

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT

TRINITY COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JUNE 30, 2025

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McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Westwood Shores Municipal Utility District
Trinity County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Westwood Shores Municipal Utility District (the "District") as of and for the year ended June 30, 2025, 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, 2025, 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
Westwood Shores 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.

McCall Gibson Swedlund Barfoot Ellis PLLC

McCall Gibson Swedlund Barfoot Ellis PLLC
Certified Public Accountants
Houston, Texas

October 20, 2025

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2025

Management's discussion and analysis of Westwood Shores Municipal Utility District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2025. 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.

The Statement of Net Position includes the District's assets, liabilities, and, if applicable, deferred inflows and 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 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 three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, operating costs and general expenditures. 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.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

FUND FINANCIAL STATEMENTS (Continued)

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 explains 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. The 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 \$5,549,935 as of June 30, 2025. A portion of the District's net position reflects its net investment in capital assets (water and wastewater facilities as well as vehicles and equipment less any debt used to acquire those assets that is still outstanding).

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

A comparative analysis of government-wide changes in net position is presented below:

	Summary of Changes in the Statement of Net Position		
	2025	2024	Change Positive (Negative)
Current and Other Assets	\$ 5,472,139	\$ 4,291,431	\$ 1,180,708
Capital Assets	<u>4,851,857</u>	<u>5,076,936</u>	<u>(225,079)</u>
Total Assets	<u>\$ 10,323,996</u>	<u>\$ 9,368,367</u>	<u>\$ 955,629</u>
Long-Term Debt Payable	\$ 4,425,000	\$ 4,080,000	\$ (345,000)
Other Liabilities	<u>349,061</u>	<u>1,044,758</u>	<u>695,697</u>
Total Liabilities	<u>\$ 4,774,061</u>	<u>\$ 5,124,758</u>	<u>\$ 350,697</u>
Net Position:			
Net Investment in Capital Assets	\$ 3,527,537	\$ 2,595,644	\$ 931,893
Restricted	773,757	776,629	(2,872)
Unrestricted	<u>1,248,641</u>	<u>871,336</u>	<u>377,305</u>
Total Net Position	<u><u>\$ 5,549,935</u></u>	<u><u>\$ 4,243,609</u></u>	<u><u>\$ 1,306,326</u></u>

The following table provides a summary of the District's operations for the years ending June 30, 2025, and June 30, 2024.

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 1,051,864	\$ 986,819	\$ 65,045
Charges for Services	2,022,534	2,114,616	(92,082)
Other Revenues	<u>1,221,233</u>	<u>222,283</u>	<u>998,950</u>
Total Revenues	<u>\$ 4,295,631</u>	<u>\$ 3,323,718</u>	<u>\$ 971,913</u>
Expenses for Services	<u>2,989,305</u>	<u>3,029,704</u>	<u>40,399</u>
Change in Net Position	\$ 1,306,326	\$ 294,014	\$ 1,012,312
Net Position, Beginning of Year	<u>4,243,609</u>	<u>3,949,595</u>	<u>294,014</u>
Net Position, End of Year	<u><u>\$ 5,549,935</u></u>	<u><u>\$ 4,243,609</u></u>	<u><u>\$ 1,306,326</u></u>

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2025

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of June 30, 2025, were \$4,139,944, an increase of \$1,831,614 from the prior year.

The General Fund fund balance increased by \$353,771, primarily due to property tax and service revenue exceeding operating and capital costs.

The Debt Service Fund fund balance decreased by \$24,129, primarily due to the structure of the District's debt service requirements.

The Capital Projects Fund fund balance increased by \$1,501,972, primarily due to proceeds of bonds issued in the current year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues were \$304,969 higher than budgeted revenues, actual expenditures were higher than budgeted expenditures by \$313,264, which resulted in a positive budget variance of \$18,603. See the budget to actual comparison for analysis of variances.

CAPITAL ASSETS

Capital assets as of June 30, 2025, total \$4,851,857 (net of accumulated depreciation) and include land, buildings, vehicles and equipment as well as the water and wastewater systems.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 21,571	\$ 21,571	\$ -
Construction in Progress	834,687	793,687	41,000
Capital Assets, Net of Accumulated Depreciation:			
Roads	3,082	3,669	(587)
Furniture and Equipment	6,531	9,385	(2,854)
Vehicles and Equipment	56,439	84,392	(27,953)
Buildings and Improvements	172,880	181,378	(8,498)
Water System	2,227,535	2,357,437	(129,902)
Wastewater System	1,529,132	1,625,417	(96,285)
Total Net Capital Assets	<u>\$ 4,851,857</u>	<u>\$ 5,076,936</u>	<u>\$ (225,079)</u>

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

LONG-TERM DEBT ACTIVITY

As of June 30, 2025, the District had total bond debt payable of \$4,425,000. The changes in the debt position of the District during the fiscal year ended June 30, 2025, are summarized as follows:

Bond Debt Payable, July 1, 2024	\$ 4,080,000
Add: Bond Sale - Series 2024	775,000
Less: Bond Principal Paid	<u>430,000</u>
Bond Debt Payable, June 30, 2025	<u>\$ 4,425,000</u>

The District's bonds do not carry an insured rating and the District does not have an underlying rating.

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 Westwood Shores Municipal Utility District, 75 Cottonwood, Trinity, Texas 75862.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2025

	<u>General Fund</u>	<u>Debt Service Fund</u>
ASSETS		
Cash	\$ 214,740	\$ 8,649
Investments	700,663	213,500
Receivables:		
Property Taxes	456,189	540,031
Service Accounts (Net Allowance for Doubtful Accounts of \$0)	158,179	-
Other	17,400	-
Due from Other Funds	59,564	24,663
Land	-	-
Construction in Progress	-	-
Capital Assets (Net of Accumulated Depreciation)	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 1,606,735</u></u>	<u><u>\$ 786,843</u></u>

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 9,958	\$ 233,347	\$ -	\$ 233,347
3,152,830	4,066,993	-	4,066,993
-	996,220	-	996,220
-	158,179	-	158,179
-	17,400	-	17,400
-	84,227	(84,227)	-
-	-	21,571	21,571
-	-	834,687	834,687
-	-	3,995,599	3,995,599
<u>\$ 3,162,788</u>	<u>\$ 5,556,366</u>	<u>\$ 4,767,630</u>	<u>\$ 10,323,996</u>

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

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2025

	<u>General Fund</u>	<u>Debt Service Fund</u>
LIABILITIES		
Accounts Payable	\$ 183,997	\$ -
Accrued Interest Payable	-	-
Due to Other Funds	24,663	-
Security Deposits	149,434	-
Long-Term Liabilities:		
Bonds Payable, Due Within One Year	-	-
Bonds Payable, Due After One Year	-	-
TOTAL LIABILITIES	<u>\$ 358,094</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	<u>\$ 456,189</u>	<u>\$ 540,031</u>
FUND BALANCES		
Restricted for Authorized Construction	\$ -	\$ -
Restricted for Debt Service	-	246,812
Unassigned	<u>792,452</u>	<u>-</u>
TOTAL FUND BALANCES	<u>\$ 792,452</u>	<u>\$ 246,812</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 1,606,735</u></u>	<u><u>\$ 786,843</u></u>
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.

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 2,544	\$ 186,541	\$ -	\$ 186,541
-	-	13,086	13,086
59,564	84,227	(84,227)	-
-	149,434	-	149,434
-	-	440,000	440,000
-	-	3,985,000	3,985,000
<u>\$ 62,108</u>	<u>\$ 420,202</u>	<u>\$ 4,353,859</u>	<u>\$ 4,774,061</u>
<u>\$ -</u>	<u>\$ 996,220</u>	<u>\$ (996,220)</u>	<u>\$ -</u>
\$ 3,100,680	\$ 3,100,680	\$ (3,100,680)	\$ -
-	246,812	(246,812)	-
-	792,452	(792,452)	-
<u>\$ 3,100,680</u>	<u>\$ 4,139,944</u>	<u>\$ (4,139,944)</u>	<u>\$ -</u>
<u>\$ 3,162,788</u>	<u>\$ 5,556,366</u>		
		\$ 3,527,537	\$ 3,527,537
		773,757	773,757
		<u>1,248,641</u>	<u>1,248,641</u>
		<u>\$ 5,549,935</u>	<u>\$ 5,549,935</u>

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

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances - Governmental Funds	\$	4,139,944
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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.		4,851,857
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Deferred inflows of resources related to property tax revenues on delinquent taxes for the 2024 and prior tax levies became part of recognized revenue in the governmental activities of the District.		996,220
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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	\$ (13,086)	
Bonds Payable	(4,425,000)	(4,438,086)
Total Net Position - Governmental Activities	\$	5,549,935

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

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 479,882	\$ 526,575
Water Service	1,062,109	-
Wastewater Service	825,268	-
Penalty and Interest	29,118	34,656
Tap Connection and Inspection Fees	71,383	-
Investment and Miscellaneous Revenues	<u>323,909</u>	<u>14,945</u>
TOTAL REVENUES	<u>\$ 2,791,669</u>	<u>\$ 576,176</u>
EXPENDITURES/EXPENSES		
Service Operations:		
Personnel	\$ 91,424	\$ -
Professional Fees	405,670	11,839
Contracted Services	275,533	78,955
Purchased Water	200,928	-
Utilities	55,288	-
Repairs and Maintenance	928,956	-
Depreciation	-	-
Other	437,141	-
Capital Outlay	69,856	-
Debt Service:		
Bond Issuance Costs		-
Bond Principal	-	430,000
Bond Interest	<u>-</u>	<u>79,511</u>
TOTAL EXPENDITURES/EXPENSES	<u>\$ 2,464,796</u>	<u>\$ 600,305</u>
EXCESS (DEFICIENCY) OF REVENUES OVER		
EXPENDITURES/EXPENSES	<u>\$ 326,873</u>	<u>\$ (24,129)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In(Out)	\$ 26,898	\$ -
Proceeds from Issuance of Long-Term Debt	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 26,898</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCES	\$ 353,771	\$ (24,129)
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JULY 1, 2024	<u>438,681</u>	<u>270,941</u>
FUND BALANCES/NET POSITION - JUNE 30, 2025	<u><u>\$ 792,452</u></u>	<u><u>\$ 246,812</u></u>

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$ -	\$ 1,006,457	\$ 45,407	\$ 1,051,864
-	1,062,109	-	1,062,109
-	825,268	-	825,268
-	63,774	-	63,774
-	71,383	-	71,383
<u>75,747</u>	<u>414,601</u>	<u>806,632</u>	<u>1,221,233</u>
<u>\$ 75,747</u>	<u>\$ 3,443,592</u>	<u>\$ 852,039</u>	<u>\$ 4,295,631</u>
\$ -	\$ 91,424	\$ -	\$ 91,424
46,677	464,186	-	464,186
-	354,488	-	354,488
-	200,928	-	200,928
-	55,288	-	55,288
-	928,956	-	928,956
-	-	272,049	272,049
-	437,141	-	437,141
39,511	109,367	(46,970)	62,397
42,321	42,321		42,321
-	430,000	(430,000)	-
<u>-</u>	<u>79,511</u>	<u>616</u>	<u>80,127</u>
<u>\$ 128,509</u>	<u>\$ 3,193,610</u>	<u>\$ (204,305)</u>	<u>\$ 2,989,305</u>
<u>\$ (52,762)</u>	<u>\$ 249,982</u>	<u>\$ 1,056,344</u>	<u>\$ 1,306,326</u>
\$ (26,898)	\$ -	\$ -	\$ -
<u>1,581,632</u>	<u>1,581,632</u>	<u>(1,581,632)</u>	<u>-</u>
<u>\$ 1,554,734</u>	<u>\$ 1,581,632</u>	<u>\$ (1,581,632)</u>	<u>\$ -</u>
\$ 1,501,972	\$ 1,831,614	\$ (1,831,614)	\$ -
1,598,708	2,308,330	1,306,326	1,306,326
<u>1,598,708</u>	<u>2,308,330</u>	<u>1,935,279</u>	<u>4,243,609</u>
<u>\$ 3,100,680</u>	<u>\$ 4,139,944</u>	<u>\$ 1,409,991</u>	<u>\$ 5,549,935</u>

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

**WESTWOOD SHORES 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, 2025**

Net Change in Fund Balances - Governmental Funds	\$ 1,831,614
Amounts reported for governmental activities in the Statement of Activities are	
Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	45,407
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets and right-of-use assets are depreciated and depreciation expenses are recorded in the Statement of Activities.	534,583
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.	46,970
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.	430,000
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.	(616)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.	<u>(1,581,632)</u>
Change in Net Position - Governmental Activities	<u><u>\$ 1,306,326</u></u>

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

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. CREATION OF DISTRICT

Westwood Shores Municipal Utility District, located in Trinity County, Texas, (the “District”), was created by order of the Texas Water Commission, predecessor to the Texas Commission on Environmental Quality (the “Commission”) on May 23, 1972. The District operates under the provisions of Chapter 54 of the Texas Water Code, to provide water and sewer services to property owners within the boundaries of the District. The Board of Directors held its first meeting on June 15, 1972, and the first bonds were sold on May 1, 1973.

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 Texas Commission on Environmental Quality (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 set 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:

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- 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 by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

As discussed above, 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 Balances.

Governmental Funds

The District has three governmental funds and considers each to be a major fund.

General Fund - To account for resources not required to be accounted for in another fund, customer service revenues, operating costs and general expenditures.

Debt Service Fund - To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Capital Projects Fund - To account 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 revenues 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.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over one year. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	<u>Years</u>
Buildings and Improvements	5-39
Land Improvements	15
Furniture and equipment	3-40
Rolling stock	5-10
Water and wastewater lines	30
Water and wastewater systems	7-30

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original 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 original budget amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

Payments are made into the Social Security system for employees of the District. In addition, other retirement plan arrangements have been made as further described in Note 11. The Internal Revenue Service has determined that the directors are considered employees for federal payroll tax purposes only. Directors do not participate in the retirement plan.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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. The District does not have any nonspendable fund balances.

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.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

NOTE 3. LONG-TERM DEBT

	<u>Series 2010B</u>	<u>Refunding Series 2017</u>	<u>Series 2020A</u>	<u>Series 2020B</u>	<u>Series 2024</u>
Amounts Outstanding – June 30, 2025	\$675,000	\$740,000	\$1,195,000	\$1,075,000	\$740,000
Interest Rates	2.90% - 3.20%	2.39%	0.45% - 1.68%	0.50% - 1.73%	0.80% - 2.96%
Maturity Dates – Serially Beginning/Ending	May 1, 2026/2030	May 1, 2026/2030	May 1, 2026/2040	May 1, 2026/2040	May 1, 2026/2044
Interest Payment Dates	November 1/ May 1	November 1/ May 1	November 1/ May 1	November 1/ May 1	November 1/ May 1
Callable Dates	May 1, 2020*	May 1, 2021*	November 1, 2030*	November 1, 2030*	May 1, 2035*

* On any date thereafter, at a price equal to the par value plus accrued interest from the most recent interest payment date to the date fixed for redemption.

As of June 30, 2025, the District has authorized bond authority of \$6,225,000.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3. LONG-TERM DEBT (Continued)

The following is a summary of transactions regarding bonds payable for the year ended June 30, 2025:

	July 1, 2024	Additions	Retirements	June 30, 2025
Bonds Payable	\$ 4,080,000	\$ 775,000	\$ 430,000	\$ 4,425,000
			Amount Due Within One Year	\$ 440,000
			Amount Due After One Year	3,985,000
			Bonds Payable, Net	\$ 4,425,000

As of June 30, 2025, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 440,000	\$ 78,513	\$ 518,513
2027	450,000	70,209	520,209
2028	465,000	61,353	526,353
2029	470,000	52,036	522,036
2030	485,000	42,247	527,247
2031-2035	955,000	135,616	1,090,616
2036-2040	1,010,000	65,168	1,075,168
2041-2044	150,000	11,235	161,235
	\$ 4,425,000	\$ 516,377	\$ 4,941,377

All outstanding bonds are direct placement bonds.

During the year ended June 30, 2025, the District levied an ad valorem debt service tax rate of \$0.3101 per \$100 of assessed valuation, which resulted in a tax levy of \$551,004 on the adjusted taxable valuation of \$178,569,893 for the 2024 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 8 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 levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

The bond orders state that the District is required to provide continuing disclosure of certain general financial information included in an annual audit to certain information repositories. The audit, which includes audited annual financial statements, is to be provided at 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 the five-year anniversary of each issue.

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 \$233,347 and the bank balance was \$247,806. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at June 30, 2025, as listed below:

	<u>Cash</u>
GENERAL FUND	\$ 214,740
DEBT SERVICE FUND	8,649
CAPITAL PROJECTS FUND	<u>9,958</u>
TOTAL DEPOSITS	<u>\$ 233,347</u>

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

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.

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 Investors, 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.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of June 30, 2025, 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	\$ 700,663	\$ 700,663
<u>DEBT SERVICE FUND</u>		
TexPool	213,500	213,500
<u>CAPITAL PROJECTS FUND</u>		
TexPool	20,294	20,294
Money Market Mutual Funds	<u>3,132,536</u>	<u>3,132,536</u>
TOTAL INVESTMENTS	<u><u>\$ 4,066,993</u></u>	<u><u>\$ 4,066,993</u></u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2025, the District's investments in TexPool and money market mutual funds were 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 investments in TexPool and money market mutual funds to have maturities of less than one year due to the fact the share positions can be redeemed each day at the discretion of the District.

Restrictions

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.

NOTE 6. 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 from 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.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025 is as follows:

	July 1, 2024	Increases	Decreases	June 30, 2025
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 21,571	\$ -	\$ -	\$ 21,571
Construction in Progress	793,687	41,000	-	834,687
Total Capital Assets Not Being Depreciated	\$ 815,258	\$ 41,000	\$ -	\$ 856,258
Capital Assets Subject to Depreciation				
Roads	\$ 52,742	\$ -	\$ -	\$ 52,742
Furniture and Equipment	219,386	-	-	219,386
Rolling Stock	91,870	-	-	91,870
Vehicles and Equipment	192,801	-	-	192,801
Buildings and Improvements	312,988	-	-	312,988
Water System	4,982,236	-	-	4,982,236
Wastewater System	3,470,630	5,970	-	3,476,600
Distribution Lines and Connections	4,785,249	-	-	4,785,249
Total Capital Assets Subject to Depreciation	\$ 14,107,902	\$ 5,970	\$ -	\$ 14,113,872
Less Accumulated Depreciation				
Roads	\$ 49,073	\$ 587	\$ -	\$ 49,660
Furniture and Equipment	210,001	2,854	-	212,855
Rolling Stock	91,870	-	-	91,870
Vehicles and Equipment	108,409	27,953	-	136,362
Buildings and Improvements	131,610	8,498	-	140,108
Water System	2,624,799	129,902	-	2,754,701
Wastewater System	1,845,213	102,255	-	1,947,468
Distribution Lines and Connections	4,785,249	-	-	4,785,249
Total Accumulated Depreciation	\$ 9,846,224	\$ 272,049	\$ -	\$ 10,118,273
Total Depreciable Capital Assets, Net of Accumulated Depreciation	\$ 4,261,678	\$ (266,079)	\$ -	\$ 3,995,599
Total Capital Assets, Net of Accumulated Depreciation	\$ 5,076,936	\$ (225,079)	\$ -	\$ 4,851,857

NOTE 8. MAINTENANCE TAX

On May 4, 2002, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$1.25 per \$100 of assessed valuation of taxable property within the District. During the year ended June 30, 2025, the District levied an ad valorem maintenance tax rate of \$0.2838 per \$100 of assessed valuation, which resulted in a tax levy of \$504,273 on the adjusted taxable valuation of \$178,569,893 for the 2024 tax year. The maintenance tax is to be used by the General Fund to pay expenditures of operating the District's water and sewer system.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9. SURFACE WATER SUPPLY CONTRACT

On November 3, 2011, the District entered into a contract with the Trinity Rural Water Supply Corporation ("TRWS") for the right of the District to purchase specified amounts of treated water from TRWS. The District is required to construct transmission facilities and upon completion, convey ownership of the transmission facilities to TRWS. The District is obligated to pay a water reservation charge of \$13,982 per month which is subject to change by TRWS annually. In addition to other charges, the District must pay a volumetric rate for all treated water delivered by TRWS to the District. The volumetric rate has been set at \$2.10 per 1,000 gallons for the initial year of the agreement and may be changed by TRWS annually (currently \$3.25 per 1,000 gallons). Maximum daily amounts of treated water that TRWS is obligated to sell to the District has been set at 288,000 gallons per day through September 2032.

NOTE 10. COMPENSATED ABSENCES

The District provides vacation time for its employees with one year or more tenure at the rate of two weeks of vacation time after one year of service, and three weeks of vacation after five years of service. Unused vacation time is paid if the employee separates from service. At June 30, 2025, the District's employees had accumulated 195 hours of unused vacation time. Based upon current employee pay rates, \$4,210 of accumulated unpaid employee vacation benefits have been accrued as of June 30, 2025.

Effective May 17, 2021, the District adopted a personal time off (PTO) policy allowing for 40 hours of personal time on January 1st of each calendar year. Any unused PTO will be banked the same as vacation time. Any earned but unused PTO is paid at separation. At June 30, 2025, the District's employees had accumulated 77 hours of unused PTO. Based upon current employee pay rates, \$1,666 of accumulated unpaid employee PTO benefits have been accrued as of June 30, 2025.

NOTE 11. RETIREMENT PLAN

The District offers its employees a Simple IRA plan where the District contributes a 3% match up to \$1,800 in matching funds per employee. Contributions under this plan amounted to \$1,393 for the year ended June 30, 2025.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12. TOWER LEASE AGREEMENT

On July 20, 2016, the District entered into a tower lease agreement. The ten year unlimited lease begins September 1, 2016 and will be renewable on September 1, 2026 for an additional ten years. Trace Wireless will have a tower on the District's property and will provide internet at no cost to the District.

NOTE 13. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of June 30, 2025, the General Fund recorded a payable in the amount of \$24,663 to the Debt Service Fund for debt service tax collections and the Capital Projects Fund recorded a payable in the amount of \$59,564 to the General Fund for capital costs.

NOTE 14. BOND SALE

On December 11, 2024, the District issued its \$1,581,632 Unlimited Tax Bonds, Series 2024, of which \$806,632 of the principal was forgiven. Proceeds from the bond sale will be used for certain water and wastewater related projects in the district. As of June 30, 2025, these funds remain in escrow. Additional proceeds were used to pay issuance costs of the bonds.

NOTE 15. PRINCIPAL FORGIVENESS AGREEMENT

On August 15, 2024, the District entered into a principal forgiveness agreement with the Texas Water Development Board (the "TWDB"). The District submitted an application to the TWDB for financial assistance in the amount of \$1,581,632 from the Drinking Water State Revolving Fund to finance the planning, acquisition, design and construction of certain water system improvements for the project. The TWDB determined that the District qualifies for principal forgiveness in the amount of \$806,632. These funds will remain in escrow until applicable requirements and conditions are met per this agreement.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2025

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 450,000	\$ 479,882	\$ 29,882
Water Service	1,092,000	1,062,109	(29,891)
Wastewater Service	828,000	825,268	(2,732)
Penalty and Interest	24,000	29,118	5,118
Tap Connection and Inspection Fees	35,900	71,383	35,483
Investment and Miscellaneous Revenues	<u>56,800</u>	<u>323,909</u>	<u>267,109</u>
TOTAL REVENUES	<u>\$ 2,486,700</u>	<u>\$ 2,791,669</u>	<u>\$ 304,969</u>
EXPENDITURES			
Service Operations:			
Personnel	\$ 108,800	\$ 91,424	\$ 17,376
Professional Fees	315,000	405,670	(90,670)
Contracted Services	222,260	275,533	(53,273)
Purchased Water	169,792	200,928	(31,136)
Utilities	63,000	55,288	7,712
Repairs and Maintenance	652,000	928,956	(276,956)
Other	524,680	437,141	87,539
Capital Outlay	<u>96,000</u>	<u>69,856</u>	<u>26,144</u>
TOTAL EXPENDITURES	<u>\$ 2,151,532</u>	<u>\$ 2,464,796</u>	<u>\$ (313,264)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 335,168</u>	<u>\$ 326,873</u>	<u>\$ (8,295)</u>
OTHER FINANCING SOURCES(USES)			
Transfers In(Out)	<u>\$ -</u>	<u>\$ 26,898</u>	<u>\$ 26,898</u>
NET CHANGE IN FUND BALANCE	\$ 335,168	\$ 353,771	\$ 18,603
FUND BALANCE - JULY 1, 2024	<u>438,681</u>	<u>438,681</u>	<u>-</u>
FUND BALANCE - JUNE 30, 2025	<u><u>\$ 773,849</u></u>	<u><u>\$ 792,452</u></u>	<u><u>\$ 18,603</u></u>

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
SUPPLEMENTARY INFORMATION – REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE
JUNE 30, 2025

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT

SERVICES AND RATES

FOR THE YEAR ENDED JUNE 30, 2025

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

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

2. RETAIL SERVICE PROVIDERS

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

Based on the rate order effective March 18, 2024.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	\$ 78.50	N/A	N	\$ 7.50	0 – 3,000
				\$ 8.50	3,001 to 6,000
				\$ 9.50	6,001 to 9,000
				\$ 10.50	9,001 and up

WASTEWATER:	\$ 78.50	N/A	Y	N/A	N/A
-------------	----------	-----	---	-----	-----

SURCHARGE:

Commission	0.5% of
Regulatory	actual
Assessments	water and sewer bill

District employs winter averaging for wastewater usage?

<u> </u>	<u> X </u>
Yes	No

Total monthly charges per 10,000 gallons usage: Water: \$165.50 Wastewater: \$78.50 Surcharge: \$1.22

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2025

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"	<u>932</u>	<u>816</u>	x 1.0	<u>816</u>
1"	<u>3</u>	<u>3</u>	x 2.5	<u>7.5</u>
1½"			x 5.0	
2"	<u>3</u>	<u>3</u>	x 8.0	<u>24</u>
3"	<u>1</u>	<u>1</u>	x 15.0	<u>15</u>
4"			x 25.0	
6"	<u>1</u>	<u>1</u>	x 50.0	<u>50</u>
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u>940</u>	<u>824</u>		<u>912.5</u>
Total Wastewater Connections	<u>938</u>	<u>822</u>	x 1.0	<u>822</u>

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

Gallons pumped into the system:	33,123,000	Water Accountability Ratio: 63.25% (Gallons billed/Gallons pumped and purchased)
Gallons purchased:	8,185,000	From Trinity Rural Water Supply Corporation
Gallons billed to customers:	26,127,000	

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2025

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:

Trinity County, Texas

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

Entirely ☒ Partly ☐ Not at all ☐

ETJ in which district is located:

City of Trinity, Texas

Are Board Members appointed by an office outside the District?

Yes ☐ No ☒

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

PERSONNEL EXPENDITURES (Including Benefits)	\$ 91,424
PROFESSIONAL FEES:	
Auditing	\$ 25,000
Engineering	123,039
Legal	<u>257,631</u>
TOTAL PROFESSIONAL FEES	<u>\$ 405,670</u>
PURCHASED WATER SERVICE	<u>\$ 200,928</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 54,110
Operations	<u>221,423</u>
TOTAL CONTRACTED SERVICES	<u>\$ 275,533</u>
UTILITIES:	
Electricity	\$ 48,495
Telephone	<u>6,793</u>
TOTAL UTILITIES	<u>\$ 55,288</u>
REPAIRS AND MAINTENANCE	<u>\$ 928,956</u>
ADMINISTRATIVE EXPENDITURES:	
Insurance	\$ 54,784
Office Supplies and Postage	62,439
Travel and Meetings	1,370
Other	<u>7,408</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 126,001</u>
CAPITAL OUTLAY	<u>\$ 69,856</u>
TAP CONNECTIONS	<u>\$ 38,450</u>

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

OTHER EXPENDITURES:

Auto and Vehicle Expenditures	\$ 74,504
Chemicals	109,320
Laboratory Fees	41,579
Permit Fees	13,756
Sludge Hauling	16,894
Other	<u>16,637</u>

TOTAL OTHER EXPENDITURES	<u>\$ 272,690</u>
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TOTAL EXPENDITURES	<u><u>\$ 2,464,796</u></u>
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Number of persons employed by the District	<u>1</u>	Full-Time	<u>2</u>	Part-Time
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See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
INVESTMENTS
JUNE 30, 2025

<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	XXXX0005	Varies	Daily	\$ 700,663	\$ -
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0001	Varies	Daily	\$ 213,500	\$ -
<u>CAPITAL PROJECTS FUND</u>					
TexPool	XXXX0010	Varies	Daily	\$ 20,294	\$ -
Money Market Mutual Fund	XXXX1482	Varies	Daily	1,274,719	-
Money Market Mutual Fund	XXXX1483	Varies	Daily	116,040	-
Money Market Mutual Fund	XXXX1485	Varies	Daily	235,562	-
Money Market Mutual Fund	XXXX3527	Varies	Daily	727,113	-
Money Market Mutual Fund	XXXX3528	Varies	Daily	305,531	-
Money Market Mutual Fund	XXXX3529	Varies	Daily	473,571	-
TOTAL CAPITAL PROJECTS FUND				\$ 3,152,830	\$ -
TOTAL - ALL FUNDS				\$ 4,066,993	\$ -

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Maintenance Taxes</u>		<u>Debt Service Taxes</u>	
TAXES RECEIVABLE -				
JULY 1, 2024	\$	432,656	\$	518,157
Adjustments to Beginning				
Balance		<u>(858)</u>		<u>(2,555)</u>
	\$	431,798	\$	515,602
Original 2024 Tax Levy	\$	506,361	\$	553,286
Adjustment to 2024 Tax Levy		<u>(2,088)</u>		<u>(2,282)</u>
		<u>504,273</u>		<u>551,004</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 936,071		\$ 1,066,606
TAX COLLECTIONS:				
Prior Years	\$	26,647	\$	31,338
Current Year		<u>453,235</u>		<u>495,237</u>
		<u>479,882</u>		<u>526,575</u>
TAXES RECEIVABLE -				
JUNE 30, 2025		<u>\$ 456,189</u>		<u>\$ 540,031</u>
TAXES RECEIVABLE BY				
YEAR:				
2024	\$	51,038	\$	55,767
2023		25,408		31,668
2022		17,179		31,042
2021		28,681		17,611
2020		29,340		16,362
2019		27,771		19,671
2018		30,366		20,244
2017		28,629		19,086
2016		27,984		18,656
2015		29,433		16,352
2014		26,650		18,628
2013		23,710		19,321
2012		21,570		17,560
2011		17,193		18,460
2010 and Prior		<u>71,237</u>		<u>219,603</u>
TOTAL	\$	<u>456,189</u>	\$	<u>540,031</u>

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 178,569,893</u>	<u>\$ 162,274,486</u>	<u>\$ 136,970,872</u>	<u>\$ 116,863,009</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.3101	\$ 0.3551	\$ 0.4250	\$ 0.2663
Maintenance	<u>0.2838</u>	<u>0.2849</u>	<u>0.2352</u>	<u>0.4337</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.5939</u>	<u>\$ 0.6400</u>	<u>\$ 0.6602</u>	<u>\$ 0.7000</u>
ADJUSTED TAX LEVY*	<u>\$ 1,055,277</u>	<u>\$ 1,035,122</u>	<u>\$ 901,917</u>	<u>\$ 817,343</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>89.88 %</u>	<u>94.49 %</u>	<u>94.65 %</u>	<u>94.34 %</u>

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

Maintenance Tax – Maximum tax rate of \$1.25 per \$100 of assessed valuation approved by voters on May 4, 2002.

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

S E R I E S - 2 0 1 0 B				
Due During Fiscal Years Ending June 30	Principal Due May 1	Interest Due November 1/ May 1	Total	
2026	\$ 125,000	\$ 20,957	\$	145,957
2027	130,000	17,270		147,270
2028	135,000	13,305		148,305
2029	140,000	9,120		149,120
2030	145,000	4,640		149,640
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
	<u>\$ 675,000</u>	<u>\$ 65,292</u>	<u>\$</u>	<u>740,292</u>

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

REFUNDING SERIES - 2017			
Due During Fiscal Years Ending June 30	Principal Due May 1	Interest Due November 1/ May 1	Total
2026	\$ 140,000	\$ 17,686	\$ 157,686
2027	145,000	14,340	159,340
2028	150,000	10,875	160,875
2029	150,000	7,290	157,290
2030	155,000	3,705	158,705
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
	<u>\$ 740,000</u>	<u>\$ 53,896</u>	<u>\$ 793,896</u>

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

S E R I E S - 2 0 2 0 A			
Due During Fiscal Years Ending June 30	Principal Due May 1	Interest Due November 1/ May 1	Total
2026	\$ 75,000	\$ 14,808	\$ 89,808
2027	75,000	14,298	89,298
2028	75,000	13,713	88,713
2029	75,000	13,080	88,080
2030	80,000	12,346	92,346
2031	80,000	11,494	91,494
2032	80,000	10,546	90,546
2033	80,000	9,502	89,502
2034	80,000	8,386	88,386
2035	80,000	7,222	87,222
2036	80,000	6,022	86,022
2037	80,000	4,794	84,794
2038	85,000	3,498	88,498
2039	85,000	2,125	87,125
2040	85,000	714	85,714
2041			
2042			
2043			
2044			
	<u>\$ 1,195,000</u>	<u>\$ 132,548</u>	<u>\$ 1,327,548</u>

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

S E R I E S - 2 0 2 0 B			
Due During Fiscal Years Ending June 30	Principal Due May 1	Interest Due November 1/ May 1	Total
2026	\$ 65,000	\$ 13,888	\$ 78,888
2027	65,000	13,414	78,414
2028	70,000	12,853	82,853
2029	70,000	12,226	82,226
2030	70,000	11,530	81,530
2031	70,000	10,749	80,749
2032	70,000	9,885	79,885
2033	70,000	8,936	78,936
2034	70,000	7,925	77,925
2035	75,000	6,833	81,833
2036	75,000	5,670	80,670
2037	75,000	4,482	79,482
2038	75,000	3,267	78,267
2039	75,000	2,018	77,018
2040	80,000	692	80,692
2041			
2042			
2043			
2044			
	<u>\$ 1,075,000</u>	<u>\$ 124,368</u>	<u>\$ 1,199,368</u>

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

S E R I E S - 2 0 2 4			
Due During Fiscal Years Ending June 30	Principal Due May 1	Interest Due November 1/ May 1	Total
2026	\$ 35,000	\$ 11,174	\$ 46,174
2027	35,000	10,887	45,887
2028	35,000	10,607	45,607
2029	35,000	10,320	45,320
2030	35,000	10,026	45,026
2031	40,000	9,718	49,718
2032	40,000	9,286	49,286
2033	40,000	8,842	48,842
2034	40,000	8,382	48,382
2035	40,000	7,910	47,910
2036	45,000	7,418	52,418
2037	45,000	6,909	51,909
2038	45,000	6,387	51,387
2039	45,000	5,856	50,856
2040	35,000	5,316	40,316
2041	35,000	4,347	39,347
2042	35,000	3,356	38,356
2043	40,000	2,348	42,348
2044	40,000	1,184	41,184
	<u>\$ 740,000</u>	<u>\$ 140,273</u>	<u>\$ 880,273</u>

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending June 30	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	\$ 440,000	\$ 78,513	\$ 518,513
2027	450,000	70,209	520,209
2028	465,000	61,353	526,353
2029	470,000	52,036	522,036
2030	485,000	42,247	527,247
2031	190,000	31,961	221,961
2032	190,000	29,717	219,717
2033	190,000	27,280	217,280
2034	190,000	24,693	214,693
2035	195,000	21,965	216,965
2036	200,000	19,110	219,110
2037	200,000	16,185	216,185
2038	205,000	13,152	218,152
2039	205,000	9,999	214,999
2040	200,000	6,722	206,722
2041	35,000	4,347	39,347
2042	35,000	3,356	38,356
2043	40,000	2,348	42,348
2044	40,000	1,184	41,184
	<u>\$ 4,425,000</u>	<u>\$ 516,377</u>	<u>\$ 4,941,377</u>

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JUNE 30, 2025

Description	Original Bonds Issued	Bonds Outstanding July 1, 2024
Westwood Shores Municipal Utility District Unlimited Tax Bonds - Series 2010B	\$ 1,825,000	\$ 795,000
Westwood Shores Municipal Utility District Unlimited Tax Refunding Bonds - Series 2017	1,635,000	875,000
Westwood Shores Municipal Utility District Unlimited Tax Bonds - Series 2020A	1,560,000	1,270,000
Westwood Shores Municipal Utility District Unlimited Tax Bonds - Series 2020B	1,400,000	1,140,000
Westwood Shores Municipal Utility District Unlimited Tax Bonds - Series 2024	<u>775,000</u>	<u>-</u>
TOTAL	<u>\$ 7,195,000</u>	<u>\$ 4,080,000</u>
Bond Authority:	<u>Tax Bonds</u>	<u>Refunding Bonds</u>
Amount Authorized by Voters	\$ 21,870,000	\$ 4,205,000
Amount Issued	<u>15,645,000</u>	<u>4,205,000</u>
Remaining to be Issued	<u>\$ 6,225,000</u>	<u>\$ -</u>
Debt Service Fund cash and investment balances as of June 30, 2025:		<u>\$ 222,149</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:		<u>\$ 260,072</u>

See accompanying independent auditor's report.

Current Year Transactions					Paying Agent
Bonds Sold	Retirements		Bonds Outstanding June 30, 2025		
	Principal	Interest			
\$ -	\$ 120,000	\$ 24,438	\$ 675,000	Computershare Corporate Trust Houston, TX	
-	135,000	20,913	740,000	TIB The Independent Bankers Bank, NA Houston, Texas	
-	75,000	15,206	1,195,000	The Bank of New York Mellon Trust Co. Houston, Texas	
-	65,000	14,265	1,075,000	The Bank of New York Mellon Trust Co. Houston, Texas	
775,000	35,000	-	740,000	The Bank of New York Mellon Trust Co. Houston, Texas	
\$ 775,000	\$ 430,000	\$ 74,822	\$ 4,425,000		

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	\$ 479,882	\$ 445,404	\$ 303,085
Water Service	1,062,109	1,108,020	933,379
Wastewater Service	825,268	859,396	562,955
Standby Fees	-	-	-
Other Fees	-	-	-
Penalty and Interest	29,118	48,051	26,144
Tap Connection and Inspection Fees	71,383	47,831	111,098
Investment and Miscellaneous Revenues	<u>323,909</u>	<u>113,340</u>	<u>90,758</u>
TOTAL REVENUES	<u>\$ 2,791,669</u>	<u>\$ 2,622,042</u>	<u>\$ 2,027,419</u>
EXPENDITURES			
Personnel	\$ 91,424	\$ 108,212	\$ 111,717
Professional Fees	405,670	301,367	172,329
Contracted Services	275,533	282,542	323,849
Purchased Water	200,928	222,238	289,933
Utilities	55,288	55,117	61,209
Repairs and Maintenance	928,956	959,369	355,100
Other	437,141	631,585	334,755
Capital Outlay	69,856	88,298	14,224
Debt Service:			
Lease Principal	-	-	57,957
Lease Interest	-	-	1,805
Bond Issuance Costs	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 2,464,796</u>	<u>\$ 2,648,728</u>	<u>\$ 1,722,878</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 326,873</u>	<u>\$ (26,686)</u>	<u>\$ 304,541</u>
OTHER FINANCING SOURCES (USES)			
Lease Proceeds	\$ -	\$ -	\$ -
Transfers In(Out)	<u>26,898</u>	<u>-</u>	<u>(41,100)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 26,898</u>	<u>\$ -</u>	<u>\$ (41,100)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 353,771</u>	<u>\$ (26,686)</u>	<u>\$ 263,441</u>

Note: Fiscal year 2021 information provided by prior auditor

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
\$ 474,894	\$ 453,134	17.2 %	17.0 %	14.9 %	32.5 %	26.2 %
514,899	534,145	38.0	42.3	46.0	35.2	30.9
237,260	218,724	29.6	32.8	27.8	16.2	12.6
45,240	48,006				3.1	2.8
-	180,364					10.4
25,928	6,767	1.0	1.8	1.3	1.8	0.4
106,039	-	2.6	1.8	5.5	7.2	
59,218	288,493	11.6	4.3	4.5	4.0	16.7
<u>\$ 1,463,478</u>	<u>\$ 1,729,633</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 239,014	\$ 568,428	3.3 %	4.1 %	5.5 %	16.3 %	32.9 %
101,453	38,142	14.5	11.5	8.5	6.9	2.2
244,450		9.9	10.8	16.0	16.7	
202,744	376,598	7.2	8.5	14.3	13.9	21.8
55,206	52,706	2.0	2.1	3.0	3.8	3.0
334,080	168,126	33.3	36.6	17.5	22.8	9.7
222,432	83,872	15.7	24.1	16.5	15.2	4.8
-	192,872	2.5	3.4	0.7		11.2
28,531	30,995			2.9	1.9	1.8
2,363	-			0.1	0.2	
-	221,029					12.8
<u>\$ 1,430,273</u>	<u>\$ 1,732,768</u>	<u>88.4 %</u>	<u>101.1 %</u>	<u>85.0 %</u>	<u>97.7 %</u>	<u>100.2 %</u>
\$ 33,205	\$ (3,135)	<u>11.6 %</u>	<u>(1.1) %</u>	<u>15.0 %</u>	<u>2.3 %</u>	<u>(0.2) %</u>
\$ -	\$ 40,814					
<u>(197,649)</u>	<u>(214,801)</u>					
\$ (197,649)	\$ (173,987)					
<u>\$ (164,444)</u>	<u>\$ (177,122)</u>					

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	\$ 526,575	\$ 552,826	\$ 536,232
Penalty and Interest	34,656	51,318	33,754
Investment and Miscellaneous Revenues	<u>14,945</u>	<u>3,842</u>	<u>111</u>
TOTAL REVENUES	<u>\$ 576,176</u>	<u>\$ 607,986</u>	<u>\$ 570,097</u>
EXPENDITURES			
Tax Collection Expenditures	\$ 81,139	\$ 82,295	\$ 70,202
Debt Service Principal	430,000	390,000	385,000
Debt Service Interest and Fees	<u>89,166</u>	<u>89,166</u>	<u>89,166</u>
TOTAL EXPENDITURES	<u>\$ 600,305</u>	<u>\$ 561,461</u>	<u>\$ 544,368</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (24,129)</u>	<u>\$ 46,525</u>	<u>\$ 25,729</u>
OTHER FINANCING SOURCES (USES)			
Transfers In(Out)	\$ -	\$ -	\$ 41,000
Proceeds from Issuance of Long-Term Debt	-	-	-
Transfer to Refunding Escrow Agent	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (24,129)</u>	<u>\$ 46,525</u>	<u>\$ 66,729</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>824</u>	<u>836</u>	<u>840</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>822</u>	<u>833</u>	<u>840</u>

Note: Fiscal year 2021 information provided by prior auditor

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
\$ 295,757	\$ 333,397	91.4 %	91.0 %	94.1 %	94.9 %	99.7 %
15,035	-	6.0	8.4	5.9	4.8	
985	1,118	2.6	0.6		0.3	0.3
<u>\$ 311,777</u>	<u>\$ 334,515</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 54,487	\$ 64,176	14.1 %	13.5 %	12.3 %	17.5 %	19.2 %
365,000	365,000	74.6	64.1	67.5	117.1	109.1
94,964	106,992	15.5	14.7	15.6	30.5	32.0
<u>\$ 514,451</u>	<u>\$ 536,168</u>	<u>104.2 %</u>	<u>92.3 %</u>	<u>95.4 %</u>	<u>165.1 %</u>	<u>160.3 %</u>
\$ (202,674)	\$ (201,653)	<u>(4.2) %</u>	<u>7.7 %</u>	<u>4.6 %</u>	<u>(65.1) %</u>	<u>(60.3) %</u>
\$ 195,099	\$ 214,801					
-	-					
<u>-</u>	<u>-</u>					
<u>\$ 195,099</u>	<u>\$ 214,801</u>					
<u>\$ (7,575)</u>	<u>\$ 13,148</u>					
<u>754</u>	<u>753</u>					
<u>754</u>	<u>753</u>					

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2025

District Mailing Address - Westwood Shores Municipal Utility District
75 Cottonwood
Trinity, TX 75862

District Telephone Number - (936) 594-3411

Board Members	Term of Office (Elected or Appointed)	Fees of office for the year ended June 30, 2025	Expense Reimbursements for the year ended June 30, 2025	Title
Joan Gallagher	11/22 11/26 (Elected)	\$ -0-	\$ -0-	President
Robert Stoddard	11/22 11/26 (Elected)	\$ 2,250	\$ 48	Vice President
John Wolf	11/20 11/24 (Elected)	\$ 600	\$ -0-	Past Secretary
James Atkinson	11/20 11/24 (Elected)	\$ 300	\$ -0-	Past Assistant Secretary
Bryan Holmes	11/24 11/28 (Elected)	\$ 1,950	\$ 25	Secretary
Donald Brunswick	11/24 11/28 (Elected)	\$ 1,500	\$ 143	Director
Sidney Craig	11/24 11/28 (Elected)	\$ 1,200	\$ 812	Assistant Secretary

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: July 20, 2023

See accompanying independent auditor's report.

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2025

	<u>Date Hired</u>	<u>Fees/ Compensation for the fiscal year ended June 30, 2025</u>	<u>Title</u>
Consultants:			
Mitchell, Zientek & Scruggs, LLP	11/15/21	\$ 70,785	General Counsel
		\$ 19,375	Bond Counsel
The Carlton Law Firm PLLC	12/23/24	\$ 112,035	Litigation Support
McCall Gibson Swedlund Barfoot PLLC	08/01/22	\$ 25,000	Auditor
EEPB Company	12/13/23	\$ 57,544	Bookkeeper
Civil Grade Engineers	03/21/22	\$ 221,210	Engineer
Blitch Associates, Inc.	03/25/24	\$ 7,750	Financial Advisor
H2O Innovation Operation & Maintenance, LLC	12/16/24	\$ 223,419	Operator
Precision Utility, LLC	10/18/23	\$ 444,056	Prior Operator
Trinity County Tax Assessor/Collector	03/24/23	\$ 14,899	Tax Collector
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/23/24	\$ 11,839	Delinquent Tax Attorney

See accompanying independent auditor's report.