mitchell, Zientek & Scruggs, LLP	06/22/20	\$ 80,150	\$ 8,135	General Counsel
McCall Gibson Swedlund Barfoot PLLC	04/27/92	\$ 18,250 \$ 750	\$ 8,500 \$ -0-	Auditor Other Services
District Data Services, Inc.	06/01/20	\$ 19,136	\$ 9,847	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, LLP	04/22/96	\$ 5,318	\$ -0-	Delinquent Tax Attorney
Lori Crawford		\$ 57,462	\$ 8,200	Former District Paralegal/ Records Manager
AEI Engineering, Inc.	07/02/85	\$ 104,155	\$ 87,873	Engineer
Robert W. Baird & Co.	02/23/15	\$ -0-	\$ -0-	Financial Advisor
Inframark, LLC	01/02/82	\$ 927,648	\$1,024,095	Operator
Tax Tech Inc.	04/03/89	\$ 28,454	\$ -0-	Tax Assessor/ Collector

See accompanying independent auditor's report.

