

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**

**TRINITY COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2023**



**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**

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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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2023, 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 PLLC  
Certified Public Accountants  
Houston, Texas

November 8, 2023



**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023. 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, 2023**

**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"). 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 \$3,949,595 as of June 30, 2023. 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, 2023**

**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		
	2023	2022	Change Positive (Negative)
Current and Other Assets	\$ 4,141,547	\$ 4,696,449	\$ (554,902)
Capital Assets and Right-of-Use Assets	4,769,205	4,028,660	740,545
Total Assets	\$ 8,910,752	\$ 8,725,109	\$ 185,643
Long-Term Debt Payable	\$ 4,470,000	\$ 4,912,957	\$ 442,957
Other Liabilities	491,157	320,171	(170,986)
Total Liabilities	\$ 4,961,157	\$ 5,233,128	\$ 271,971
Net Position:			
Net Investment in Capital Assets	\$ 2,311,273	\$ 2,098,771	\$ 212,502
Restricted	734,299	755,004	(20,705)
Unrestricted	904,023	638,206	265,817
Total Net Position	\$ 3,949,595	\$ 3,491,981	\$ 457,614

The following table provides a summary of the District's operations for the years ending June 30, 2023, and June 30, 2022.

	Summary of Changes in the Statement of Activities		
	2023	2022	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 753,154	\$ 761,081	\$ (7,927)
Charges for Services	1,667,330	944,401	722,929
Other Revenues	166,855	61,225	105,630
Total Revenues	\$ 2,587,339	\$ 1,766,707	\$ 820,632
Expenses for Services	2,129,725	1,860,216	(269,509)
Change in Net Position	\$ 457,614	\$ (93,509)	\$ 551,123
Net Position, Beginning of Year	3,491,981	3,585,490	(93,509)
Net Position, End of Year	\$ 3,949,595	\$ 3,491,981	\$ 457,614

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

The District's combined fund balances as of June 30, 2023, were \$2,701,851, a decrease of \$640,830 from the prior year.

The General Fund fund balance increased by \$263,441, primarily due to property tax and service revenue exceeding operating and capital costs.

The Debt Service Fund fund balance increased by \$66,729, primarily due to the structure of the District's debt service requirements.

The Capital Projects Fund fund balance decreased by \$971,000, primarily due to capital costs from the proceeds of bonds issued in a previous year.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors amended the budget during the current fiscal year to decrease projected property tax revenues and add lease costs. Actual revenues were \$830,664 higher than budgeted revenues, actual expenditures were higher than budgeted expenditures by \$76,378, and transfers to other funds of \$41,000 were not budgeted, which resulted in a positive budget variance of \$713,186. See the budget to actual comparison for analysis of variances.

**CAPITAL ASSETS**

Capital assets as of June 30, 2023, total \$4,769,205 (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			
	2023	2022	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 21,571	\$ 21,571	\$
Construction in Progress	1,030,007	305,339	724,668
Capital Assets, Net of Accumulated Depreciation:			
Roads	4,257	4,844	(587)
Furniture and Equipment	13,669	15,674	(2,005)
Vehicles and Equipment	112,421	140,374	(27,953)
Buildings and Improvements	189,900	198,398	(8,498)
Water System	1,776,031	1,617,460	158,571
Wastewater System	1,621,349	1,725,000	(103,651)
Total Net Capital Assets	\$ 4,769,205	\$ 4,028,660	\$ 740,545



**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

**LONG-TERM DEBT ACTIVITY**

As of June 30, 2023, the District had total bond debt payable of \$4,470,000. The changes in the debt position of the District during the fiscal year ended June 30, 2023, are summarized as follows:

Bond Debt Payable, July 1, 2022	\$ 4,855,000
Less: Bond Principal Paid	<u>385,000</u>
Bond Debt Payable, June 30, 2023	<u>\$ 4,470,000</u>

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

As of June 30, 2023, the District's lease payable has been paid in full. The changes in the debt position of the District during the fiscal year ended June 30, 2023, are summarized as follows:

Lease Payable, July 1, 2022	\$ 57,957
Less: Lease Principal Paid	<u>57,957</u>
Lease Payable, June 30, 2023	<u>\$ - 0 -</u>

**CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to 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, 2023**

	General Fund	Debt Service Fund
<b>ASSETS</b>		
Cash	\$ 322,622	\$ 72,640
Investments	345,669	802
Receivables:		
Property Taxes	438,656	523,568
Service Accounts (Net Allowance for Doubtful Accounts of \$21,045)	261,358	
Other	10,615	
Due from Developer		
Due from Other Funds	2,801	150,974
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
<b>TOTAL ASSETS</b>	<b>\$ 1,381,721</b>	<b>\$ 747,984</b>

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

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 738	\$ 396,000	\$	\$ 396,000
2,164,879	2,511,350		2,511,350
	962,224		962,224
	261,358		261,358
	10,615		10,615
	153,775	(153,775)	
		21,571	21,571
		1,030,007	1,030,007
		3,717,627	3,717,627
<u>\$ 2,165,617</u>	<u>\$ 4,295,322</u>	<u>\$ 4,615,430</u>	<u>\$ 8,910,752</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, 2023**

	General Fund	Debt Service Fund
<b>LIABILITIES</b>		
Accounts Payable	\$ 180,621	\$
Accrued Interest Payable		
Due to Other Funds	150,974	
Security Deposits	146,103	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
<b>TOTAL LIABILITIES</b>	<b>\$ 477,698</b>	<b>\$ - 0 -</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	\$ 438,656	\$ 523,568
<b>FUND BALANCES</b>		
Restricted for Authorized Construction	\$	\$
Restricted for Debt Service		224,416
Unassigned	465,367	
<b>TOTAL FUND BALANCES</b>	<b>\$ 465,367</b>	<b>\$ 224,416</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,381,721</b>	<b>\$ 747,984</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
<b>TOTAL NET POSITION</b>		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 150,748	\$ 331,369	\$	\$ 331,369
		13,685	13,685
2,801	153,775	(153,775)	
	146,103		146,103
		390,000	390,000
		4,080,000	4,080,000
<u>\$ 153,549</u>	<u>\$ 631,247</u>	<u>\$ 4,329,910</u>	<u>\$ 4,961,157</u>
<u>\$ - 0 -</u>	<u>\$ 962,224</u>	<u>\$ (962,224)</u>	<u>\$ - 0 -</u>
\$ 2,012,068	\$ 2,012,068	\$ (2,012,068)	\$
	224,416	(224,416)	
	465,367	(465,367)	
<u>\$ 2,012,068</u>	<u>\$ 2,701,851</u>	<u>\$ (2,701,851)</u>	<u>\$ - 0 -</u>
<u>\$ 2,165,617</u>	<u>\$ 4,295,322</u>		
		\$ 2,311,273	\$ 2,311,273
		734,299	734,299
		904,023	904,023
		<u>\$ 3,949,595</u>	<u>\$ 3,949,595</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, 2023**

Total Fund Balances - Governmental Funds	\$	2,701,851
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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.		4,769,205
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Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2022 and prior tax levies became part of recognized revenue in the governmental activities of the District.		962,224
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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	\$ (13,685)	
Bonds Payable	<u>(4,470,000)</u>	<u>(4,483,685)</u>
Total Net Position - Governmental Activities		<u>\$ 3,949,595</u>

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

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**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, 2023**

	General Fund	Debt Service Fund
<b>REVENUES</b>		
Property Taxes	\$ 303,085	\$ 536,232
Water Service	933,379	
Wastewater Service	562,955	
Penalty and Interest	26,144	33,754
Tap Connection and Inspection Fees	111,098	
Investment and Miscellaneous Revenues	90,758	111
<b>TOTAL REVENUES</b>	<b>\$ 2,027,419</b>	<b>\$ 570,097</b>
<b>EXPENDITURES/EXPENSES</b>		
Service Operations:		
Personnel	\$ 111,717	\$
Professional Fees	172,329	8,573
Contracted Services	323,849	61,629
Purchased Water	289,933	
Utilities	61,209	
Repairs and Maintenance	355,100	
Depreciation		
Other	334,755	225
Capital Outlay	14,224	
Debt Service:		
Bond Principal		385,000
Bond Interest		88,941
Lease Principal	57,957	
Lease Interest	1,805	
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ 1,722,878</b>	<b>\$ 544,368</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER</b>		
<b>EXPENDITURES/EXPENSES</b>	<b>\$ 304,541</b>	<b>\$ 25,729</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In(Out)	\$ (41,100)	\$ 41,000
<b>NET CHANGE IN FUND BALANCES</b>	\$ 263,441	\$ 66,729
<b>CHANGE IN NET POSITION</b>		
<b>FUND BALANCES/NET POSITION - JULY 1, 2022</b>	201,926	157,687
<b>FUND BALANCES/NET POSITION - JUNE 30, 2023</b>	<b>\$ 465,367</b>	<b>\$ 224,416</b>

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



<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
\$	\$ 839,317	\$ (86,163)	\$ 753,154
	933,379		933,379
	562,955		562,955
	59,898		59,898
	111,098		111,098
75,986	166,855		166,855
<u>\$ 75,986</u>	<u>\$ 2,673,502</u>	<u>\$ (86,163)</u>	<u>\$ 2,587,339</u>
\$	\$ 111,717	\$	\$ 111,717
1,702	182,604		182,604
	385,478		385,478
	289,933		289,933
	61,209		61,209
	355,100		355,100
		318,863	318,863
200	335,180		335,180
1,045,184	1,059,408	(1,059,408)	
	385,000	(385,000)	
	88,941	(1,105)	87,836
	57,957	(57,957)	
	1,805		1,805
<u>\$ 1,047,086</u>	<u>\$ 3,314,332</u>	<u>\$ (1,184,607)</u>	<u>\$ 2,129,725</u>
<u>\$ (971,100)</u>	<u>\$ (640,830)</u>	<u>\$ 1,098,444</u>	<u>\$ 457,614</u>
<u>\$ 100</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<u>\$ (971,000)</u>	<u>\$ (640,830)</u>	<u>\$ 640,830</u>	<u>\$</u>
		457,614	457,614
2,983,068	3,342,681	149,300	3,491,981
<u>\$ 2,012,068</u>	<u>\$ 2,701,851</u>	<u>\$ 1,247,744</u>	<u>\$ 3,949,595</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, 2023**

Net Change in Fund Balances - Governmental Funds	\$ (640,830)
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.	(86,163)
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.	(318,863)
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.	1,059,408
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.	385,000
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.	1,105
Governmental funds report lease principal payments as expenditures. However, in the Statement of Net Position, lease principal payments are reported as decreases in long-term liabilities.	<u>57,957</u>
Change in Net Position - Governmental Activities	<u>\$ 457,614</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, 2023**

**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, 2023**

**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, 2023**

**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, 2023**

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

Capital Assets and Right-of-Use 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 \$1,500 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:

	Years
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

In accordance with GASB Statement No. 87, the District recorded the equipment as a right-of-use asset (see Note 14). The right-of-use asset is being amortized over the estimated useful life using the straight-line method of amortization.

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 General Fund budget for the current year was 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, 2023**

**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, 2023**

**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>
Amounts Outstanding – June 30, 2023	\$910,000	\$1,010,000	\$1,345,000	\$1,205,000
Interest Rates	2.80% - 3.20%	2.39%	0.34% - 1.68%	0.39% - 1.73%
Maturity Dates – Serially Beginning/Ending	May 1, 2024/2030	May 1, 2024/2030	May 1, 2024/2040	May 1, 2024/2040
Interest Payment Dates	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*

\* 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, 2023, the District does not have any authorized bond authority.



**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 3. LONG-TERM DEBT (Continued)**

The following is a summary of transactions regarding bonds payable for the year ended June 30, 2023:

	July 1, 2022	Additions	Retirements	June 30, 2023
Bonds Payable	\$ 4,855,000	\$ - 0 -	\$ 385,000	\$ 4,470,000
		Amount Due Within One Year		\$ 390,000
		Amount Due After One Year		4,080,000
		Bonds Payable, Net		\$ 4,470,000

As of June 30, 2023, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 390,000	\$ 81,852	\$ 471,852
2025	395,000	74,822	469,822
2026	405,000	67,339	472,339
2027	415,000	59,322	474,322
2028	430,000	50,746	480,746
2029-2033	1,335,000	135,049	1,470,049
2034-2038	775,000	58,099	833,099
2039-2040	325,000	5,549	330,549
	\$ 4,470,000	\$ 532,778	\$ 5,002,778

All outstanding bonds are direct placement bonds.

During the year ended June 30, 2023, the District levied an ad valorem debt service tax rate of \$0.425 per \$100 of assessed valuation, which resulted in a tax levy of \$580,604 on the adjusted taxable valuation of \$136,970,872 for the 2022 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, 2023**

**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 \$501,000 and the bank balance was \$518,630. 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, 2023, as listed below:

	Cash	Certificate of Deposit	Total
GENERAL FUND	\$ 322,622	\$ 105,000	\$ 427,622
DEBT SERVICE FUND	72,640		72,640
CAPITAL PROJECTS FUND	738		738
<b>TOTAL DEPOSITS</b>	<b>\$ 396,000</b>	<b>\$ 105,000</b>	<b>\$ 501,000</b>

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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.

Certificates of deposit are recorded at acquisition cost.

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

As of June 30, 2023, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
Certificate of Deposit	\$ 105,000	\$ 105,000
TexPool	240,669	240,669
<u>DEBT SERVICE FUND</u>		
TexPool	802	802
<u>CAPITAL PROJECTS FUND</u>		
TexPool	5,062	5,062
Money Market Mutual Funds	2,159,817	2,159,817
<b>TOTAL INVESTMENTS</b>	<b>\$ 2,511,350</b>	<b>\$ 2,511,350</b>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2023, the District's investments in TexPool and money market mutual funds were rated AAAM by Standard and Poor's. The District 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 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. The District manages interest rate risk by investing in certificates of deposit with maturities of less than one year.

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, 2023**

**NOTE 7. CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2023 is as follows:

	July 1, 2022	Increases	Decreases	June 30, 2023
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 21,571	\$	\$	\$ 21,571
Construction in Progress	305,339	1,059,408	334,740	1,030,007
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 326,910</b>	<b>\$ 1,059,408</b>	<b>\$ 334,740</b>	<b>\$ 1,051,578</b>
<b>Capital Assets Subject to Depreciation</b>				
Roads	\$ 52,742	\$	\$	\$ 52,742
Furniture and Equipment	211,261	8,125		219,386
Rolling Stock	91,870			91,870
Vehicles and Equipment	192,801			192,801
Buildings and Improvements	312,988			312,988
Water System	3,932,931	326,615		4,259,546
Wastewater System	3,366,259			3,366,259
Distribution Lines and Connections	4,785,249			4,785,249
<b>Total Capital Assets Subject to Depreciation</b>	<b>\$ 12,946,101</b>	<b>\$ 334,740</b>	<b>\$ - 0 -</b>	<b>\$ 13,280,841</b>
<b>Less Accumulated Depreciation</b>				
Roads	\$ 47,898	\$ 587	\$	\$ 48,485
Furniture and Equipment	195,587	10,130		205,717
Rolling Stock	91,870			91,870
Vehicles and Equipment	52,427	27,953		80,380
Buildings and Improvements	114,590	8,498		123,088
Water System	2,315,471	168,044		2,483,515
Wastewater System	1,641,259	103,651		1,744,910
Distribution Lines and Connections	4,785,249			4,785,249
<b>Total Accumulated Depreciation</b>	<b>\$ 9,244,351</b>	<b>\$ 318,863</b>	<b>\$ - 0 -</b>	<b>\$ 9,563,214</b>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 3,701,750</b>	<b>\$ 15,877</b>	<b>\$ - 0 -</b>	<b>\$ 3,717,627</b>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 4,028,660</b>	<b>\$ 1,075,285</b>	<b>\$ 334,740</b>	<b>\$ 4,769,205</b>

\*

\*Prior year balance has been adjusted to include right-of-use assets per leases which are now capital assets of the District.

**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, 2023, the District levied an ad valorem maintenance tax rate of \$0.2352 per \$100 of assessed valuation, which resulted in a tax levy of \$321,313 on the adjusted taxable valuation of \$136,970,872 for the 2022 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, 2023**

**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 \$12,116 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. 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, 2023, the District's employees had accumulated 64 hours of unused vacation time. Based upon current employee pay rates, \$1,648 of accumulated unpaid employee vacation benefits have been accrued as of June 30, 2023.

Effective May 17, 2021, the District adopted a personal time off (PTO) policy allowing for 40 hours of personal time on January 1<sup>st</sup> 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, 2023, the District's employees had accumulated 80 hours of unused PTO. Based upon current employee pay rates, \$1,566 of accumulated unpaid employee PTO benefits have been accrued as of June 30, 2023.

**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 \$696 for the year ended June 30, 2023.

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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, 2023, the General Fund recorded a payable in the amount of \$150,974 to the Debt Service Fund for debt service tax collections and the Capital Projects Fund recorded a payable in the amount of \$2,801 to the General Fund for capital costs.

During the current fiscal year, the District's General Fund transferred \$41,000 to the Debt Service fund to fund bond debt obligations and \$100 to the Capital Projects Fund.

**NOTE 14. LEASE AGREEMENTS**

In July 2020, the District entered into three lease agreements with American National Leasing Company in the amount of \$22,675, \$26,675 and \$22,675 to finance the purchase of a 2020 Chevy 1500, 2020 Chevy 2500 and 2020 Chevy 1500, respectively. Total lease payments and related interest of \$17,390 are due annually beginning March 13, 2021 and ending on March 13, 2023. A total final buyout amount of \$27,000 is also due on March 13, 2023. The District was required to implement GASB No. 87 during the prior fiscal year which converted this capital lease asset as a right-of-use asset. The leases requires annual payments totaling of \$17,390. The discount rate for all three leases is 4.15%. Current year principal lease payments, including the buyout amount, totaled \$44,390 and the leases were paid off. The District now owns these vehicles.

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 14. LEASE AGREEMENTS (Continued)**

In fiscal year 2021, the District entered into a 3 year lease agreement with Bobcat of Houston for a compact excavator. The District was required to implement GASB No. 87 during the current fiscal year which converted this capital lease asset as a right-of-use asset. The lease requires annual payments of \$8,605. The discount rate was estimated to be 3.25%, which is the prime interest rate at the time of the agreement was executed. Current year principal lease payment totaled \$8,581 and the lease was paid off.

In fiscal year 2021, the District entered into another 3 year lease agreement with Bobcat of Houston for a skid steer. The District was required to implement GASB No. 87 during the current fiscal year which converted this capital lease asset as a right-of-use asset. The lease requires annual payments of \$5,000. The discount rate was estimated to be 3.25%, which is the prime interest rate at the time of the agreement was executed. Current year principal lease payment totaled \$4,986 and the lease was paid off.

The following is a summary of transactions regarding lease payables for the year ended June 30, 2023:

Lease Payable, July 1, 2022	\$	57,957
Less: Lease Principal Paid		<u>57,957</u>
Lease Payable, June 30, 2023	\$	<u>- 0 -</u>



**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2023**



**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, 2023**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 485,000	\$ 322,155	\$ 303,085	\$ (19,070)
Water Service	540,650	540,650	933,379	392,729
Wastewater Service	244,800	244,800	562,955	318,155
Penalty and Interest	16,650	16,650	26,144	9,494
Tap Connection and Inspection Fees	55,000	55,000	111,098	56,098
Investment and Miscellaneous Revenues	<u>62,740</u>	<u>17,500</u>	<u>90,758</u>	<u>73,258</u>
<b>TOTAL REVENUES</b>	<u>\$ 1,404,840</u>	<u>\$ 1,196,755</u>	<u>\$ 2,027,419</u>	<u>\$ 830,664</u>
<b>EXPENDITURES</b>				
Service Operations:				
Personnel	\$ 210,000	\$ 210,000	\$ 111,717	\$ 98,283
Professional Fees	150,000	150,000	172,329	(22,329)
Contracted Services	298,000	298,000	323,849	(25,849)
Purchased Water	289,500	289,500	289,933	(433)
Utilities	57,000	57,000	61,209	(4,209)
Repairs and Maintenance	285,800	285,800	355,100	(69,300)
Other	248,200	248,200	334,755	(86,555)
Capital Outlay	50,000	50,000	14,224	35,776
Debt Service:				
Lease Principal		58,000	57,957	43
Lease Interest			<u>1,805</u>	<u>(1,805)</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,588,500</u>	<u>\$ 1,646,500</u>	<u>\$ 1,722,878</u>	<u>\$ (76,378)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (183,660)</u>	<u>\$ (449,745)</u>	<u>\$ 304,541</u>	<u>\$ 754,286</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers In(Out)	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ (41,100)</u>	<u>\$ (41,100)</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ (183,660)	\$ (449,745)	\$ 263,441	\$ 713,186
<b>FUND BALANCE - JULY 1, 2022</b>	<u>201,926</u>	<u>201,926</u>	<u>201,926</u>	
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ 18,266</u>	<u>\$ (247,819)</u>	<u>\$ 465,367</u>	<u>\$ 713,186</u>

See accompanying independent auditor's report.

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**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**  
**SUPPLEMENTARY INFORMATION – REQUIRED BY THE**  
**WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**  
**JUNE 30, 2023**



**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT  
SERVICES AND RATES  
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

**2. RETAIL SERVICE PROVIDERS**

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

Based on the rate order effective February 1, 2023.

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
WATER:	\$ 107.17	N/A	N	\$ 1.00 \$ 1.50 \$ 2.00 \$ 3.00	0 – 4,000 4,001 to 7,000 7,001 to 12,000 12,001 and up
WASTEWATER:	\$ 81.58	N/A	N	\$ 1.00 \$ 1.50 \$ 2.00 \$ 3.00	0 – 4,000 4,001 to 7,000 7,001 to 12,000 12,001 and up
SURCHARGE:					
Commission	0.5% of				
Regulatory	actual				
Assessments	water and sewer bill				

District employs winter averaging for wastewater usage? \_\_\_\_\_   X    
Yes                      No

Total monthly charges per 10,000 gallons usage: Water: \$121.67      Wastewater: \$96.08      Surcharge: \$1.09

See accompanying independent auditor's report.

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT  
SERVICES AND RATES  
FOR THE YEAR ENDED JUNE 30, 2023**

**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>836</u>	<u>831</u>	x 1.0	<u>831</u>
1"	<u>3</u>	<u>3</u>	x 2.5	<u>8</u>
1½"	_____	_____	x 5.0	_____
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>15</u>
6"	_____	_____	x 50.0	_____
8"	_____	_____	x 80.0	_____
10"	_____	_____	x 115.0	_____
Total Water Connections	<u>845</u>	<u>840</u>		<u>901</u>
Total Wastewater Connections	<u>845</u>	<u>840</u>	x 1.0	<u>840</u>

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

Gallons pumped into the system:	34,823,000	Water Accountability Ratio: 84.5%
		(Gallons billed/Gallons purchased)
Gallons billed to customers:	29,427,000	

See accompanying independent auditor's report.



**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT  
SERVICES AND RATES  
FOR THE YEAR ENDED JUNE 30, 2023**

**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, 2023**

PERSONNEL EXPENDITURES (Including Benefits)	\$ <u>111,717</u>
PROFESSIONAL FEES:	
Auditing	\$ 45,307
Engineering	38,856
Legal	<u>88,166</u>
TOTAL PROFESSIONAL FEES	\$ <u>172,329</u>
PURCHASED WATER SERVICE	\$ <u>289,933</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 45,794
Operations	<u>278,055</u>
TOTAL CONTRACTED SERVICES	\$ <u>323,849</u>
UTILITIES:	
Electricity	\$ 51,211
Telephone	<u>9,998</u>
TOTAL UTILITIES	\$ <u>61,209</u>
REPAIRS AND MAINTENANCE	\$ <u>355,100</u>
ADMINISTRATIVE EXPENDITURES:	
Insurance	\$ 50,686
Office Supplies and Postage	29,947
Election Costs	7,765
Travel and Meetings	2,169
Other	<u>3,040</u>
TOTAL ADMINISTRATIVE EXPENDITURES	\$ <u>93,607</u>
CAPITAL OUTLAY	\$ <u>14,224</u>
TAP CONNECTIONS	\$ <u>67,180</u>

See accompanying independent auditor's report.

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**  
**GENERAL FUND EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

OTHER EXPENDITURES:	
Auto and Vehicle Expenditures	\$ 76,815
Chemicals	31,947
Laboratory Fees	19,611
Permit Fees	10,161
Sludge Hauling	14,648
Other	<u>20,786</u>
TOTAL OTHER EXPENDITURES	<u>\$ 173,968</u>
DEBT SERVICE:	
Lease Principal	\$ 57,957
Lease Interest	<u>1,805</u>
TOTAL DEBT SERVICE	<u>\$ 59,762</u>
TOTAL EXPENDITURES	<u><u>\$ 1,722,878</u></u>

Number of persons employed by the District      1    Full-Time      2    Part-Time

See accompanying independent auditor's report.

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**  
**INVESTMENTS**  
**JUNE 30, 2023**

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<b><u>GENERAL FUND</u></b>					
Certificate of Deposit	XXXX5308	5.34%	06/20/24	\$ 105,000	\$
TexPool	XXXX0005	Varies	Daily	<u>240,669</u>	<u>                    </u>
<b>TOTAL GENERAL FUND</b>				<u>\$ 345,669</u>	<u>\$ -0-</u>
<b><u>DEBT SERVICE FUND</u></b>					
TexPool	XXXX0001	Varies	Daily	<u>\$ 802</u>	<u>\$ -0-</u>
<b><u>CAPITAL PROJECTS FUND</u></b>					
TexPool	XXXX0010	Varies	Daily	\$ 5,062	\$
Money Market Mutual Fund	XXXX1482	Varies	Daily	1,511,281	
Money Market Mutual Fund	XXXX1483	Varies	Daily	257,642	
Money Market Mutual Fund	XXXX1485	Varies	Daily	<u>390,894</u>	<u>                    </u>
<b>TOTAL CAPITAL PROJECTS FUND</b>				<u>\$ 2,164,879</u>	<u>\$ -0-</u>
<b>TOTAL - ALL FUNDS</b>				<u>\$ 2,511,350</u>	<u>\$ -0-</u>

See accompanying independent auditor's report.

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
JULY 1, 2022	\$	436,280		\$ 612,107
Adjustments to Beginning				
Balance		<u>(15,852)</u>	\$ 420,428	<u>(132,911)</u> \$ 479,196
Original 2022 Tax Levy	\$	322,046		\$ 581,928
Adjustment to 2022 Tax Levy		<u>(733)</u>	<u>321,313</u>	<u>(1,324)</u> <u>580,604</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 741,741		\$ 1,059,800
 TAX COLLECTIONS:				
Prior Years	\$	12,971		\$ 12,004
Current Year		<u>290,114</u>	<u>303,085</u>	<u>524,228</u> <u>536,232</u>
 TAXES RECEIVABLE -				
JUNE 30, 2023		<u>\$ 438,656</u>		<u>\$ 523,568</u>
 TAXES RECEIVABLE BY				
YEAR:				
2022		\$ 31,199		\$ 56,376
2021		36,587		22,465
2020		33,825		18,864
2019		32,061		22,710
2018		34,772		23,182
2017		31,877		21,251
2016		31,223		20,815
2015		32,382		17,990
2014		30,010		20,976
2013		25,783		21,010
2012		23,198		18,886
2011		18,567		19,935
2010		18,993		16,758
2009 and Prior		<u>58,179</u>		<u>222,350</u>
TOTAL		<u>\$ 438,656</u>		<u>\$ 523,568</u>

See accompanying independent auditor's report.

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 136,970,872</u>	<u>\$ 116,863,009</u>	<u>\$ 111,493,891</u>	<u>\$ 107,426,893</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.4250	\$ 0.2663	\$ 0.2707	\$ 0.3400
Maintenance	<u>0.2352</u>	<u>0.4337</u>	<u>0.4854</u>	<u>0.4800</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.6602</u>	<u>\$ 0.7000</u>	<u>\$ 0.7561</u>	<u>\$ 0.8200</u>
ADJUSTED TAX LEVY*	<u>\$ 901,917</u>	<u>\$ 817,343</u>	<u>\$ 789,630</u>	<u>\$ 823,105</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>90.29 %</u>	<u>92.78 %</u>	<u>93.33 %</u>	<u>93.35 %</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, 2023**

S E R I E S - 2 0 1 0 B				
Due During Fiscal Years Ending June 30	Principal Due November 1	Interest Due November 1/ May 1	Total	
2024	\$ 115,000	\$ 27,657	\$	142,657
2025	120,000	24,438		144,438
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				
	\$ 910,000	\$ 117,387	\$	1,027,387

See accompanying independent auditor's report.

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**JUNE 30, 2023**

REFUNDING SERIES - 2017

Due During Fiscal Years Ending June 30	Principal Due November 1	Interest Due November 1/ May 1	Total
2024	\$ 135,000	\$ 24,139	\$ 159,139
2025	135,000	20,913	155,913
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			
	<u>\$ 1,010,000</u>	<u>\$ 98,948</u>	<u>\$ 1,108,948</u>

See accompanying independent auditor's report.



**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**JUNE 30, 2023**

S E R I E S - 2 0 2 0 A				
Due During Fiscal Years Ending June 30	Principal Due November 1	Interest Due November 1/ May 1	Total	
2024	\$ 75,000	\$ 15,502	\$	90,502
2025	75,000	15,206		90,206
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
	\$ 1,345,000	\$ 163,256	\$	1,508,256

See accompanying independent auditor's report.

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**JUNE 30, 2023**

S E R I E S - 2 0 2 0 B				
Due During Fiscal Years Ending June 30	Principal Due November 1	Interest Due November 1/ May 1	Total	
2024	\$ 65,000	\$ 14,554	\$	79,554
2025	65,000	14,265		79,265
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
	\$ 1,205,000	\$ 153,187	\$	1,358,187

See accompanying independent auditor's report.

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**JUNE 30, 2023**

ANNUAL REQUIREMENTS  
FOR ALL SERIES

Due During Fiscal Years Ending June 30	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2024	\$ 390,000	\$ 81,852	\$ 471,852
2025	395,000	74,822	469,822
2026	405,000	67,339	472,339
2027	415,000	59,322	474,322
2028	430,000	50,746	480,746
2029	435,000	41,716	476,716
2030	450,000	32,221	482,221
2031	150,000	22,243	172,243
2032	150,000	20,431	170,431
2033	150,000	18,438	168,438
2034	150,000	16,311	166,311
2035	155,000	14,055	169,055
2036	155,000	11,692	166,692
2037	155,000	9,276	164,276
2038	160,000	6,765	166,765
2039	160,000	4,143	164,143
2040	165,000	1,406	166,406
	<u>\$ 4,470,000</u>	<u>\$ 532,778</u>	<u>\$ 5,002,778</u>

See accompanying independent auditor's report.

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**  
**CHANGES IN LONG-TERM BOND DEBT**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Description	Original Bonds Issued	Bonds Outstanding July 1, 2022
Westwood Shores Municipal Utility District Unlimited Tax Bonds - Series 2010B	\$ 1,825,000	\$ 1,020,000
Westwood Shores Municipal Utility District Unlimited Tax Refunding Bonds - Series 2017	1,635,000	1,145,000
Westwood Shores Municipal Utility District Unlimited Tax Bonds - Series 2020A	1,560,000	1,420,000
Westwood Shores Municipal Utility District Unlimited Tax Bonds - Series 2020B	<u>1,400,000</u>	<u>1,270,000</u>
TOTAL	<u>\$ 6,420,000</u>	<u>\$ 4,855,000</u>
Bond Authority:	<u>Tax Bonds</u>	<u>Refunding Bonds</u>
Amount Authorized by Voters	\$ 14,870,000	\$ 4,205,000
Amount Issued	<u>14,870,000</u>	<u>4,205,000</u>
Remaining to be Issued	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
Debt Service Fund cash and investment balances as of June 30, 2023:		<u>\$ 73,442</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:		<u>\$ 294,281</u>

See accompanying independent auditor's report.

Current Year Transactions

<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding June 30, 2023</u>	<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>		
\$	\$ 110,000	\$ 30,683	\$ 910,000	Wells Fargo Bank of Texas, NA Houston, TX
	135,000	27,366	1,010,000	TIB The Independent Bankers Bank, NA Houston, Texas
	75,000	15,817	1,345,000	The Bank of New York Mellon Trust Co. Houston, Texas
	<u>65,000</u>	<u>15,075</u>	<u>1,205,000</u>	The Bank of New York Mellon Trust Co. Houston, Texas
<u>\$ - 0 -</u>	<u>\$ 385,000</u>	<u>\$ 88,941</u>	<u>\$ 4,470,000</u>	

See accompanying independent auditor's report.

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

	Amounts		
	2023	2022	2021
<b>REVENUES</b>			
Property Taxes	\$ 303,085	\$ 474,894	\$ 453,134
Water Service	933,379	514,899	534,145
Wastewater Service	562,955	237,260	218,724
Standby Fees		45,240	48,006
Other Fees			180,364
Penalty and Interest	26,144	25,928	6,767
Tap Connection and Inspection Fees	111,098	106,039	
Investment and Miscellaneous Revenues	90,758	59,218	288,493
<b>TOTAL REVENUES</b>	<b>\$ 2,027,419</b>	<b>\$ 1,463,478</b>	<b>\$ 1,729,633</b>
<b>EXPENDITURES</b>			
Personnel	\$ 111,717	\$ 239,014	\$ 568,428
Professional Fees	172,329	101,453	38,142
Contracted Services	323,849	244,450	
Purchased Water	289,933	202,744	376,598
Utilities	61,209	55,206	52,706
Repairs and Maintenance	355,100	334,080	168,126
Other	334,755	222,432	83,872
Capital Outlay	14,224		192,872
Debt Service:			
Lease Principal	57,957	28,531	30,995
Lease Interest	1,805	2,363	
Bond Issuance Costs			221,029
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,722,878</b>	<b>\$ 1,430,273</b>	<b>\$ 1,732,768</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 304,541</b>	<b>\$ 33,205</b>	<b>\$ (3,135)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Lease Proceeds	\$	\$	\$ 40,814
Transfers In(Out)	(41,100)	(197,649)	(214,801)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (41,100)</b>	<b>\$ (197,649)</b>	<b>\$ (173,987)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 263,441</b>	<b>\$ (164,444)</b>	<b>\$ (177,122)</b>

Note: Fiscal years 2019 through 2021 information provided by prior auditor

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2020	2019	2023	2022	2021	2020	2019
\$ 466,210	\$ 419,118	14.9 %	32.5 %	26.2 %	38.0 %	37.3 %
373,447	324,844	46.0	35.2	30.9	30.4	28.9
148,825	147,294	27.8	16.2	12.6	12.1	13.1
36,512	41,979		3.1	2.8	3.0	3.7
133,237	110,404			10.4	10.8	9.8
10,932	6,166	1.3	1.8	0.4	0.9	0.5
		5.5	7.2			
<u>59,580</u>	<u>74,932</u>	<u>4.5</u>	<u>4.0</u>	<u>16.7</u>	<u>4.8</u>	<u>6.7</u>
<u>\$ 1,228,743</u>	<u>\$ 1,124,737</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 482,249	\$ 434,661	5.5 %	16.3 %	32.9 %	39.2 %	38.6 %
26,202	30,129	8.5	6.9	2.2	2.1	2.7
		16.0	16.7			
351,385	310,655	14.3	13.9	21.8	28.6	27.6
47,475	48,019	3.0	3.8	3.0	3.9	4.3
198,531	81,638	17.5	22.8	9.7	16.2	7.3
125,862	95,370	16.5	15.2	4.8	10.2	8.5
146,332	107,781	0.7		11.2	11.9	9.6
15,000		2.9	1.9	1.8	1.2	
		0.1	0.2			
				12.8		
<u>\$ 1,393,036</u>	<u>\$ 1,108,253</u>	<u>85.0 %</u>	<u>97.7 %</u>	<u>100.2 %</u>	<u>113.3 %</u>	<u>98.6 %</u>
\$ (164,293)	\$ 16,484	<u>15.0 %</u>	<u>2.3 %</u>	<u>(0.2) %</u>	<u>(13.3) %</u>	<u>1.4 %</u>
\$ 86,725	\$					
	<u>11,025</u>					
<u>\$ 86,725</u>	<u>\$ 11,025</u>					
<u>\$ (77,568)</u>	<u>\$ 27,509</u>					

See accompanying independent auditor's report.

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

	Amounts		
	2023	2022	2021
<b>REVENUES</b>			
Property Taxes	\$ 536,232	\$ 295,757	\$ 333,397
Penalty and Interest	33,754	15,035	
Investment and Miscellaneous Revenues	<u>111</u>	<u>985</u>	<u>1,118</u>
<b>TOTAL REVENUES</b>	<u>\$ 570,097</u>	<u>\$ 311,777</u>	<u>\$ 334,515</u>
<b>EXPENDITURES</b>			
Tax Collection Expenditures	\$ 70,202	\$ 54,487	\$ 64,176
Debt Service Principal	385,000	365,000	365,000
Debt Service Interest and Fees	<u>89,166</u>	<u>94,964</u>	<u>106,992</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 544,368</u>	<u>\$ 514,451</u>	<u>\$ 536,168</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 25,729</u>	<u>\$ (202,674)</u>	<u>\$ (201,653)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In(Out)	\$ 41,000	\$ 195,099	\$ 214,801
Proceeds from Issuance of Long-Term Debt			
Transfer to Refunding Escrow Agent			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ 41,000</u>	<u>\$ 195,099</u>	<u>\$ 214,801</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 66,729</u>	<u>\$ (7,575)</u>	<u>\$ 13,148</u>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	<u>840</u>	<u>754</u>	<u>753</u>
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	<u>840</u>	<u>754</u>	<u>753</u>

Note: Fiscal years 2019 through 2021 information provided by prior auditor

See accompanying independent auditor's report.



		Percentage of Total Revenues				
2020	2019	2023	2022	2021	2020	2019
\$ 326,684	\$ 335,517	94.1 %	94.9 %	99.7 %	98.5 %	98.9 %
<u>4,882</u>	<u>3,712</u>	5.9	4.8	0.3	1.5	1.1
\$ <u>331,566</u>	\$ <u>339,229</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 58,465	\$ 57,168	12.3 %	17.5 %	19.2 %	17.6 %	16.9 %
220,000	179,737	67.5	117.1	109.1	66.4	53.0
<u>68,114</u>	<u>115,192</u>	<u>15.6</u>	<u>30.5</u>	<u>32.0</u>	<u>20.5</u>	<u>34.0</u>
\$ <u>346,579</u>	\$ <u>352,097</u>	<u>95.4 %</u>	<u>165.1 %</u>	<u>160.3 %</u>	<u>104.5 %</u>	<u>103.9 %</u>
\$ <u>(15,013)</u>	\$ <u>(12,868)</u>	<u>4.6 %</u>	<u>(65.1) %</u>	<u>(60.3) %</u>	<u>(4.5) %</u>	<u>(3.9) %</u>
\$	\$ (11,025)					
<u>\$ - 0 -</u>	<u>\$ (11,025)</u>					
<u>\$ (15,013)</u>	<u>\$ (23,893)</u>					
<u>702</u>	<u>702</u>					
<u>702</u>	<u>702</u>					

See accompanying independent auditor's report.

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**JUNE 30, 2023**

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

District Telephone Number - (936) 594-3411

<b>Board Members</b>	Term of Office (Elected or Appointed)	Fees of office for the year ended June 30, 2023	Expense Reimbursements for the year ended June 30, 2023	Title
Joan Gallagher	11/22 11/26 (Elected)	\$ -0-	\$ -0-	President
Robert Stoddard	11/22 11/26 (Elected)	\$ -0-	\$ -0-	Vice President
John Wolf	11/20 11/24 (Elected)	\$ 2,550	\$ -0-	Secretary
James Atkinson	11/20 11/24 (Elected)	\$ 2,550	\$ 87	Assistant Secretary
Bryan Holmes	06/23 11/24 (Appointed)	\$ -0-	\$ -0-	Director
Kenneth Bateman	11/20 05/23 (Resigned)	\$ 1,950	\$ -0-	Director

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

Submission date of most recent District Registration Form: July 20, 2023

See accompanying independent auditor's report.

**WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**JUNE 30, 2023**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees/ Compensation for the fiscal year ended June 30, 2023</u>	<u>Title</u>
Mitchell & Zientek, LLP	11/15/21	\$ 81,313	General Counsel
McCall Gibson Swedlund Barfoot PLLC	08/01/22	\$ 32,500	Auditor
Axley & Rode, LLP		\$ 12,807	Prior Auditor
Elite Bookkeeping LLC	07/01/22	\$ 49,151	Bookkeeper
Civil Grade Engineers	03/21/22	\$ 71,225	Engineer
Hilltop Securities, Inc.	03/31/22	\$ -0-	Financial Advisor
Inframark	08/04/21	\$ 324,567	Operator
Trinity County Tax Assessor/Collector		\$ 14,455	Tax Collector

See accompanying independent auditor's report.

