

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**

**FORT BEND COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**AUGUST 31, 2024**

**McCALL GIBSON SWEDLUND BARFOOT PLLC**  
Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Fort Bend County Municipal Utility District No. 37  
Fort Bend County, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and major fund of Fort Bend County Municipal Utility District No. 37 (the "District") as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of August 31, 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 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General 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  
Fort Bend County Municipal Utility District No. 37

### **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

November 20, 2024

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2024**

Management’s discussion and analysis of the financial performance of Fort Bend County Municipal Utility District No. 37 (the “District”) provides an overview of the District’s financial activities for the fiscal year ended August 31, 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 Fund Balance Sheet and (2) the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. 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.

The Statement of Net Position includes all the District’s assets and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. 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 one governmental fund type. The General Fund accounts for property tax revenues, customer service revenues, operating costs and general expenditures.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 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 Fund Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities explain the differences between the two presentations and assist 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. A budgetary comparison schedule is included as RSI for the General 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 exceeded liabilities by \$6,751,466 as of August 31, 2024. A portion of the District's net position reflects its investment in capital assets which include land and the water and wastewater facilities.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

The following summary of changes in the Statement of Net Position is presented as of August 31, 2024, and August 31, 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	\$ 3,576,633	\$ 3,607,205	\$ (30,572)
Capital Assets (Net of Accumulated Depreciation)	<u>3,378,856</u>	<u>3,315,436</u>	<u>63,420</u>
Total Assets	<u>\$ 6,955,489</u>	<u>\$ 6,922,641</u>	<u>\$ 32,848</u>
Total Liabilities	<u>\$ 204,023</u>	<u>\$ 514,010</u>	<u>\$ 309,987</u>
Net Position:			
Investment in Capital Assets	\$ 3,378,856	\$ 3,080,293	\$ 298,563
Unrestricted	<u>3,372,610</u>	<u>3,328,338</u>	<u>44,272</u>
Total Net Position	<u>\$ 6,751,466</u>	<u>\$ 6,408,631</u>	<u>\$ 342,835</u>

The following table provides a comparative analysis of the District's operations for the years ending August 31, 2024, and August 31, 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	\$ 1,041,140	\$ 982,437	\$ 58,703
Charges for Services	1,276,516	1,437,171	(160,655)
Other Revenues	<u>167,290</u>	<u>136,293</u>	<u>30,997</u>
Total Revenues	<u>\$ 2,484,946</u>	<u>\$ 2,555,901</u>	<u>\$ (70,955)</u>
Expenses for Services	<u>2,142,111</u>	<u>2,366,135</u>	<u>224,024</u>
Change in Net Position	\$ 342,835	\$ 189,766	\$ 153,069
Net Position, Beginning of Year	<u>6,408,631</u>	<u>6,218,865</u>	<u>189,766</u>
Net Position, End of Year	<u>\$ 6,751,466</u>	<u>\$ 6,408,631</u>	<u>\$ 342,835</u>



**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2024**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND**

The District's General Fund fund balance as of August 31, 2024, was \$3,338,375, an increase of \$35,584 from the prior year, primarily due to property tax revenues and service revenues exceeding capital outlay and operating expenditures.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors adopted a General Fund budget for the current fiscal year. Actual revenues were \$466,646 more than budgeted revenues and actual expenditures were \$508,143 less than budgeted expenditures which resulted in a positive variance of \$974,789. The District reserves a portion of its property tax levy for future use and is not reflected in the budget column on page 23. See the budget to actual comparison for more information.

**CAPITAL ASSETS**

Capital assets as of August 31, 2024, total \$3,378,856 (net of accumulated depreciation) and include land, water facilities and wastewater treatment facilities.

Capital Assets At Year-End			
	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 265,967	\$ 265,967	\$
Capital Assets Subject to Depreciation:			
Water System	2,791,532	2,597,664	193,868
Wastewater System	2,865,303	2,856,499	8,804
Less Accumulated Depreciation	(2,543,946)	(2,404,694)	(139,252)
Total Net Capital Assets	\$ 3,378,856	\$ 3,315,436	\$ 63,420

**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 Fort Bend County Municipal Utility District No. 37, c/o Johnson Petrov LLP, 2929 Allen Parkway, Suite 3150, Houston, TX 77019.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUND BALANCE SHEET**  
**AUGUST 31, 2024**

	General Fund	Adjustments	Statement of Net Position
<b>ASSETS</b>			
Cash	\$ 129,381	\$	\$ 129,381
Investments	3,038,308		3,038,308
Receivables:			
Property Taxes	26,760		26,760
Penalty and Interest on Delinquent Taxes		7,475	7,475
Service Accounts	100,381		100,381
Accrued Interest	866		866
Quadvest and FBC MUD No. 185	251,964		251,964
Prepaid Costs	21,498		21,498
Land		265,967	265,967
Capital Assets (Net of Accumulated Depreciation)		3,112,889	3,112,889
<b>TOTAL ASSETS</b>	<b>\$ 3,569,158</b>	<b>\$ 3,386,331</b>	<b>\$ 6,955,489</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 165,088	\$	\$ 165,088
Security Deposits	38,935		38,935
<b>TOTAL LIABILITIES</b>	<b>\$ 204,023</b>	<b>\$ -0-</b>	<b>\$ 204,023</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	\$ 26,760	\$ (26,760)	\$ -0-
<b>FUND BALANCE</b>			
Nonspendable:			
Prepaid Costs	\$ 21,498	\$ (21,498)	\$
Unassigned	3,316,877	(3,316,877)	
<b>TOTAL FUND BALANCE</b>	<b>\$ 3,338,375</b>	<b>\$ (3,338,375)</b>	<b>\$ -0-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
	<b>\$ 3,569,158</b>		
<b>NET POSITION</b>			
Investment in Capital Assets		\$ 3,378,856	\$ 3,378,856
Unrestricted		3,372,610	3,372,610
<b>TOTAL NET POSITION</b>		<b>\$ 6,751,466</b>	<b>\$ 6,751,466</b>

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

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**AUGUST 31, 2024**

Total Fund Balance - Governmental Fund \$ 3,338,375

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 3,378,856

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. 34,235

Total Net Position - Governmental Activities \$ 6,751,466

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

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED AUGUST 31, 2024**

	General Fund	Adjustments	Statement of Activities
<b>REVENUES</b>			
Property Taxes	\$ 1,034,992	\$ 6,148	\$ 1,041,140
Water Service	184,284		184,284
Wastewater Service	102,236		102,236
Bulk Water and Wastewater Revenue	453,662		453,662
Water Authority Fees	392,903		392,903
Penalty and Interest	11,770	2,540	14,310
Connection and Inspection Fees	1,973		1,973
Fire and EMS Revenues	127,148		127,148
Investment and Miscellaneous Revenues	167,290		167,290
<b>TOTAL REVENUES</b>	<b>\$ 2,476,258</b>	<b>\$ 8,688</b>	<b>\$ 2,484,946</b>
<b>EXPENDITURES/EXPENSES</b>			
Service Operations:			
Professional Fees	\$ 300,147	\$	\$ 300,147
Contracted Services	277,086		277,086
Fire and EMS Services	123,792		123,792
Utilities	92,582		92,582
Water Authority Assessments	560,395		560,395
Repairs and Maintenance	349,034		349,034
Depreciation		139,252	139,252
Other	264,064		264,064
Capital Outlay and Developer Interest	473,574	(437,815)	35,759
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ 2,440,674</b>	<b>\$ (298,563)</b>	<b>\$ 2,142,111</b>
<b>NET CHANGE IN FUND BALANCE</b>	\$ 35,584	\$ (35,584)	\$
<b>CHANGE IN NET POSITION</b>		342,835	342,835
<b>FUND BALANCE/NET POSITION - SEPTEMBER 1, 2023</b>	3,302,791	3,105,840	6,408,631
<b>FUND BALANCE/NET POSITION - AUGUST 31, 2024</b>	<b>\$ 3,338,375</b>	<b>\$ 3,413,091</b>	<b>\$ 6,751,466</b>

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

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2024**

Net Change in Fund Balance - Governmental Fund	\$	35,584
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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.		6,148
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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.		2,540
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Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(139,252)
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Governmental funds report capital expenditures 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.		437,815
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Change in Net Position - Governmental Activities	\$	<u>342,835</u>
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The accompanying notes to the financial statements are an integral part of this report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2024**

**NOTE 1. CREATION OF DISTRICT**

The District was created by an order of the Texas Water Commission, presently known as the Texas Commission on Environmental Quality (the “Commission”), effective February 24, 1981, in accordance with the Texas Water Code, Chapter 54. The Board of Directors held its first meeting on March 3, 1981. The District is empowered, among other things, to purchase, to construct, to operate, and to maintain all works, improvements and facilities necessary for the supply of water, for the collection and processing of wastewater, and for the control and diversion of storm water.

**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 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.

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”). 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.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2024**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

- 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's 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.

Fund Financial Statements

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

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2024**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Governmental Fund

The District has one governmental fund and considers it to be a major fund.

General Fund - To account for property tax revenues, customer service revenues, operating costs and general expenditures.

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 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.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, 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.



**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2024**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets (Continued)

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. Estimated useful lives are as follows:

Water and Wastewater Facilities	Years 10-45
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Budgeting

An annual budget is adopted for the General Fund by the District’s Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the budgeted amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

A pension plan has not been established. The District does not have employees, except that the Internal Revenue Service has determined that directors are considered “employees” for federal payroll tax 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.

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.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2024**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus (Continued)

Governmental fund balances 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. The District does not have any restricted fund balances.

*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.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2024**

**NOTE 3. 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 \$359,381 and the bank balance was \$510,338. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Fund Balance Sheet and the Statement of Net Position at August 31, 2024, as listed below:

	Cash	Certificate of Deposit	Total
GENERAL FUND	\$ 129,381	\$ 230,000	\$ 359,381

Investments

Under Texas law, 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.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2024**

**NOTE 3. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

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 has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District’s investment policy may be more restrictive than the Public Funds Investment Act.

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 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.

Certificates of deposit are recorded at acquisition cost.

As of August 31, 2024, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
TexPool	\$ 2,808,308	\$ 2,808,308
Certificates of Deposit	230,000	230,000
<b>TOTAL INVESTMENTS</b>	<b>\$ 3,038,308</b>	<b>\$ 3,038,308</b>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. As of August 31, 2024, the District’s investment in TexPool was rated AAAM by Standard and Poor’s. The District also manages credit risk by investing in certificates of deposit with balances below FDIC coverage.

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 due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value. The District also manages interest rate risk by investing in certificates of deposit with maturities of less than one year.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2024**

**NOTE 4. CAPITAL ASSETS**

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

	September 1, 2023	Increases	Decreases	August 31, 2024
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 265,967	\$ - 0 -	\$ - 0 -	\$ 265,967
<b>Capital Assets Subject to Depreciation</b>				
Water System	\$ 2,597,664	\$ 193,868	\$	\$ 2,791,532
Wastewater System	2,856,500	8,803		2,865,303
<b>Total Capital Assets Subject to Depreciation</b>	\$ 5,454,164	\$ 202,671	\$ - 0 -	\$ 5,656,835
<b>Accumulated Depreciation</b>				
Water System	\$ 1,304,051	\$ 72,030	\$	\$ 1,376,081
Wastewater System	1,100,643	67,222		1,167,865
<b>Total Accumulated Depreciation</b>	\$ 2,404,694	\$ 139,252	\$ - 0 -	\$ 2,543,946
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	\$ 3,049,470	\$ 63,419	\$ - 0 -	\$ 3,112,889
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	\$ 3,315,437	\$ 63,419	\$ - 0 -	\$ 3,378,856

**NOTE 5. MAINTENANCE TAX**

On April 4, 1981, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$0.75 per \$100 of assessed valuation of taxable property within the District. The maintenance tax may be used to pay expenditures of operating the District’s waterworks and wastewater systems and any other lawful purpose. During the year ended August 31, 2024, the District levied an ad valorem maintenance tax rate of \$0.450537 per \$100 valuation, which resulted in a tax levy of \$1,050,956 on the adjusted taxable valuation of \$233,267,514 for the 2023 tax year.

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 levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2024**

**NOTE 6. EMERGENCY WATER SUPPLY CONTRACTS**

Pin Oak Village, Inc. entered into an Emergency Water Supply Contract with the City of Katy, Texas, (“City”) dated November 12, 1981. Pursuant to the terms of that Contract, the interest of Pin Oak Village, Inc. was assigned to the District. The City agreed to pay \$1.50 per 1,000 gallons of water furnished by the District. If the City provides water to the District, it will be billed at 150% of the rate charged to single-family residential users. The Contract expires on December 31, 2027.

Effective August 20, 1997, the District entered into a restated Emergency Water Supply Contract with Harris-Fort Bend Counties Municipal Utility District No. 1 and Harris-Fort Bend Counties Municipal Utility District No. 5, for a 40-year term. The agreement is in the process of being amended.

**NOTE 7. 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 8. WATER AND WASTEWATER AGREEMENTS**

On May 19, 1999, the District entered into a contract with Michael Walton (an out-of-District developer) to provide a source of potable water and the treatment of domestic effluent. Each party will construct or improve their required facilities and the District will provide water and collect sanitary sewer at the District's boundary. This agreement was amended on April 20, 2005. The District will process the sanitary sewer and bill Michael Walton for his pro rata share of operating and maintenance of the water and wastewater treatment expenses. The term of this agreement is 40 years.

On March 19, 2014, the District entered into a contract with Fort Bend County Municipal Utility District No. 185 (“District No. 185”) and Pulte Homes of Texas, L.P. (“Pulte”), an out-of-District developer, to provide a source of potable water and the treatment of domestic effluent. Each party will construct or improve their required facilities and the District will provide water and collect sanitary sewer at the District's boundary. The District will process the sanitary sewer and bill District No. 185 for its pro rata share of operating and maintenance of the water and wastewater treatment expenses. The term of this agreement is 40 years.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2024**

**NOTE 9. NORTH FORT BEND WATER AUTHORITY**

The District is located within the boundaries of the North Fort Bend Water Authority (the “Authority”). The Authority was created by an Act of the Texas Legislature. The Act empowers the Authority for purposes including 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 is overseeing its participants comply with subsidence district pumpage requirements. The Authority charges a fee, based on the amount of water pumped from a well, to the owners of wells located within the boundaries of the Authority, unless exempted. The current rates charged by the Authority are \$4.55 per 1,000 gallons of water pumped from each well. The District recorded expenditures of \$560,395 for fees assessed during the current fiscal year.

**NOTE 10. BOND AUTHORIZATION**

At an election held April 4, 1981, the voters of the District authorized the issuance of bonds up to \$10,000,000 for the purposes of acquiring or construction water, sewer and drainage facilities, of which \$4,200,000 remain authorized but unissued. At an election held October 7, 1989, the voters of the District authorized the issuance of bonds up to \$15,000,000 for the purposes of refunding previously issued bonds, of which \$3,160,000 remain authorized but unissued.

**NOTE 11. EMERGENCY SERVICES AGREEMENT WITH THE CITY OF KATY**

On January 11, 2021, the District entered into an agreement with the City of Katy (the “City”) whereby the City will provide fire protection and emergency medical and ambulance services to the Pin Oak Village subdivision. The monthly charges (currently \$10,316) will be adjusted annually beginning on January 1<sup>st</sup>. The agreement has a term of 20 years.

**NOTE 12. DEVELOPER REIMBURSEMENT**

During the prior fiscal year, the District reimbursed Allen C. Perez and Andrea L. Perez (“Developer”) a total of \$270,904, using surplus operating funds. The reimbursement was related to the following projects: construction of 10” sanitary sewer lines, construction of 8” and 12” water lines, and sanitary sewer easement. As of year end, the District has reimbursed the Developer in full.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**

**REQUIRED SUPPLEMENTARY INFORMATION**

**AUGUST 31, 2024**



**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2024**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 775,000	\$ 1,034,992	\$ 259,992
Water Service	140,000	184,284	44,284
Wastewater Service	35,400	102,236	66,836
Bulk Water and Wastewater Revenue	418,000	453,662	35,662
Water Authority Fees	392,000	392,903	903
Penalty and Interest	4,800	11,770	6,970
Fire and EMS Collections	123,792	127,148	3,356
Connection and Inspection Fees	1,620	1,973	353
Investment and Miscellaneous Revenues	119,000	167,290	48,290
<b>TOTAL REVENUES</b>	<u>\$ 2,009,612</u>	<u>\$ 2,476,258</u>	<u>\$ 466,646</u>
<b>EXPENDITURES</b>			
Service Operations:			
Professional Fees	\$ 181,200	\$ 300,147	\$ (118,947)
Contracted Services	281,220	277,086	4,134
Fire and EMS Services	123,792	123,792	
Utilities	91,000	92,582	(1,582)
Water Authority Assessments	617,000	560,395	56,605
Repairs and Maintenance	491,250	349,034	142,216
Other	231,280	264,064	(32,784)
Capital Outlay and Developer Interest	932,075	473,574	458,501
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,948,817</u>	<u>\$ 2,440,674</u>	<u>\$ 508,143</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ (939,205)	\$ 35,584	\$ 974,789
<b>FUND BALANCE - SEPTEMBER 1, 2023</b>	<u>3,302,791</u>	<u>3,302,791</u>	<u>                    </u>
<b>FUND BALANCE - AUGUST 31, 2024</b>	<u>\$ 2,363,586</u>	<u>\$ 3,338,375</u>	<u>\$ 974,789</u>

Note: Budgeted property tax revenues do not include a portion of the tax levy which the Board sets aside as reserved for future District operations.

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**

**SUPPLEMENTARY INFORMATION – REQUIRED BY THE  
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**

**AUGUST 31, 2024**



**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED AUGUST 31, 2024**

**2. RETAIL SERVICE PROVIDERS (Continued)**

**b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)**

<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>308</u>	<u>308</u>	x 1.0	<u>308</u>
1"	<u>255</u>	<u>254</u>	x 2.5	<u>635</u>
1½"	<u>3</u>	<u>3</u>	x 5.0	<u>15</u>
2"	<u>4</u>	<u>4</u>	x 8.0	<u>32</u>
3"	<u>1</u>	<u>1</u>	x 15.0	<u>15</u>
4"	<u>1</u>	<u>1</u>	x 25.0	<u>25</u>
6"	<u>4</u>	<u>4</u>	x 50.0	<u>200</u>
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u><u>576</u></u>	<u><u>575</u></u>		<u><u>1,230</u></u>
Total Wastewater Connections	<u><u>554</u></u>	<u><u>553</u></u>	x 1.0	<u><u>553</u></u>

**3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)**

Gallons pumped into system:	99,168,000	Water Accountability Ratio 92.58% (Gallons billed and sold/Gallons pumped and purchased)
Gallons billed to customers:	75,904,000	
Total gallons sold:	39,066,000	To: Westside Water, LLC (Quadvest)
	8,307,000	To: Fort Bend County Municipal Utility District No. 185
	1,000	To: Harris Fort Bend County Municipal Utility District No. 1
Total gallons purchased:	33,994,000	From: City of Katy

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED AUGUST 31, 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:

Fort Bend 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:

Houston, Texas.

Are Board Members appointed by an office outside the District?

Yes  No

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**GENERAL FUND EXPENDITURES**  
**FOR THE YEAR ENDED AUGUST 31, 2024**

PROFESSIONAL FEES:	
Auditing and Developer Reimbursement	\$ 22,000
Engineering	145,038
Legal	133,109
TOTAL PROFESSIONAL FEES	<u>\$ 300,147</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 19,768
Operations and Billing	52,269
Solid Waste Disposal	181,999
Tax Assessment and Collection Costs	23,050
TOTAL CONTRACTED SERVICES	<u>\$ 277,086</u>
UTILITIES	<u>\$ 92,582</u>
REPAIRS AND MAINTENANCE	<u>\$ 349,034</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 23,262
Election Costs	3,200
Insurance	15,544
Office Supplies and Postage	20,496
Travel and Meetings	5,465
Bad Debts and Other	4,624
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 72,591</u>
TOTAL CAPITAL OUTLAY AND DEVELOPER INTEREST	<u>\$ 473,574</u>
FIRE AND EMS SERVICES	<u>\$ 123,792</u>
OTHER EXPENDITURES:	
Bulk Water Purchases	\$ 93,123
Chemicals	32,179
Laboratory Fees	29,798
Water Authority Assessments	560,395
Regulatory Assessment	1,463
Sludge Hauling	34,910
TOTAL OTHER EXPENDITURES	<u>\$ 751,868</u>
TOTAL EXPENDITURES	<u>\$ 2,440,674</u>

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**INVESTMENTS**  
**AUGUST 31, 2024**

<u>Fund</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
TexPool	XXXX0002	Varies	Daily	\$ 2,808,308	\$
Certificate of Deposit	XXXX5826	5.50%	08/06/25	<u>230,000</u>	<u>866</u>
TOTAL GENERAL FUND				<u>\$ 3,038,308</u>	<u>\$ 866</u>

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED AUGUST 31, 2024**

	Maintenance Taxes	
TAXES RECEIVABLE -		
SEPTEMBER 1, 2023	\$ 20,612	
Adjustments to Beginning		
Balance	(9,816)	\$ 10,796
Original 2023 Tax Levy	\$ 1,015,758	
Adjustment to 2023 Tax Levy	35,198	1,050,956
TOTAL TO BE		
ACCOUNTED FOR		\$ 1,061,752
 TAX COLLECTIONS:		
Prior Years	\$ (6,855)	
Current Year	1,041,847	1,034,992
 TAXES RECEIVABLE -		
AUGUST 31, 2024		\$ 26,760
 TAXES RECEIVABLE BY		
YEAR:		
2023		\$ 9,109
2022		7,604
2021		3,217
2020		2,170
2019		2,014
2018		1,426
2017		246
2016		974
TOTAL		\$ 26,760

See accompanying independent auditor's report.



**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED AUGUST 31, 2024**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
PROPERTY VALUATIONS:				
Land	\$ 35,777,264	\$ 32,717,360	\$ 28,382,710	\$ 26,426,900
Improvements, Net of Exemptions	184,346,481	161,276,967	140,619,701	136,382,574
Personal Property	<u>13,143,769</u>	<u>11,303,520</u>	<u>41,080,190</u>	<u>40,304,640</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 233,267,514</u>	<u>\$ 205,297,847</u>	<u>\$ 210,082,601</u>	<u>\$ 203,114,114</u>
MAINTENANCE TAX RATE PER \$100 VALUATION				
	<u>\$ 0.450537</u>	<u>\$ 0.4805</u>	<u>\$ 0.5098</u>	<u>\$ 0.49</u>
ADJUSTED TAX LEVY*				
	<u>\$ 1,050,956</u>	<u>\$ 986,457</u>	<u>\$ 1,071,485</u>	<u>\$ 995,536</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED				
	<u>99.13 %</u>	<u>99.23 %</u>	<u>99.70 %</u>	<u>99.78 %</u>

\* Based upon adjusted tax at time of audit for the period in which the tax was levied.

Maintenance Tax – Maximum tax rate of \$0.75 per \$100 of assessed valuation approved by voters on April 4, 1981.

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND - FIVE YEARS**

	Amounts		
	2024	2023	2022
<b>REVENUES</b>			
Property Taxes	\$ 1,034,992	\$ 981,318	\$ 1,130,556
Water Service	184,284	135,634	99,071
Wastewater Service	102,236	56,399	27,374
Grant Revenues		250,000	
Bulk Water and Wastewater Revenue	453,662	436,926	420,869
Water Authority Fees	392,903	405,409	423,309
Penalty and Interest	11,770	14,963	43,170
Connection and Inspection Fees	1,973	13,554	98,965
Fire and EMS Revenues	127,148	137,901	123,371
Investment and Miscellaneous Revenues	167,290	122,739	30,388
<b>TOTAL REVENUES</b>	<b>\$ 2,476,258</b>	<b>\$ 2,554,843</b>	<b>\$ 2,397,073</b>
<b>EXPENDITURES</b>			
Professional Fees	\$ 300,147	\$ 347,761	\$ 258,522
Contracted Services	277,086	263,265	252,763
Fire and EMS Services	123,792	123,792	123,792
Utilities	92,582	93,073	77,368
Water Authority Assessments	560,395	735,466	668,863
Repairs and Maintenance	349,034	452,981	458,260
Other	264,064	194,858	153,467
Capital Outlay and Developer Interest	473,574	895,718	220,800
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,440,674</b>	<b>\$ 3,106,914</b>	<b>\$ 2,213,835</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 35,584</b>	<b>\$ (552,071)</b>	<b>\$ 183,238</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Capital Contributions	\$ -0-	\$ -0-	\$ 196,732
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 35,584</b>	<b>\$ (552,071)</b>	<b>\$ 379,970</b>
<b>BEGINNING FUND BALANCE</b>	<b>3,302,791</b>	<b>3,854,862</b>	<b>3,474,892</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 3,338,375</b>	<b>\$ 3,302,791</b>	<b>\$ 3,854,862</b>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	<b>575</b>	<b>576</b>	<b>576</b>
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	<b>553</b>	<b>571</b>	<b>554</b>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 918,132	\$ 869,957	41.8 %	38.4 %	47.2 %	49.8 %	49.2 %
91,371	100,000	7.4	5.3	4.1	5.0	5.6
33,685	31,908	4.1	2.2	1.1	1.8	1.8
			9.8			
325,683	332,627	18.3	17.1	17.6	17.7	18.8
338,952	342,083	15.9	15.9	17.7	18.4	19.3
12,749	12,006	0.5	0.6	1.8	0.7	0.7
2,060	2,071	0.1	0.5	4.1	0.1	0.1
91,468	12,771	5.1	5.4	5.1	5.0	0.7
28,469	66,979	6.8	4.8	1.3	1.5	3.8
<u>\$ 1,842,569</u>	<u>\$ 1,770,402</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 181,289	\$ 85,427	12.1 %	13.6 %	10.8 %	9.8 %	4.8 %
244,803	258,887	11.2	10.3	10.5	13.3	14.6
110,528	87,560	5.0	4.8	5.2	6.0	4.9
81,638	80,949	3.7	3.6	3.2	4.4	4.6
480,171	560,184	22.6	28.8	27.9	26.1	31.6
356,893	393,755	14.1	17.7	19.1	19.4	22.2
165,790	259,792	10.7	7.6	6.4	9.0	14.7
196,752	247,459	19.1	35.1	9.2	10.7	14.0
<u>\$ 1,817,864</u>	<u>\$ 1,974,013</u>	<u>98.5 %</u>	<u>121.5 %</u>	<u>92.3 %</u>	<u>98.7 %</u>	<u>111.4 %</u>
<u>\$ 24,705</u>	<u>\$ (203,611)</u>	<u>1.5 %</u>	<u>(21.5) %</u>	<u>7.7 %</u>	<u>1.3 %</u>	<u>(11.4) %</u>
<u>\$ -0-</u>	<u>\$ -0-</u>					
\$ 24,705	\$ (203,611)					
3,450,187	3,653,798					
<u>\$ 3,474,892</u>	<u>\$ 3,450,187</u>					
<u>573</u>	<u>573</u>					
<u>552</u>	<u>552</u>					

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**AUGUST 31, 2024**

District Mailing Address - Fort Bend County Municipal Utility District No. 37  
c/o Johnson Petrov LLP  
2929 Allen Parkway, Suite 3150  
Houston, TX 77019

District Telephone Number - (713) 489-8977

<b>Board Members</b>	<u>Term of Office (Elected or Appointed)</u>	<u>Fees of Office for the year ended August 31, 2024</u>	<u>Expense Reimbursements for the year ended August 31, 2024</u>	<u>Title</u>
Gregory Murray	05/2024 - 05/2028 (Elected)	\$ 3,978	\$ -0-	President
Stephen Berckenhoff	05/2022 - 05/2026 (Elected)	\$ 4,641	\$ 1,593	Vice President
Jeffrey L. Gilliland	05/2022 - 05/2026 (Elected)	\$ 5,746	\$ 2,623	Secretary
Larry W. Davis	05/2024 - 05/2028 (Elected)	\$ 3,757	\$ -0-	Assistant Secretary
Kenneth L. Comeaux	05/2022 - 05/2026 (Elected)	\$ 3,536	\$ -0-	Treasurer

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: May 20, 2024

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution on August 26, 2003. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**AUGUST 31, 2024**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees for the year ended August 31, 2024</u>	<u>Title</u>
Johnson Petrov LLP	07/02/14	\$ 144,328	General Counsel
JNS Engineers	02/25/21	\$ 227,951	Engineer
McCall Gibson Swedlund Barfoot PLLC	09/16/14	\$ 15,000 \$ 7,000	Auditor AUP Related
Myrtle Cruz, Inc.	08/11/81	\$ 24,078	Bookkeeper
Mary Jarmon		\$ -0-	Investment Officer
Inframark, LLC	02/17/82	\$ 530,331	Operator
Equi-Tax, Inc.	01/01/82	\$ 12,217	Tax Assessor/ Collector

See accompanying independent auditor's report.

