

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**

**HARRIS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2024**

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

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# ***McCall Gibson Swedlund Barfoot Ellis PLLC***

*Certified Public Accountants*

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Bridgestone Municipal Utility District  
Harris County, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Bridgestone Municipal Utility District (the "District") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Change in Accounting Principle**

As described in Note 18 to the financial statements, the District's financial statements as of and for the year ended December 31, 2023, have been restated to account for changes in accounting principle. Our opinions are not modified with respect to this matter.

### **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  
Bridgestone 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

March 18, 2025

# **BRIDGESTONE MUNICIPAL UTILITY DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **FOR THE YEAR ENDED DECEMBER 31, 2024**

Management's discussion and analysis of the financial performance of Bridgestone Municipal Utility District (the "District") provides an overview of the District's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the District's financial statements.

#### **USING THIS ANNUAL REPORT**

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

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

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

#### **FUND FINANCIAL STATEMENTS**

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has 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.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**FUND FINANCIAL STATEMENTS (Continued)**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**OTHER INFORMATION**

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") and other supplementary information. A budgetary comparison schedule is included as RSI for the General Fund.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$41,851,904 as of December 31, 2024. A portion of the District's net position reflects its net investment in capital assets which includes land, building and the water, wastewater and drainage facilities less any debt used to acquire those assets that is still outstanding.

The table on the following page is a comparative analysis of government-wide changes in net position for the current and prior fiscal years. The 2023 totals on the following page have been adjusted; see Note 18.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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

	Summary of Changes in the Statement of Net Position		
	2024	2023	Change Positive (Negative)
Current and Other Assets	\$ 50,229,562	\$ 37,405,864	\$ 12,823,698
Capital Assets, Net of Depreciation	124,409,927	113,792,146	10,617,781
Right-to-Use Assets, Net of Amortization	1,105,387	395,826	709,561
Total Assets	<u>\$ 175,744,876</u>	<u>\$ 151,593,836</u>	<u>\$ 24,151,040</u>
Deferred Outflows of Resources	<u>\$ 2,998,850</u>	<u>\$ 3,280,890</u>	<u>\$ (282,040)</u>
Bonds Payable	\$ 115,518,026	\$ 97,861,268	\$ (17,656,758)
Other Liabilities	<u>9,701,050</u>	<u>7,342,518</u>	<u>(2,358,532)</u>
Total Liabilities	<u>\$ 125,219,076</u>	<u>\$ 105,203,786</u>	<u>\$ (20,015,290)</u>
Deferred Inflows of Resources	<u>\$ 11,672,746</u>	<u>\$ 11,334,659</u>	<u>\$ (338,087)</u>
Net Position:			
Net Investment in Capital Assets	\$ 31,773,824	\$ 20,886,779	\$ 10,887,045
Restricted	1,995,694	749,839	1,245,855
Unrestricted	<u>8,082,386</u>	<u>16,699,663</u>	<u>(8,617,277)</u>
Total Net Position	<u>\$ 41,851,904</u>	<u>\$ 38,336,281</u>	<u>\$ 3,515,623</u>

The following table provides a summary of the District's operations for the years ending December 31, 2024, and December 31, 2023.

	Summary of Changes in the Statement of Activities		
	2024	2023	Change Positive (Negative)
Revenues:			
Property Tax Revenues	\$ 10,921,693	\$ 10,280,115	\$ 641,578
Charges for Services	8,551,277	9,198,653	(647,376)
Sales Tax Revenues	1,551,486	1,594,929	(43,443)
Other Revenues	<u>3,463,574</u>	<u>3,008,056</u>	<u>455,518</u>
Total Revenues	<u>\$ 24,488,030</u>	<u>\$ 24,081,753</u>	<u>\$ 406,277</u>
Expenses for Services	<u>20,972,407</u>	<u>17,137,360</u>	<u>(3,835,047)</u>
Change in Net Position	<u>\$ 3,515,623</u>	<u>\$ 6,944,393</u>	<u>\$ (3,428,770)</u>
Net Position, Beginning of Year	<u>38,336,281</u>	<u>31,391,888</u>	<u>6,944,393</u>
Net Position, End of Year	<u>\$ 41,851,904</u>	<u>\$ 38,336,281</u>	<u>\$ 3,515,623</u>



**BRIDGESTONE MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

The District's combined fund balances as of December 31, 2024, were \$27,828,987, an increase of \$11,098,933 from the prior year. The General Fund fund balance decreased by \$8,513,438, primarily due to operating costs, administrative costs and capital outlay exceeding service revenues, sales tax revenues, and property tax revenues. The Debt Service Fund fund balance increased by \$1,368,854, primarily due to the structure of the District's outstanding debt. The Capital Projects Fund fund balance increased by \$18,243,517. The District sold its Series 2024 Unlimited Tax Bonds; see Note 16 for more information.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors adopted a budget for the General Fund which was amended during the current year to reflect anticipated increases in security service fees, infrastructure fees, annexation fees, and capital outlay. Actual revenues were \$740,410 less than budgeted revenues, actual expenditures were \$1,097,844 more than budgeted expenditures, and unbudgeted transfers out totaled \$2,014,815. The net result was a negative variance of \$3,853,069. See the budget to actual comparison for more information.

**CAPITAL ASSETS**

Capital assets as of December 31, 2024, total \$124,409,927 (net of accumulated depreciation) and include land, construction in progress and buildings as well as the water, wastewater and drainage systems. The 2023 totals below have been adjusted; see Note 18.

Capital Assets At Year-End			
	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 20,606,027	\$ 24,035,578	\$ (3,429,551)
Construction in Progress	34,851,235	32,109,351	2,741,884
Capital Assets Subject to Depreciation:			
Buildings and Improvements	4,463,708	4,463,708	
Water System	27,348,848	27,116,137	232,711
Wastewater System	50,779,482	38,242,788	12,536,694
Drainage System	24,052,179	22,935,723	1,116,456
Less Accumulated Depreciation	(37,691,552)	(35,111,139)	(2,580,413)
Total Net Capital Assets	<u>\$ 124,409,927</u>	<u>\$ 113,792,146</u>	<u>\$ 10,617,781</u>

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**LONG-TERM DEBT ACTIVITY**

As of December 31, 2024, the District had total bond debt payable of \$115,650,000. The changes in the debt position of the District during the current fiscal year are summarized in the following table:

Bond Debt Payable, January 1, 2024	\$ 97,740,000
Add: Bond Sale	22,080,000
Less: Bond Principal Paid	<u>(4,170,000)</u>
Bond Debt Payable, December 31, 2024	<u>\$ 115,650,000</u>

The District's underlying rating is "AA-". District bonds carry insured ratings of "AA" by virtue of bond insurance issued by Assured Guaranty or Build America Mutual Assurance Company. Credit enhanced ratings provided through bond insurance policies are subject to change based on changes to the ratings of the insurers.

See also Notes 15 and 17 for information related to the District's lease liability and subscription liability, respectively.

**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 Bridgestone Municipal Utility District, c/o Polley Garza PLLC, 1401 Enclave Parkway, Suite 625, Houston, Texas 77077

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**DECEMBER 31, 2024**

	<u>General Fund</u>	<u>Debt Service Fund</u>
<b>ASSETS</b>		
Cash	\$ 1,253,227	\$ 544,667
Investments	11,399,362	2,704,680
Receivables:		
Property Taxes	4,180,671	5,577,657
Penalty and Interest on Delinquent Taxes		
Service Accounts	466,633	
Accrued Interest	24,093	
Due from Other Funds		390,191
Prepaid Costs	275,014	
Due from City of Houston	377,662	
Chloramination Credit Receivable		
Elevated Storage Tank Credit Receivable		
Subscription-Based Service Asset, Net of Amortization		
Leased Asset, Net of Amortization		
Land		
Construction in Progress		
Capital Assets, Net of Depreciation		
<b>TOTAL ASSETS</b>	<u>\$ 17,976,662</u>	<u>\$ 9,217,195</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charges on Refunding Bonds	<u>\$ -0-</u>	<u>\$ -0-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 17,976,662</u>	<u>\$ 9,217,195</u>

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>
\$ 7,890	\$ 1,805,784	\$	\$ 1,805,784
20,714,357	34,818,399		34,818,399
	9,758,328		9,758,328
		42,906	42,906
	466,633		466,633
	24,093		24,093
	390,191	(390,191)	
	275,014	94,374	369,388
	377,662		377,662
		328,990	328,990
		2,237,379	2,237,379
		329,855	329,855
		775,532	775,532
		20,606,027	20,606,027
		34,851,235	34,851,235
		68,952,665	68,952,665
<u>\$ 20,722,247</u>	<u>\$ 47,916,104</u>	<u>\$ 127,828,772</u>	<u>\$ 175,744,876</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2,998,850</u>	<u>\$ 2,998,850</u>
<u>\$ 20,722,247</u>	<u>\$ 47,916,104</u>	<u>\$ 130,827,622</u>	<u>\$ 178,743,726</u>

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

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**DECEMBER 31, 2024**

	<u>General Fund</u>	<u>Debt Service Fund</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 2,761,647	\$
Accrued Interest Payable		
Due to Other Funds	390,191	
Developer Construction Advances	3,405,640	
Security Deposits	995,541	
Long-Term Liabilities:		
Subscription Payable, Due Within One Year		
Subscription Payable, Due After One Year		
Lease Payable, Due Within One Year		
Lease Payable, Due After One Year		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
<b>TOTAL LIABILITIES</b>	<u>\$ 7,553,019</u>	<u>\$ -0-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	<u>\$ 5,059,569</u>	<u>\$ 6,750,934</u>
<b>FUND BALANCES</b>		
Nonspendable - Prepaid Costs	\$ 275,014	\$
Restricted for Authorized Construction		
Restricted for Debt Service		2,466,261
Unassigned	<u>5,089,060</u>	
<b>TOTAL FUND BALANCES</b>	<u>\$ 5,364,074</u>	<u>\$ 2,466,261</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u><u>\$ 17,976,662</u></u>	<u><u>\$ 9,217,195</u></u>
<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
\$ 723,595	\$ 3,485,242	\$	\$ 3,485,242
		593,661	593,661
	390,191	(390,191)	
	3,405,640	64,661	3,470,301
	995,541		995,541
		54,762	54,762
		303,935	303,935
		164,123	164,123
		633,485	633,485
		4,315,000	4,315,000
		111,203,026	111,203,026
<u>\$ 723,595</u>	<u>\$ 8,276,614</u>	<u>\$ 116,942,462</u>	<u>\$ 125,219,076</u>
<u>\$ -0-</u>	<u>\$ 11,810,503</u>	<u>\$ (137,757)</u>	<u>\$ 11,672,746</u>
\$	\$ 275,014	\$ (275,014)	\$
19,998,652	19,998,652	(19,998,652)	
	2,466,261	(2,466,261)	
	5,089,060	(5,089,060)	
<u>\$ 19,998,652</u>	<u>\$ 27,828,987</u>	<u>\$ (27,828,987)</u>	<u>\$ -0-</u>
<u>\$ 20,722,247</u>	<u>\$ 47,916,104</u>		
		\$ 31,773,824	\$ 31,773,824
		1,995,694	1,995,694
		8,082,386	8,082,386
		<u>\$ 41,851,904</u>	<u>\$ 41,851,904</u>

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

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2024**

Total Fund Balances - Governmental Funds	\$	27,828,987
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Credits due from the North Harris County Regional Water Authority for asset reimbursements are not current financial resources and, therefore, are not reported as assets in the governmental funds.		2,566,369
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Interest paid in advance as part of a refunding bond sale is recorded as a deferred outflow in governmental activities and systematically charged to interest expense over the shorter of the remaining life of the new debt or the old debt.		2,998,850
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Prepaid bond insurance costs are amortized over the term of the bonds in the government-wide financial statements.		94,374
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Capital assets and intangible assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		125,515,314
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Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2023 and prior tax levies became part of recognized revenue in the governmental activities of the District.		180,663
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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:

Due to Developers	\$	(64,661)	
Accrued Interest Payable		(593,661)	
Subscription Payable		(358,697)	
Lease Payable		(797,608)	
Bonds Payable		<u>(115,518,026)</u>	<u>(117,332,653)</u>
Total Net Position - Governmental Activities	\$		<u><u>41,851,904</u></u>

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

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	General Fund	Debt Service Fund
<b>REVENUES</b>		
Property Taxes	\$ 4,680,767	\$ 6,238,447
Water Service	1,725,577	
Wastewater Service	2,727,399	
Water Authority Fees	2,731,594	
Penalty and Interest	77,488	105,963
Connection, Inspection, and Infrastructure Fees	707,818	470,357
Security Service Fees	568,648	
Water Authority Credits	235,552	
Sales Tax Revenues	1,551,486	
Gain on Sale of Land		
Investment and Miscellaneous Revenues	1,064,142	150,201
<b>TOTAL REVENUES</b>	<b>\$ 16,070,471</b>	<b>\$ 6,964,968</b>
<b>EXPENDITURES/EXPENSES</b>		
Service Operations:		
Professional Fees	\$ 1,144,743	\$ 28,340
Contracted Services	3,728,366	173,656
Purchased Water Service	2,259,613	
Utilities	567,115	
Water Authority Assessments	620,278	
Repairs and Maintenance	2,476,008	
Depreciation and Amortization		
Other	1,982,451	46,678
Capital Outlay	9,790,520	
Developer Interest		
Debt Service:		
Lease Principal		
Lease Interest		
Bond Issuance Costs		
Bond Principal		4,170,000
Bond Interest		3,360,861
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ 22,569,094</b>	<b>\$ 7,779,535</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER</b>		
<b>EXPENDITURES/EXPENSES</b>	<b>\$ (6,498,623)</b>	<b>\$ (814,567)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Lease Proceeds	\$	\$
Transfers In/(Out)	(2,014,815)	2,183,421
Bond Discount		
Bond Premium		
Proceeds from Sale of Land		
Proceeds from Issuance of Long-Term Debt		
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (2,014,815)</b>	<b>\$ 2,183,421</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (8,513,438)</b>	<b>\$ 1,368,854</b>
<b>CHANGE IN NET POSITION</b>		
<b>FUND BALANCES/NET POSITION</b>		
<b>JANUARY 1, 2024, AS REPORTED</b>	13,877,512	1,097,407
<b>CHANGE DUE TO NEW ACCOUNTING GUIDANCE</b>		
<b>JANUARY 1, 2024, AS RESTATED</b>	<b>\$ 13,877,512</b>	<b>\$ 1,097,407</b>
<b>FUND BALANCES/NET POSITION - DECEMBER 31, 2024</b>	<b>\$ 5,364,074</b>	<b>\$ 2,466,261</b>

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



Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 10,919,214	\$ 2,479	\$ 10,921,693
	1,725,577		1,725,577
	2,727,399		2,727,399
	2,731,594		2,731,594
	183,451	5,081	188,532
	1,178,175		1,178,175
	568,648		568,648
	235,552	(97,154)	138,398
	1,551,486		1,551,486
		494,992	494,992
1,047,193	2,261,536		2,261,536
<u>\$ 1,047,193</u>	<u>\$ 24,082,632</u>	<u>\$ 405,398</u>	<u>\$ 24,488,030</u>
\$	\$ 1,173,083	\$	\$ 1,173,083
	3,902,022		3,902,022
	2,259,613		2,259,613
	567,115		567,115
	620,278		620,278
	2,476,008		2,476,008
		2,783,243	2,783,243
120	2,029,249	(52,592)	1,976,657
8,410,572	18,201,092	(18,201,092)	
264,185	264,185		264,185
114,784	114,784	(114,784)	
51,716	51,716		51,716
1,159,799	1,159,799		1,159,799
	4,170,000	(4,170,000)	
	3,360,861	377,827	3,738,688
<u>\$ 10,001,176</u>	<u>\$ 40,349,805</u>	<u>\$ (19,377,398)</u>	<u>\$ 20,972,407</u>
<u>\$ (8,953,983)</u>	<u>\$ (16,267,173)</u>	<u>\$ 19,782,796</u>	<u>\$ 3,515,623</u>
\$ 912,391	\$ 912,391	\$ (912,391)	\$
(168,606)			
(615,298)	(615,298)	615,298	
403,515	403,515	(403,515)	
4,585,498	4,585,498	(4,585,498)	
22,080,000	22,080,000	(22,080,000)	
<u>\$ 27,197,500</u>	<u>\$ 27,366,106</u>	<u>\$ (27,366,106)</u>	<u>\$ -0-</u>
\$ 18,243,517	\$ 11,098,933	\$ (11,098,933)	\$
		3,515,623	3,515,623
1,755,135	16,730,054	20,462,229	37,192,283
		1,143,998	1,143,998
<u>\$ 1,755,135</u>	<u>\$ 16,730,054</u>	<u>\$ 21,606,227</u>	<u>\$ 38,336,281</u>
<u>\$ 19,998,652</u>	<u>\$ 27,828,987</u>	<u>\$ 14,022,917</u>	<u>\$ 41,851,904</u>

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

**BRIDGESTONE 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 DECEMBER 31, 2024**

Net Change in Fund Balances - Governmental Funds	\$ 11,098,933
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	2,479
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Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.	5,081
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Governmental funds report repayment of long-term receivables as revenues in the period received. However, in the Statement of Net Position, reimbursements reduce long-term receivables.	(97,154)
--	----------

Governmental funds do not account for depreciation and amortization. However, capital assets and intangible assets are depreciated and amortized over the estimated useful lives of the assets in governmental activities.	(2,783,243)
--	-------------

Governmental funds report capital outlay as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.	13,198,195
---	------------

Bond discounts and bond premiums are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.	211,783
--	---------

Governmental funds report lease payments as expenditures. However, in the Statement of Net Position, the principal portion the lease payments are reported as decreases in long-term liabilities.	114,784
---	---------

Governmental funds report bond principal and subscription payments as expenditures. However, in the Statement of Net Position, bond principal payments and subscription payments are reported as decreases in long-term liabilities.	4,222,592
--	-----------

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.	(377,827)
---	-----------

Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.	(22,080,000)
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Change in Net Position - Governmental Activities	\$ <u>3,515,623</u>
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The accompanying notes to the financial  
statements are an integral part of this report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1. CREATION OF DISTRICT**

Bridgestone Municipal Utility District of Harris County, Texas (the “District”) was created effective July 29, 1976, by an Order of the Texas Water Rights Commission, presently known as the Texas Commission on Environmental Quality (the “Commission”). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, wastewater service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, parks and recreational facilities for the residents of the District. The District is also empowered to contract for or employ its own peace officers with powers to make arrests and to establish, operate and maintain a fire department to perform all fire-fighting activities within the District. The Board of Directors held its first meeting on August 14, 1976, and the first bonds were sold on March 14, 1978.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

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

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units.

Financial Statement Presentation

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

The GASB Codification 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.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

Financial Statement Presentation (Continued)

These classifications are defined as follows:

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

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

Government-Wide Financial Statements

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

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

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

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

Fund Financial Statements

The District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and 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 collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available 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 the 2023 tax levy collections during the period October 1, 2023, to December 31, 2024. In addition, taxes collected from January 1, 2024, to December 31, 2024, for the 2022 and prior tax levies are included in revenue. Recognition of tax revenues for the 2024 tax levy has been deferred until the 2025 fiscal year.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

Basis of Accounting (Continued)

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

As of December 31, 2024, the General Fund owed the Debt Service Fund \$34,097 for maintenance tax collections and \$356,094 for infrastructure fees. The General Fund transferred \$2,183,421 to the Debt Service Fund for infrastructure fees and the Capital Projects Fund transferred \$168,606 to the General Fund for bond issuance costs and construction costs.

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 two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation over periods ranging from 10 to 45 years.

Intangible Assets

In accordance with GASB Statement No. 96, the District records its subscription-based meter reading service as an intangible asset (see Note 17). In accordance with GASB Statement No. 87, the District records its leased sewage treatment plant as an intangible asset (see Note 15).

Budgeting

A budget is adopted each year 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 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 budgeted amounts compared to the actual amounts of revenues and expenditures for the current year.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service determined that directors are considered to be employees for federal payroll tax purposes only.

Measurement Focus

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

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

Fund balances are classified in governmental funds using the following hierarchy:

*Nonspendable*: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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

*Committed*: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

*Assigned*: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

Measurement Focus (Continued)

*Unassigned:* all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

Accounting Estimates

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

**NOTE 3. LONG-TERM DEBT**

	<u>Series 2014</u>	<u>Series 2015</u>	<u>Refunding Series 2016</u>
Amount Outstanding – December 31, 2024	\$ 3,220,000	\$ 5,535,000	\$ 26,130,000
Interest Rates	3.00% - 4.00%	2.375% - 3.625%	2.00% - 3.00%
Maturity Dates – Serially Beginning/Ending	May 1, 2025/2041	May 1, 2025/2041	May 1, 2025/2036
Interest Payment Dates	May 1/ November 1	May 1/ November 1	May 1/ November 1
Callable Dates	May 1, 2022*	May 1, 2022*	May 1, 2022*

\* Or on any other date thereafter, at the par value thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. Series 2014 term bonds due May 1, 2026, 2028, 2030, 2032, 2034, 2036, 2038, and 2041, are subjected to mandatory redemption on May 1, 2025, 2027, 2029, 2031, 2033, 2035, 2037, and 2039, respectively.



**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

	<u>Series 2018</u>	<u>Series 2019</u>	<u>Refunding Series 2019A</u>
Amount Outstanding – December 31, 2024	\$ 7,050,000	\$ 5,545,000	\$ 13,285,000
Interest Rates	3.00% - 4.00%	2.00% - 3.00%	3.00%
Maturity Dates – Serially Beginning/Ending	May 1, 2025/2047	May 1, 2025/2048	May 1, 2025/2035, November 1, 2036
Interest Payment Dates	May 1/ November 1	May 1/ November 1	May 1/ November 1
Callable Dates	May 1, 2023**	May 1, 2024**	May 1, 2024**
	<u>Refunding Series 2020</u>	<u>Refunding Series 2021</u>	<u>Series 2022</u>
Amount Outstanding – December 31, 2024	\$ 2,015,000	\$ 5,310,000	\$ 25,480,000
Interest Rates	3.00%	3.00%	1.00% - 4.00%
Maturity Dates – Serially Beginning/Ending	May 1, 2025/2028	May 1, 2025/2038	May 1, 2025/2050
Interest Payment Dates	May 1/ November 1	May 1/ November 1	May 1/ November 1
Callable Dates	May 1, 2025**	May 1, 2030**	May 1, 2029**

\*\* Or on any other date thereafter, at the par value thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. Series 2018 term bonds due May 1, 2037, are subject to mandatory redemption on May 1, 2035. Series 2019 term bonds due May 1, 2046 and 2048 are subjected to mandatory redemption on May 1, 2045 and 2047, respectively. Series 2021 Refunding term bonds due May 1, 2036 and 2038 are subjected to mandatory redemption on May 1, 2035 and 2037, respectively. Series 2022 term bonds due May 1, 2042, 2044, 2048, and 2050 are subject to mandatory redemption on May 1, 2041, 2043, 2045, and 2049, respectively.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

	<u>Series 2024</u>
Amount Outstanding – December 31, 2024	\$ 22,080,000
Interest Rates	2.00% - 5.00%
Maturity Dates – Serially Beginning/Ending	May 1, 2027/2053
Interest Payment Dates	May 1/ November 1
Callable Dates	May 1, 2029***

\*\*\* Or on any other date thereafter, at the par value thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. Series 2024 term bonds due May 1, 2051 and 2053, are subject to mandatory redemption on May 1, 2050 and 2052.

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

	<u>January 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31, 2024</u>
Bonds Payable	\$ 97,740,000	\$ 22,080,000	\$ 4,170,000	\$ 115,650,000
Unamortized Discounts	(738,230)	(615,298)	(54,292)	(1,299,236)
Unamortized Premiums	<u>859,498</u>	<u>403,515</u>	<u>95,751</u>	<u>1,167,262</u>
Bonds Payable, Net	<u>\$ 97,861,268</u>	<u>\$ 21,868,217</u>	<u>\$ 4,211,459</u>	<u>\$ 115,518,026</u>
		Amount Due Within One Year		\$ 4,315,000
		Amount Due After One Year		<u>111,203,026</u>
		Bonds Payable, Net		<u>\$ 115,518,026</u>

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

As of December 31, 2024, the debt service requirements on the bonds outstanding were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,315,000	\$ 3,505,346	\$ 7,820,346
2026	4,470,000	3,387,700	7,857,700
2027	5,110,000	3,249,003	8,359,003
2028	5,420,000	3,088,023	8,508,023
2029	5,160,000	2,924,919	8,084,919
2030-2034	30,625,000	11,843,234	42,468,234
2035-2039	24,860,000	7,264,376	32,124,376
2040-2044	14,465,000	4,413,409	18,878,409
2045-2049	14,445,000	2,113,035	16,558,035
2050-2053	6,780,000	451,900	7,231,900
	<u>\$ 115,650,000</u>	<u>\$ 42,240,945</u>	<u>\$ 157,890,945</u>

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount and certain bonds are further payable from and secured by a lien on and pledge of the net revenues to be received from the operation of the District's waterworks and wastewater system.

As of December 31, 2024, the District had authorized but unissued tax and revenue bonds in the amount of \$38,668 and unlimited tax bonds of \$26,505,000 that may be issued for the purpose of constructing facilities to serve the District and for refunding purposes.

During the year ended December 31, 2024, the District levied an ad valorem debt service tax rate of \$0.28 per \$100 of assessed valuation, which resulted in a tax levy of \$6,670,187 on the adjusted taxable valuation of \$2,382,171,172 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 7 for the maintenance tax levy.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 4.      SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS**

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 and every 5<sup>th</sup> year thereafter.

The District is required to provide to certain information repositories continuing disclosure of annual financial information and operating data with respect to the District. The information is of the general type included in the annual audit report and must be filed within six months after the end of each fiscal year of the District.

**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 collateral 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 collateral is pledged. At fiscal year end, the carrying amount of the District's deposits was \$2,583,466 and the bank balance was \$7,637,314. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits at December 31, 2024, are summarized below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 1,253,227	\$ 777,682	\$ 2,030,909
DEBT SERVICE FUND	544,667		544,667
CAPITAL PROJECTS FUND	7,890		7,890
TOTAL DEPOSITS	<u>\$ 1,805,784</u>	<u>\$ 777,682</u>	<u>\$ 2,583,466</u>

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**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 Texas Comptroller of Public Accounts has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

The District invests in the Texas Short Term Asset Reserve Program ("TexSTAR"), an external public funds investment pool that is not SEC-registered. J. P. Morgan Investment Management Inc. provides investment management and Hilltop Securities Inc., provides participant services and marketing under an agreement with the TexSTAR Board of Directors. Custodial, fund accounting and depository services are provided by JPMorgan Chase Bank, N.A. and/or its subsidiary J.P. Morgan Investors Services Co. Investments held by TexSTAR are marked to market daily. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District's position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from TexSTAR.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

Investments (Continued)

The District records its investment in certificates of deposit at acquisition cost.

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

Funds and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
TexPool	\$ 9,427,385	\$ 9,427,385
TexSTAR	1,194,295	1,194,295
Certificates of Deposit	777,682	777,682
<u>DEBT SERVICE FUND</u>		
TexPool	2,704,680	2,704,680
<u>CAPITAL PROJECTS FUND</u>		
TexSTAR	<u>20,714,357</u>	<u>20,714,357</u>
<b>TOTAL INVESTMENTS</b>	<u><u>\$ 34,818,399</u></u>	<u><u>\$ 34,818,399</u></u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District's investments in TexPool and TexSTAR were rated AAAM by Standard and Poor's. The District also manages credit risk by investing in certificates of deposit covered by FDIC insurance and pledged collateral.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers its investments in TexPool and TexSTAR to have maturities of less than one year due since the share positions can be redeemed each day at the discretion of the District unless there have been significant changes in value. The District also 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.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the current fiscal year is summarized in the following table. Prior year balances in the table below have been adjusted; see Note 18.

	January 1, 2024	Increases	Decreases	December 31, 2024
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 24,035,578	\$ 660,955	\$ 4,090,506	\$ 20,606,027
Construction in Progress	<u>32,109,351</u>	<u>13,198,195</u>	<u>10,456,311</u>	<u>34,851,235</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>\$ 56,144,929</u>	<u>\$ 13,859,150</u>	<u>\$ 14,546,817</u>	<u>\$ 55,457,262</u>
<b>Capital Assets Subject to Depreciation</b>				
Buildings and Improvements	\$ 4,463,708	\$	\$	\$ 4,463,708
Water System	27,116,137	232,711		27,348,848
Wastewater System	38,242,788	12,536,694		50,779,482
Drainage System	<u>22,935,723</u>	<u>1,116,456</u>		<u>24,052,179</u>
<b>Total Capital Assets Subject to Depreciation</b>	<u>\$ 92,758,356</u>	<u>\$ 13,885,861</u>	<u>\$ - 0 -</u>	<u>\$ 106,644,217</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	\$ 442,584	\$ 112,984	\$	\$ 555,568
Water System	11,163,757	673,687		11,837,444
Wastewater System	15,652,400	1,255,578		16,907,978
Drainage System	<u>7,852,398</u>	<u>538,164</u>		<u>8,390,562</u>
<b>Total Accumulated Depreciation</b>	<u>\$ 35,111,139</u>	<u>\$ 2,580,413</u>	<u>\$ - 0 -</u>	<u>\$ 37,691,552</u>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 57,647,217</u>	<u>\$ 11,305,448</u>	<u>\$ - 0 -</u>	<u>\$ 68,952,665</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 113,792,146</u>	<u>\$ 25,164,598</u>	<u>\$ 14,546,817</u>	<u>\$ 124,409,927</u>

**NOTE 7. MAINTENANCE TAX**

At an election held on August 14, 1976, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$0.25 per \$100 of assessed valuation of taxable property within the District. The maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater system. During the year ended December 31, 2024, the District levied an ad valorem maintenance tax rate of \$0.21 per \$100 of assessed valuation, which resulted in a tax levy of \$5,002,559 on the adjusted taxable valuation of \$2,382,171,172 for the 2024 tax year.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 8. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**NOTE 9. EMERGENCY WATER SUPPLY AGREEMENTS**

On March 8, 1999, the District approved an Emergency Water Supply Agreement with Bilma Public Utility District. On August 20, 2013, the District approved the Amended and Restated Emergency Water Supply Agreement. Under the terms of the agreement, the district supplying water will bill the receiving district at a rate of \$1.50 per 1,000 gallons of water usage plus the applicable North Harris County Regional Water Authority fee for surface water consumption. If the supplying district is buying the supplied water from any adjoining district, the receiving district will pay for water at a rate per 1,000 gallons equal to the rate paid by the supplying district for such water if such rate is greater than the rate stated above.

On May 1, 2007, the District approved an Emergency Water Supply Contract with Northwest Harris County Municipal Utility District No. 30. Under the terms of the agreement, the district supplying water can either: (1) be repaid in kind, or (2) bill the receiving district at a rate of \$1.50 per 1,000 gallons of water usage or, if the supplying district is buying the supplied water from any adjoining district, bill the receiving district at the rate it is paying for the water. In addition, if the supplying district has converted to use of surface water, the billed cost will be the price per 1,000 gallons the supplying district is paying for surface water. The term of the agreement is for a period of 20 years from the date of execution, unless terminated pursuant to the provisions of the agreement or pursuant to mutual written consent of the districts.

On December 18, 2008, the District approved an Emergency Water Supply Contract with Northwest Harris County Municipal Utility District No. 32. Under the terms of the agreement, the district supplying water can either: (1) be repaid in kind, or (2) bill the receiving district at a rate of \$1.50 per 1,000 gallons of water usage as reflected by the interconnect meter, or such other rate that the districts may agree upon in writing from time-to-time. In addition, if the supplying district has converted to use of surface water, the billed cost will be the actual cost per 1,000 gallons to the supplying district to purchase surface water, or the above rate may be increased by the amount of the fee per 1,000 gallons imposed by the North Harris County Regional Water Authority. The term of the agreement is for a period of 20 years from the date of execution, unless terminated pursuant to the provisions of the agreement or pursuant to mutual written consent of the districts.



**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 10. WATER AND WASTEWATER SERVICE AGREEMENTS**

KLEIN UNITED METHODIST CHURCH

On May 17, 2005, the District entered into a Water Supply and Wastewater Treatment Service Agreement with Klein United Methodist Church (KUMC). KUMC constructed, at its sole cost, the water line extension and wastewater connection necessary to provide an amount of water not to exceed 3,300 gallons per day (gpd) of capacity in the District's water treatment facilities and the wastewater treatment plant not to exceed 2,800 gpd of capacity. The District owns, operates and maintains the lines located between the point of connection to the District's system. The water and wastewater rates charged to KUMC will not exceed the rates charged to in-district commercial customers for similar services. The term of this agreement is 40 years.

KLEIN INDEPENDENT SCHOOL DISTRICT

On November 15, 2005, the District entered into a Water Supply and Wastewater Treatment Service Agreement with Klein Independent School District (Klein) in which the District constructed, at Klein's sole cost, the water line and wastewater collection line necessary to provide an amount of water not to exceed 40,000 gallons per day (gpd) of capacity in the District's water treatment facilities and the wastewater treatment plant not to exceed 30,000 gpd of capacity. Klein paid the District \$87,600 for capacity in the District's water plant and \$84,000 for capacity in the District's wastewater treatment plant. Klein received credits toward the costs of capacity in the amounts of \$54,000 for a 2.4-acre future water plant site and \$5,600 for a 10-foot waterline easement. Thus, the total payment by Klein for its capacity was \$112,000. The District owns, operates and maintains the lines located between the point of connection to the District's system. The water and wastewater rates charged to Klein will not exceed the rates charged to out-of-district commercial for similar services. The term of this agreement is 40 years.

SPRING EDUCATIONAL FOUNDATION d/b/a BHA-HOUSTON

On January 23, 2020, the District entered into an Out-of-District Service Agreement with Spring Educational Foundation d/b/a BHA-Houston (BHA) in which the District agrees to sell and deliver to BHA at the point of connection in an amount not to exceed 4,667 gallons per day (gpd) of capacity in the District's water treatment facilities and the wastewater treatment plant. The District owns, operates and maintains the lines located between the point of connection to the District's system. The water and wastewater rates charged to BHA will not exceed the rates charged to out-of-district non-taxable entities for similar services. The term of this agreement is 40 years.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 10. WATER AND WASTEWATER SERVICE AGREEMENTS (Continued)**

REBECCA VILLAGE BUSINESS PARK, LP

On February 21, 2020, the District entered into an Out-of-District Service Agreement with Rebecca Village Business Park, LP (Rebecca) in which the District agrees to sell and deliver to Rebecca at the point of connection and in an amount not to exceed 7,200 gallons per day (gpd) of capacity in the District's water treatment facilities. Rebecca will be responsible for extending a private waterline to tap into an existing ten-foot waterline, and upon completion, will be eligible to receive water from the District. The District owns, operates and maintains the lines located between the point of connection to the District's system. The water and wastewater rates charged to Rebecca will not exceed the rates charged to out-of-district commercial entities for similar services. Rebecca must construct an onsite private sanitary sewer treatment system and the District will require Rebecca to annex into the District and connect to the District's sanitary sewer collection system once capacity is available in Lift Station No. 4 or after a period of ten years from the execution of the Agreement, whichever occurs later. The term of this agreement is 40 years.

LINCOLN WOOD BAPTIST CHURCH, INC.

On September 1, 2020, the District entered into an Out-of-District Service Agreement with Lincoln Wood Baptist Church, Inc. (Church) in which the District agrees to sell and deliver to the Church at the point of connection an amount not to exceed 360 gallons per day (gpd) of capacity in the District's water treatment facilities and 300 gpd of capacity in the District's wastewater treatment plant. The Church will be responsible for the construction of sanitary sewer and collection system improvements, and upon completion, will be eligible to receive wastewater from the District. The District owns, operates and maintains the lines located between the point of connection to the District's system. The Church shall pay a capital recovery fee to the District for 360 gpd of capacity in the Water Plant and for 300 gpd of capacity in the Wastewater Treatment Plant. The water and wastewater rates charged to the Church will not exceed the rates charged to out-of-district non-taxable entities for similar services. The term of this agreement is 40 years.

**NOTE 11. UNREIMBURSED COSTS**

In accordance with the terms of certain development financing agreements, Developers within the District have made expenditures on behalf of the District for certain water, sewer and drainage facilities. Reimbursements will come from proceeds of future bond sales or surplus operating funds.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 12. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY**

The District is located within the boundaries of the North Harris County Regional Water Authority (the “Authority”). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 2965 (the “Act”), as passed by the 75<sup>th</sup> Texas Legislature, in 1999. The Act empowers the Authority to provide for the conservation, preservation, protection, recharge and prevention of waste of groundwater, and for the reduction of groundwater withdrawals.

The Authority charges a fee, based on the amount of water pumped from a well, to the owners of wells located within the boundaries of the Authority, unless exempted. This fee enables the Authority to fulfill its purpose and regulatory functions. The current fee charged is \$2.60 per 1,000 gallons of water pumped from each well. The District recorded expenditures of \$620,278 for fees assessed during the current fiscal year.

On December 19, 2006, the District approved the Groundwater Transfer Agreement-Buyer (the “Agreement”) with the Authority. This Agreement was amended on June 1, 2010. In accordance with the Agreement, the District has elected to participate in the groundwater transfer program of the Authority, under the Regulations for Buy/Sell Agreement for Implementation of the Groundwater Transfer Program adopted by the Authority on September 8, 2003, as amended, and agrees to assume all rights and obligations of a seller. The Authority has agreed to the District electing the buyer status. The District agrees to buy and receive water from the Authority and the Authority agrees to sell and deliver water to the District at the minimum and maximum volumes as set forth in the Agreement.

On December 1, 2020, the Authority and the District entered into an Amended Water Supply Agreement. The Authority will make available for sale and delivery to the District a volume of Authority water between 0.441 million gallons per day (MGD) and 1.057 MGD. The agreement is in effect until January 1, 2040, and may be extended for 10-year periods thereafter.

The current rate for purchased water is \$3.05 per 1,000 gallons of water. The District recorded expenditures of \$2,259,613 for water purchased from the Authority during the current fiscal year.

**Chloramine Conversion Reimbursement**

The Authority required the District to convert its water systems to chloramine disinfection for as long as it is connected to the Authority’s system. The District has completed its chloramine system. The District’s reimbursable cost of this system was \$449,562. The Authority calculated the reimbursement at 6% interest over a 30-year period. The District began receiving chloramine conversion credits on the December 2010 Authority billing. Total credits earned in the current fiscal year were \$32,660. Of this amount, \$12,189 was a return of principal with the balance being applicable to interest.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 12. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY**  
(Continued)

Chloramine Conversion Reimbursement (Continued)

The following is a schedule of the remaining chloramine conversion credits (principal only) to be received under the terms of the agreement.

Fiscal Year	Principal
2025	\$ 12,921
2026	13,696
2027	14,518
2028	15,389
2029	16,312
2030-2034	97,470
2035-2039	130,437
2040	<u>28,247</u>
	<u>\$ 328,990</u>

Elevated Storage Tank Reimbursement

The Authority authorized a capital reimbursement credit to the District in the total amount of \$3,087,533 in connection with the construction of an elevated storage tank. The Authority calculated the reimbursement credit at 6% interest over a 30-year period. The credit amount is applied monthly and the District began receiving the elevated storage tank credits on the September 2010 Authority billing. Total credits earned in the current fiscal year were \$224,306. Of this amount, \$84,956 was a return of principal with the balance being applicable to interest. The following is a schedule of the remaining elevated storage tank credits (principal only) to be received under the terms of the agreement.

Fiscal Year	Principal
2025	\$ 90,063
2026	95,467
2027	101,195
2028	107,267
2029	113,703
2030-2034	679,410
2035-2039	909,203
2040	<u>141,071</u>
	<u>\$ 2,237,379</u>

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 13. STRATEGIC PARTNERSHIP AGREEMENT**

The District has entered into a Strategic Partnership Agreement (“SPA”) with the City of Houston, Texas. Under the agreement, and in accordance with Subchapter F of Chapter 43 of the Local Government Code, the City has annexed a tract of land within the District for limited purposes. The District will continue to develop, to own, and to operate and maintain a water, wastewater, and drainage system in the District. The City may not annex the District for full purposes during the term of this agreement. The City imposes a Sales and Use Tax within the boundaries of the District under the SPA on the receipts from the sale and use at retail of taxable items at the rate of one percent or the rate specified under future amendments to Chapter 321 of the Tax Code. The City pays to the District one-half of all Sales and Use Tax revenues collected within the District within 30 days of the City receiving the funds from the State Comptroller’s office. The term of this SPA is 30 years from the effective date of April 3, 2007. During the current fiscal year, the District recorded revenues in the amount of \$1,551,486 in relation to this agreement.

**NOTE 14. BRIDGESTONE GREENWAYS COALITION, INC.**

Effective December 6, 2022, the Bridgestone Greenways Coalition, Inc. (“Corporation”) was created with the purpose to promote and support the development and maintenance of the District’s public community parks, connecting hike and bike trails, and other recreational facilities and amenities located in and around the District. The Corporation qualifies as a nonprofit organization under section 501 (c)(3) of the Internal Revenue Code. The Board of Directors for the District have exclusive authority to appoint Directors of the Corporation, with appointment for directors filling expired terms happening at the District’s December board meeting.

**NOTE 15. WASTEWATER TREATMENT PLANT LEASE**

The District executed a Lease Agreement with Option to Purchase with AUC Group, L.P. for a 200,000 gallons-per-day sewage treatment plant. The term of the lease is 60 months from the first day of the month following delivery and installation of the equipment. The lease may be extended at the District’s option on a month-to-month basis in the amount of \$17,000 per month. At year end, prepaid lease payments total \$37,000 which consist of the first and last month lease payment. The District implemented GASB Statement No. 87 with respect to this lease. The plant is recorded as a right-to-use asset in the Statement of Net Position.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 15. WASTEWATER TREATMENT PLANT LEASE (Continued)**

The total cost of the equipment was \$912,391 which the District is amortizing using the straight-line method over 60 months. The District recorded \$136,859 of amortization expense on the equipment which resulted in a net book value of \$775,532.

Lease payments in the amount of \$18,500 began April 1, 2024, with payments being made over 60 months at 8.00% interest. The following schedule reflects the current year change in capital lease payable:

Lease Payable-January 1, 2024	\$	
Add: Equipment Lease		912,391
Less: Principal Paid		<u>(136,859)</u>
Lease Payable-December 31, 2024	\$	<u>775,532</u>

Future minimum lease payments are summarized in the following table:

Fiscal Year	Principal	Interest	Total
2025	\$ 164,123	\$ 57,877	\$ 222,000
2026	177,745	44,255	222,000
2027	192,497	29,503	222,000
2028	208,475	13,525	222,000
2029	54,768	732	55,500
	<u>\$ 797,608</u>	<u>\$ 145,892</u>	<u>\$ 943,500</u>

Lease due within one year	\$ 164,123
Lease due after one year	<u>633,485</u>
	<u>\$ 797,608</u>

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 16. BOND SALE**

On February 15, 2024, the District closed on the sale of its \$22,080,000 Unlimited Tax Bonds, Series 2024. Proceeds of the bonds, along with \$5,429,000 of surplus funds, were used to reimburse certain developers and to fund a portion of the design and construction of the following: Southern Development's utility extensions, phases 1 and 2; lift station no. 8 construction; lift station no. 3 improvements; regional detention basin and related land costs; water plant nos. 1, 2 and 3 generator replacement; SCADA systems; 2024 WWTP No. 1 improvements; lift station nos. 2, 5, 6 and 7 generator replacement; wastewater system rehabilitation phases 1-12; wall construction at District facilities; and related engineering costs. Bond proceeds were also used to pay for developer interest and bond issuance costs.

**NOTE 17. SUBSCRIPTION-BASED SERVICE AGREEMENT**

In accordance with the requirements of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements* the District recorded a right-to-use asset and related subscription payable in its financial statements pertaining to the subscription service agreement it has with Badger Meter dated December 4, 2020. The term of the agreement continues through November 3, 2030.

Monthly payments are based on the number of connections serviced times the contractual rate per connection, which is currently \$0.89 per connection per month. The monthly costs are approximately \$5,690 per month but will vary from time-to-time as the number of connections change. Current year subscription payments totaled approximately \$68,280 with \$52,592 allocated to principal and the remainder to interest.

The subscription liability was measured using the remaining subscription term and discount rate of 4.05%. The subscription based service asset is amortized using the straight-line method over the term of the agreement ending in 2030. Right-to-use assets, current amortization expense, and accumulated amortization are summarized in the following table.

	January 1, 2024	Increases	Decreases	December 31, 2024
<b>Intangible Assets Subject to Amortization</b>				
Subscription Based Service	\$ 560,685	\$	\$	\$ 560,685
<b>Accumulated Amortization</b>				
Subscription Based Service	<u>164,859</u>	<u>65,971</u>	<u></u>	<u>230,830</u>
<b>Total Intangible Assets, Net of Accumulated Amortization</b>	<u>\$ 395,826</u>	<u>\$ 65,971</u>	<u>\$ - 0 -</u>	<u>\$ 329,855</u>

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 17. SUBSCRIPTION-BASED SERVICE AGREEMENT (Continued)**

The change in subscription payable during the current fiscal year is summarized in the following table:

	January 1, 2024	Additions	Retirements	December 31, 2024
Subscription Payable	<u>\$ 411,289</u>	<u>\$ -0-</u>	<u>\$ 52,592</u>	<u>\$ 358,697</u>

Future subscription payments, including the amount due within one year and amounts due after one year, are summarized in the following tables:

Fiscal Year	Principal	Interest	Total
2025	\$ 54,762	\$ 13,518	\$ 68,280
2026	57,021	11,259	68,280
2027	59,374	8,906	68,280
2028	61,824	6,456	68,280
2029	64,375	3,905	68,280
2030	<u>61,341</u>	<u>1,249</u>	<u>62,590</u>
	<u>\$ 358,697</u>	<u>\$ 45,293</u>	<u>\$ 403,990</u>

Amount Due Within One Year	\$ 54,762
Amount Due After One Year	<u>303,935</u>
Total Subscription Payable	<u>\$ 358,697</u>

**NOTE 18. CHANGE IN ACCOUNTING PRINCIPLE**

To comply with current accounting guidance, the District adjusted its prior year financial statements to properly account for the costs of new meters purchased in a prior year which were expensed. Current accounting guidance recommends these costs be capitalized based on the significance of the aggregated costs in relation to the financial statements. The adjustment resulted in an increase in net position and an increase in capital assets of \$1,143,998.



**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2024**

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 4,750,000	\$ 4,750,000	\$ 4,680,767	\$ (69,233)
Water Service	2,100,000	2,100,000	1,725,577	(374,423)
Wastewater Service	2,750,000	2,750,000	2,727,399	(22,601)
Water Authority Fees	3,100,000	3,100,000	2,731,594	(368,406)
Penalty and Interest	100,000	100,000	77,488	(22,512)
Connection and Inspection Fees	250,000	250,000	707,818	457,818
Water Authority Credits	256,966	256,966	235,552	(21,414)
Sales Tax Revenues	1,775,000	1,775,000	1,551,486	(223,514)
Security Service Fees	225,000	480,000	568,648	88,648
Investment and Miscellaneous Revenues	<u>798,915</u>	<u>1,248,915</u>	<u>1,064,142</u>	<u>(184,773)</u>
<b>TOTAL REVENUES</b>	<u>\$ 16,105,881</u>	<u>\$ 16,810,881</u>	<u>\$ 16,070,471</u>	<u>\$ (740,410)</u>
<b>EXPENDITURES</b>				
Service Operations:				
Professional Fees	\$ 635,000	\$ 635,000	\$ 1,144,743	\$ (509,743)
Contracted Services	3,300,000	3,300,000	3,728,366	(428,366)
Purchased Water and Pumpage Fees	3,120,000	3,120,000	2,879,891	240,109
Utilities	380,000	380,000	567,115	(187,115)
Other	1,606,250	1,606,250	1,982,451	(376,201)
Capital Outlay and Repairs	<u>12,325,000</u>	<u>12,430,000</u>	<u>12,266,528</u>	<u>163,472</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 21,366,250</u>	<u>\$ 21,471,250</u>	<u>\$ 22,569,094</u>	<u>\$ (1,097,844)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (5,260,369)</u>	<u>\$ (4,660,369)</u>	<u>\$ (6,498,623)</u>	<u>\$ (1,838,254)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In/(Out)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (2,014,815)</u>	<u>\$ (2,014,815)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (5,260,369)</u>	<u>\$ (4,660,369)</u>	<u>\$ (8,513,438)</u>	<u>\$ (3,853,069)</u>
<b>FUND BALANCE - JANUARY 1, 2024</b>	<u>13,877,512</u>	<u>13,877,512</u>	<u>13,877,512</u>	
<b>FUND BALANCE - DECEMBER 31, 2024</b>	<u><u>\$ 8,617,143</u></u>	<u><u>\$ 9,217,143</u></u>	<u><u>\$ 5,364,074</u></u>	<u><u>\$ (3,853,069)</u></u>

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**SUPPLEMENTARY INFORMATION – REQUIRED BY THE**  
**WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**  
**DECEMBER 31, 2024**

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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

<u>  X  </u>	Retail Water	<u>  X  </u>	Wholesale Water	<u>  X  </u>	Drainage
<u>  X  </u>	Retail Wastewater	<u>  X  </u>	Wholesale Wastewater	<u>  X  </u>	Irrigation
<u>  X  </u>	Parks/Recreation	<u>      </u>	Fire Protection	<u>  X  </u>	Security
<u>  X  </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):				
<u>      </u>					

**2. RETAIL SERVICE PROVIDERS**

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

The following rates are based on the rate order approved August 20, 2024.

	<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:	\$ 8.00	3,000	N	\$ 1.30	3,001 to 10,000
				1.70	10,001 to 20,000
				1.75	20,001 to 30,000
				2.00	30,001 and up

WASTEWATER: \$ 29.79  
(includes solid waste)

Y

SURCHARGE:

Regional Water  
Authority Fees \$ 4.05 per 1,000 gallons of water usage

District employs winter averaging for wastewater usage?

         X    
Yes No

Total monthly charges per 10,000 gallons usage: Water: \$17.10 Wastewater: \$29.79 Surcharge: \$40.50

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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

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

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered	<u>4</u>	<u>4</u>	x 1.0	<u>4</u>
≤¾"	<u>5,871</u>	<u>5,843</u>	x 1.0	<u>5,843</u>
1"	<u>197</u>	<u>194</u>	x 2.5	<u>485</u>
1½"	<u>41</u>	<u>39</u>	x 5.0	<u>195</u>
2"	<u>212</u>	<u>210</u>	x 8.0	<u>1,680</u>
3"	<u>5</u>	<u>5</u>	x 15.0	<u>75</u>
4"	<u>7</u>	<u>7</u>	x 25.0	<u>175</u>
6"	<u>5</u>	<u>5</u>	x 50.0	<u>250</u>
8"	<u>8</u>	<u>8</u>	x 80.0	<u>640</u>
10"	<u>1</u>	<u>1</u>	x 115.0	<u>115</u>
Total Water Connections	<u><u>6,351</u></u>	<u><u>6,316</u></u>		<u><u>9,462</u></u>
Total Wastewater Connections	<u><u>6,108</u></u>	<u><u>6,075</u></u>	x 1.0	<u><u>6,075</u></u>

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

Gallons pumped into system: 184,117,000      Water Accountability Ratio: 93%  
 (Gallons billed/Gallons pumped and purchased)

Gallons billed to customers: 725,228,000

Gallons purchased: 595,759,000      From: North Harris County Regional  
Water Authority

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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

Does the District have Debt Service standby fees? Yes ☐ No ☒

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

**5. LOCATION OF DISTRICT:**

Is the District located entirely within one county?

Yes ☒ No ☐

County in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely ☐ Partly ☐ Not at all ☒

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

Entirely ☒ Partly ☐ Not at all ☐

ETJ in which District is located:

City of Houston, Texas

Are Board Members appointed by an office outside the District?

Yes ☐ No ☒

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**GENERAL FUND EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

PROFESSIONAL FEES:	
Auditing	\$ 35,000
Engineering	693,756
Legal	415,987
	<hr/>
TOTAL PROFESSIONAL FEES	\$ 1,144,743
	<hr/>
PURCHASED WATER SERVICE	\$ 2,259,613
	<hr/>
CONTRACTED SERVICES:	
Bookkeeping	\$ 133,451
General Manager	68,249
Operations and Billing	366,497
Solid Waste Disposal	1,827,741
Security	1,332,428
	<hr/>
TOTAL CONTRACTED SERVICES	\$ 3,728,366
	<hr/>
UTILITIES	\$ 567,115
	<hr/>
REPAIRS AND MAINTENANCE	\$ 2,476,008
	<hr/>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 55,214
Insurance	130,633
Office Supplies and Postage	181,692
Election	146,835
Website, Communications and Other	198,164
	<hr/>
TOTAL ADMINISTRATIVE EXPENDITURES	\$ 712,538
	<hr/>
CAPITAL OUTLAY	\$ 9,790,520
	<hr/>
OTHER EXPENDITURES:	
Chemicals	\$ 406,835
Laboratory Fees	101,697
Connection, Reconnection, and Inspection Fees	250,249
Water Authority Assessments	620,278
Permit Fees and Regulatory Assessments	20,231
Sludge Hauling	490,901
	<hr/>
TOTAL OTHER EXPENDITURES	\$ 1,890,191
	<hr/>
TOTAL EXPENDITURES	\$ 22,569,094
	<hr/>

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**INVESTMENTS**  
**DECEMBER 31, 2024**

<u>Funds</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	XXXX0003	Varies	Daily	\$ 9,427,385	\$
TexSTAR	XXXX2220	Varies	Daily	102,779	
TexSTAR	XXXX2221	Varies	Daily	68,166	
TexSTAR	XXXX2223	Varies	Daily	339,021	
TexSTAR	XXXX2224	Varies	Daily	325,720	
TexSTAR	XXXX2225	Varies	Daily	358,609	
Certificate of Deposit	XXXX6776	5.22%	02/02/25	134,702	2,909
Certificate of Deposit	XXXX8058	5.50%	02/13/25	230,000	11,160
Certificate of Deposit	XXXX5320	5.11%	02/21/25	154,388	2,810
Certificate of Deposit	XXXX6811	5.22%	03/03/25	107,780	1,850
Certificate of Deposit	XXXX4560	5.30%	04/30/25	150,812	5,364
TOTAL GENERAL FUND				<u>\$ 11,399,362</u>	<u>\$ 24,093</u>
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0002	Varies	Daily	<u>\$ 2,704,680</u>	<u>\$ -0-</u>
<u>CAPITAL PROJECTS FUND</u>					
TexSTAR	XXXX4440	Varies	Daily	<u>\$ 20,714,357</u>	<u>\$ -0-</u>
TOTAL - ALL FUNDS				<u>\$ 34,818,399</u>	<u>\$ 24,093</u>

See accompanying independent auditor's report.



**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Maintenance Taxes</u>		<u>Debt Service Taxes</u>	
TAXES RECEIVABLE -				
JANUARY 1, 2024	\$ 3,880,543		\$ 5,178,244	
Adjustments to Beginning				
Balance	<u>(176,701)</u>	\$ 3,703,842	<u>(237,514)</u>	\$ 4,940,730
Original 2024 Tax Levy	\$ 4,952,533		\$ 6,603,377	
Adjustment to 2024 Tax Levy	<u>50,026</u>	<u>5,002,559</u>	<u>66,810</u>	<u>6,670,187</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 8,706,401		\$ 11,610,917
TAX COLLECTIONS:				
Prior Years	\$ 3,646,273		\$ 4,860,542	
Current Year	<u>879,457</u>	<u>4,525,730</u>	<u>1,172,718</u>	<u>6,033,260</u>
TAXES RECEIVABLE -				
DECEMBER 31, 2024		<u>\$ 4,180,671</u>		<u>\$ 5,577,657</u>
TAXES RECEIVABLE BY				
YEAR:				
2024	\$ 4,123,102		\$ 5,497,469	
2023	23,925		31,901	
2022	9,250		12,620	
2021	6,407		8,737	
2020	6,206		8,463	
2019	5,598		8,958	
2018	1,893		3,029	
2017	1,169		2,030	
2016 and Prior	<u>3,121</u>		<u>4,450</u>	
TOTAL		<u>\$ 4,180,671</u>		<u>\$ 5,577,657</u>

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
PROPERTY VALUATIONS:				
Land	\$ 562,904,429	\$ 553,814,398	\$ 534,824,487	\$ 448,475,766
Improvements	2,120,858,515	2,131,410,444	1,887,731,465	1,557,152,726
Personal Property	115,541,114	108,925,957	98,840,191	85,685,811
Exemptions	<u>(417,132,886)</u>	<u>(480,955,000)</u>	<u>(440,934,378)</u>	<u>(282,298,083)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 2,382,171,172</u>	<u>\$ 2,313,195,799</u>	<u>\$ 2,080,461,765</u>	<u>\$ 1,809,016,220</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.28	\$ 0.28	\$ 0.2936	\$ 0.30
Maintenance	<u>0.21</u>	<u>0.21</u>	<u>0.2152</u>	<u>0.22</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.49</u>	<u>\$ 0.49</u>	<u>\$ 0.5088</u>	<u>\$ 0.52</u>
ADJUSTED TAX LEVY*	<u>\$ 11,672,746</u>	<u>\$ 11,334,659</u>	<u>\$ 10,585,390</u>	<u>\$ 9,406,884</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>17.58 %</u>	<u>99.51 %</u>	<u>99.79 %</u>	<u>99.84 %</u>

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

Maintenance Tax – Maximum tax rate of \$0.25 per \$100 of assessed valuation approved by voters on August 14, 1976.

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2024**

S E R I E S - 2 0 1 4				
Due During Fiscal Years Ending December 31	Principal Due May 1	Interest Due May 1/ November 1	Total	
2025	\$ 125,000	\$ 116,337	\$	241,337
2026	130,000	112,512		242,512
2027	135,000	108,453		243,453
2028	145,000	104,078		249,078
2029	150,000	99,281		249,281
2030	160,000	94,050		254,050
2031	165,000	88,463		253,463
2032	175,000	82,513		257,513
2033	185,000	76,097		261,097
2034	195,000	69,210		264,210
2035	205,000	61,703		266,703
2036	215,000	53,566		268,566
2037	225,000	44,900		269,900
2038	235,000	35,700		270,700
2039	245,000	26,100		271,100
2040	260,000	16,000		276,000
2041	270,000	5,400		275,400
2042				
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2053				
	<u>\$ 3,220,000</u>	<u>\$ 1,194,363</u>	<u>\$</u>	<u>4,414,363</u>

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2024**

S E R I E S - 2 0 1 5				
Due During Fiscal Years Ending December 31	Principal Due May 1	Interest Due May 1/ November 1	Total	
2025	\$ 225,000	\$ 176,034	\$	401,034
2026	250,000	170,238		420,238
2027	250,000	163,675		413,675
2028	250,000	156,488		406,488
2029	275,000	148,612		423,612
2030	275,000	140,363		415,363
2031	300,000	131,550		431,550
2032	300,000	122,176		422,176
2033	325,000	112,206		437,206
2034	325,000	101,644		426,644
2035	350,000	90,456		440,456
2036	350,000	78,644		428,644
2037	375,000	66,409		441,409
2038	400,000	53,082		453,082
2039	400,000	39,081		439,081
2040	425,000	24,378		449,378
2041	460,000	8,337		468,337
2042				
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2053				
	<u>\$ 5,535,000</u>	<u>\$ 1,783,373</u>	<u>\$</u>	<u>7,318,373</u>

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2024**

S E R I E S - 2 0 1 6 R E F U N D I N G				
Due During Fiscal Years Ending December 31	Principal Due May 1	Interest Due May 1/ November 1	Total	
2025	\$ 1,955,000	\$ 683,912	\$	2,638,912
2026	2,040,000	641,412		2,681,412
2027	2,120,000	591,962		2,711,962
2028	2,195,000	538,025		2,733,025
2029	2,330,000	481,463		2,811,463
2030	2,425,000	418,994		2,843,994
2031	2,520,000	351,000		2,871,000
2032	2,595,000	277,425		2,872,425
2033	2,670,000	198,450		2,868,450
2034	2,085,000	127,125		2,212,125
2035	2,160,000	63,450		2,223,450
2036	1,035,000	15,525		1,050,525
2037				
2038				
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2053				
	<u>\$ 26,130,000</u>	<u>\$ 4,388,743</u>	<u>\$</u>	<u>30,518,743</u>

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2024**

S E R I E S - 2 0 1 8				
Due During Fiscal Years Ending December 31	Principal Due May 1	Interest Due May 1/ November 1	Total	
2025	\$ 200,000	\$ 269,000	\$	469,000
2026	200,000	263,000		463,000
2027	200,000	257,000		457,000
2028	225,000	250,344		475,344
2029	225,000	242,750		467,750
2030	225,000	234,594		459,594
2031	250,000	225,687		475,687
2032	250,000	216,000		466,000
2033	250,000	206,000		456,000
2034	275,000	195,500		470,500
2035	275,000	184,500		459,500
2036	300,000	173,000		473,000
2037	300,000	161,000		461,000
2038	325,000	148,500		473,500
2039	325,000	135,500		460,500
2040	350,000	122,000		472,000
2041	350,000	108,000		458,000
2042	400,000	93,000		493,000
2043	400,000	77,000		477,000
2044	400,000	61,000		461,000
2045	425,000	44,500		469,500
2046	450,000	27,000		477,000
2047	450,000	9,000		459,000
2048				
2049				
2050				
2051				
2052				
2053				
	<u>\$ 7,050,000</u>	<u>\$ 3,703,875</u>	<u>\$</u>	<u>10,753,875</u>

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2024**

S E R I E S - 2 0 1 9				
Due During Fiscal Years Ending December 31	Principal Due May 1	Interest Due May 1/ November 1	Total	
2025	\$ 125,000	\$ 153,006	\$	278,006
2026	150,000	150,256		300,256
2027	150,000	147,256		297,256
2028	150,000	144,256		294,256
2029	175,000	141,006		316,006
2030	175,000	137,178		312,178
2031	175,000	132,913		307,913
2032	175,000	128,538		303,538
2033	200,000	123,725		323,725
2034	200,000	118,350		318,350
2035	200,000	112,850		312,850
2036	225,000	106,725		331,725
2037	225,000	99,975		324,975
2038	225,000	93,225		318,225
2039	250,000	86,100		336,100
2040	250,000	78,600		328,600
2041	275,000	70,725		345,725
2042	275,000	62,475		337,475
2043	300,000	53,850		353,850
2044	300,000	44,850		344,850
2045	300,000	35,850		335,850
2046	325,000	26,475		351,475
2047	350,000	16,350		366,350
2048	370,000	5,550		375,550
2049				
2050				
2051				
2052				
2053				
	<u>\$ 5,545,000</u>	<u>\$ 2,270,084</u>	<u>\$</u>	<u>7,815,084</u>

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2024**

S E R I E S - 2 0 1 9 A R E F U N D I N G				
Due During Fiscal Years Ending December 31	Principal Due May 1 **	Interest Due May 1/ November 1	Total	
2025	\$ 460,000	\$ 391,650	\$	851,650
2026	485,000	377,475		862,475
2027	500,000	362,700		862,700
2028	525,000	347,325		872,325
2029	610,000	330,300		940,300
2030	1,085,000	304,875		1,389,875
2031	1,155,000	271,275		1,426,275
2032	1,160,000	236,550		1,396,550
2033	1,110,000	202,500		1,312,500
2034	1,065,000	169,875		1,234,875
2035	1,505,000	131,325		1,636,325
2036	3,625,000	87,375		3,712,375
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	<u>\$ 13,285,000</u>	<u>\$ 3,213,225</u>	<u>\$</u>	<u>16,498,225</u>

\*\*The schedule above includes a final payment which is due on November 1, 2036.

See accompanying independent auditor's report.



**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2024**

S E R I E S - 2 0 2 0 R E F U N D I N G				
Due During Fiscal Years Ending December 31	Principal Due May 1	Interest Due May 1/ November 1	Total	
2025	\$ 470,000	\$ 53,400	\$	523,400
2026	460,000	39,450		499,450
2027	500,000	25,050		525,050
2028	585,000	8,775		593,775
2029				
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2053				
	<u>\$ 2,015,000</u>	<u>\$ 126,675</u>	<u>\$</u>	<u>2,141,675</u>

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2024**

S E R I E S - 2 0 2 1 R E F U N D I N G				
Due During Fiscal Years Ending December 31	Principal Due May 1	Interest Due May 1/ November 1	Total	
2025	\$ 155,000	\$ 156,975	\$	311,975
2026	155,000	152,325		307,325
2027	200,000	147,000		347,000
2028	195,000	141,075		336,075
2029	195,000	135,225		330,225
2030	245,000	128,625		373,625
2031	290,000	120,600		410,600
2032	285,000	111,975		396,975
2033	330,000	102,750		432,750
2034	375,000	92,175		467,175
2035	370,000	81,000		451,000
2036	615,000	66,225		681,225
2037	960,000	42,600		1,002,600
2038	940,000	14,100		954,100
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048				
2049				
2050				
2051				
2052				
2053				
	<u>\$ 5,310,000</u>	<u>\$ 1,492,650</u>	<u>\$</u>	<u>6,802,650</u>

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2024**

S E R I E S - 2 0 2 2				
Due During Fiscal Years Ending December 31	Principal Due May 1	Interest Due May 1/ November 1	Total	
2025	\$ 600,000	\$ 622,032	\$	1,222,032
2026	600,000	598,032		1,198,032
2027	650,000	573,032		1,223,032
2028	725,000	545,532		1,270,532
2029	750,000	516,032		1,266,032
2030	775,000	485,532		1,260,532
2031	800,000	457,032		1,257,032
2032	825,000	431,657		1,256,657
2033	850,000	410,782		1,260,782
2034	875,000	393,530		1,268,530
2035	900,000	375,780		1,275,780
2036	925,000	357,530		1,282,530
2037	950,000	338,187		1,288,187
2038	975,000	317,369		1,292,369
2039	1,000,000	295,394		1,295,394
2040	1,050,000	271,675		1,321,675
2041	1,075,000	246,440		1,321,440
2042	1,100,000	220,612		1,320,612
2043	1,125,000	194,190		1,319,190
2044	1,175,000	166,877		1,341,877
2045	1,200,000	137,924		1,337,924
2046	1,250,000	107,299		1,357,299
2047	1,275,000	75,737		1,350,737
2048	1,300,000	43,550		1,343,550
2049	1,350,000	20,550		1,370,550
2050	1,380,000	6,900		1,386,900
2051				
2052				
2053				
	<u>\$ 25,480,000</u>	<u>\$ 8,209,207</u>	<u>\$</u>	<u>33,689,207</u>

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2024**

S E R I E S - 2 0 2 4			
Due During Fiscal Years Ending December 31	Principal Due May 1	Interest Due May 1/ November 1	Total
2025	\$	\$ 883,000	\$ 883,000
2026		883,000	883,000
2027	405,000	872,875	1,277,875
2028	425,000	852,125	1,277,125
2029	450,000	830,250	1,280,250
2030	450,000	807,750	1,257,750
2031	500,000	784,000	1,284,000
2032	500,000	761,500	1,261,500
2033	525,000	741,000	1,266,000
2034	550,000	719,500	1,269,500
2035	600,000	696,500	1,296,500
2036	625,000	672,000	1,297,000
2037	650,000	646,500	1,296,500
2038	675,000	620,000	1,295,000
2039	700,000	592,500	1,292,500
2040	750,000	563,500	1,313,500
2041	800,000	532,500	1,332,500
2042	850,000	499,500	1,349,500
2043	900,000	464,500	1,364,500
2044	925,000	428,000	1,353,000
2045	975,000	390,000	1,365,000
2046	1,025,000	350,000	1,375,000
2047	1,075,000	308,000	1,383,000
2048	1,125,000	275,250	1,400,250
2049	1,200,000	240,000	1,440,000
2050	1,250,000	191,000	1,441,000
2051	1,325,000	139,500	1,464,500
2052	1,375,000	85,500	1,460,500
2053	1,450,000	29,000	1,479,000
	<u>\$ 22,080,000</u>	<u>\$ 15,858,750</u>	<u>\$ 37,938,750</u>

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2024**

ANNUAL REQUIREMENTS  
FOR ALL SERIES

Due During Fiscal Years Ending December 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2025	\$ 4,315,000	\$ 3,505,346	\$ 7,820,346
2026	4,470,000	3,387,700	7,857,700
2027	5,110,000	3,249,003	8,359,003
2028	5,420,000	3,088,023	8,508,023
2029	5,160,000	2,924,919	8,084,919
2030	5,815,000	2,751,961	8,566,961
2031	6,155,000	2,562,520	8,717,520
2032	6,265,000	2,368,334	8,633,334
2033	6,445,000	2,173,510	8,618,510
2034	5,945,000	1,986,909	7,931,909
2035	6,565,000	1,797,564	8,362,564
2036	7,915,000	1,610,590	9,525,590
2037	3,685,000	1,399,571	5,084,571
2038	3,775,000	1,281,976	5,056,976
2039	2,920,000	1,174,675	4,094,675
2040	3,085,000	1,076,153	4,161,153
2041	3,230,000	971,402	4,201,402
2042	2,625,000	875,587	3,500,587
2043	2,725,000	789,540	3,514,540
2044	2,800,000	700,727	3,500,727
2045	2,900,000	608,274	3,508,274
2046	3,050,000	510,774	3,560,774
2047	3,150,000	409,087	3,559,087
2048	2,795,000	324,350	3,119,350
2049	2,550,000	260,550	2,810,550
2050	2,630,000	197,900	2,827,900
2051	1,325,000	139,500	1,464,500
2052	1,375,000	85,500	1,460,500
2053	1,450,000	29,000	1,479,000
	<u>\$ 115,650,000</u>	<u>\$ 42,240,945</u>	<u>\$ 157,890,945</u>

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**CHANGES IN LONG-TERM BOND DEBT**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

Description	Original Bonds Issued	Bonds Outstanding January 1, 2024
Bridgestone Municipal Utility District		
Waterworks and Sewer System Combination Unlimited		
Tax and Revenue Bonds - Series 2014	\$ 4,040,000	\$ 3,340,000
Bridgestone Municipal Utility District		
Waterworks and Sewer System Combination Unlimited		
Tax and Revenue Bonds - Series 2015	6,410,000	5,760,000
Bridgestone Municipal Utility District		
Waterworks and Sewer System Combination Unlimited		
Tax and Revenue Refunding Bonds - Series 2016	35,055,000	28,005,000
Bridgestone Municipal Utility District		
Waterworks and Sewer System Combination Unlimited		
Tax and Revenue Bonds - Series 2018	7,400,000	7,225,000
Bridgestone Municipal Utility District		
Waterworks and Sewer System Combination Unlimited		
Tax and Revenue Bonds - Series 2019	5,670,000	5,670,000
Bridgestone Municipal Utility District		
Unlimited Tax Refunding Bonds - Series 2019A	16,640,000	13,725,000
Bridgestone Municipal Utility District		
Unlimited Tax Refunding Bonds - Series 2020	4,020,000	2,495,000
Bridgestone Municipal Utility District		
Unlimited Tax Refunding Bonds - Series 2021	5,810,000	5,470,000
Bridgestone Municipal Utility District		
Unlimited Tax Bonds - Series 2022	26,050,000	26,050,000
Bridgestone Municipal Utility District		
Unlimited Tax Bonds - Series 2024	22,080,000	
TOTAL	<u>\$ 133,175,000</u>	<u>\$ 97,740,000</u>

See accompanying independent auditor's report.

Current Year Transactions				
Bonds Sold	Retirements		Bonds Outstanding	Paying Agent
	Principal	Interest	December 31, 2024	
\$	\$ 120,000	\$ 120,012	\$ 3,220,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	225,000	181,237	5,535,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	1,875,000	722,212	26,130,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	175,000	274,625	7,050,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	125,000	156,132	5,545,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	440,000	405,150	13,285,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	480,000	66,450	2,015,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	160,000	161,700	5,310,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	570,000	645,432	25,480,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
22,080,000		627,911	22,080,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
\$ 22,080,000	\$ 4,170,000	\$ 3,360,861	\$ 115,650,000	

See accompanying independent auditor's report.

**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**CHANGES IN LONG-TERM BOND DEBT**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

Bond Authority:	<u>Unlimited Tax and Revenue Bonds</u>	<u>Unlimited Tax Bonds</u>
Amount Authorized by Voters	\$ 115,412,000	\$ 75,000,000
Amount Issued	<u>115,373,332</u>	<u>48,495,000</u>
Remaining to be Issued	<u>\$ 38,668</u>	<u>\$ 26,505,000</u>
Debt Service Fund cash and investment balances as of December 31, 2024:		<u>\$ 3,249,347</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:		<u>\$ 5,444,515</u>

See accompanying independent auditor's report.



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

	Amounts		
	2024	2023	2022
<b>REVENUES</b>			
Property Taxes	\$ 4,680,767	\$ 4,333,095	\$ 3,907,031
Water Service	1,725,577	1,680,263	1,723,765
Wastewater Service	2,727,399	2,589,242	1,821,214
Solid Waste Disposal			818,328
Water Authority Fees	2,731,594	3,773,425	3,847,600
Penalty and Interest	77,488	96,323	87,986
Connection and Inspection Fees	707,818	988,343	574,515
Water Authority Credits	235,552	278,380	256,966
Sales Tax Revenues	1,551,486	1,594,929	1,548,305
Security Service Fees	568,648	248,300	167,700
Construction Advances		1,005,746	219,816
Investment and Miscellaneous Revenues	1,064,142	1,155,297	420,563
<b>TOTAL REVENUES</b>	<u>\$ 16,070,471</u>	<u>\$ 17,743,343</u>	<u>\$ 15,393,789</u>
<b>EXPENDITURES</b>			
Professional Fees	\$ 1,144,743	\$ 723,295	\$ 1,041,984
Contracted Services	3,728,366	2,965,450	2,796,920
Purchased Water Service	2,259,613	2,700,579	3,037,597
Utilities	567,115	399,391	494,806
Water Authority Assessments	620,278	821,084	1,052,264
Repairs and Maintenance	2,476,008	2,242,317	1,674,527
Other	1,982,451	1,663,955	1,236,354
Capital Outlay	9,790,520	11,826,342	1,895,395
<b>TOTAL EXPENDITURES</b>	<u>\$ 22,569,094</u>	<u>\$ 23,342,413</u>	<u>\$ 13,229,847</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (6,498,623)</u>	<u>\$ (5,599,070)</u>	<u>\$ 2,163,942</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In/(Out)	\$ (2,014,815)	\$ - 0 -	\$ 11,261,278
<b>NET CHANGE IN FUND BALANCE</b>	\$ (8,513,438)	\$ (5,599,070)	\$ 13,425,220
<b>BEGINNING FUND BALANCE</b>	<u>13,877,512</u>	<u>19,476,582</u>	<u>6,051,362</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 5,364,074</u>	<u>\$ 13,877,512</u>	<u>\$ 19,476,582</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues					
2021	2020	2024	2023	2022	2021	2020	
\$ 3,691,694	\$ 3,204,979	29.1 %	24.3 %	25.4 %	28.0 %	26.0 %	
1,519,535	1,509,558	10.7	9.5	11.2	11.5	12.3	
1,391,665	1,314,483	17.0	14.6	11.8	10.6	10.7	
1,115,387	1,092,480			5.3	8.5	8.9	
3,148,097	2,986,371	17.0	21.3	25.0	23.9	24.3	
85,049	12,425	0.5	0.5	0.6	0.6	0.1	
383,055	442,282	4.4	5.6	3.7	2.9	3.6	
256,966	256,966	1.5	1.6	1.7	1.9	2.1	
1,477,297	1,328,478	9.7	9.0	10.1	11.2	10.8	
		3.5	1.4	1.1			
			5.7	1.4			
116,579	152,002	6.6	6.5	2.7	0.9	1.2	
<u>\$ 13,185,324</u>	<u>\$ 12,300,024</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	
\$ 957,404	\$ 816,038	7.1 %	4.1 %	6.8 %	7.3 %	6.6 %	
2,823,474	2,483,351	23.2	16.7	18.2	21.4	20.2	
3,330,260	3,029,513	14.1	15.2	19.7	25.3	24.6	
409,627	294,455	3.5	2.3	3.2	3.1	2.4	
217,332	339,325	3.9	4.6	6.8	1.6	2.8	
2,682,640	3,100,308	15.4	12.6	10.9	20.3	25.2	
964,603	1,038,272	12.3	9.4	8.0	7.3	8.4	
9,645,240	3,620,862	60.9	66.7	12.3	73.2	29.4	
<u>\$ 21,030,580</u>	<u>\$ 14,722,124</u>	<u>140.4 %</u>	<u>131.6 %</u>	<u>85.9 %</u>	<u>159.5 %</u>	<u>119.6 %</u>	
<u>\$ (7,845,256)</u>	<u>\$ (2,422,100)</u>	<u>(40.4) %</u>	<u>(31.6) %</u>	<u>14.1 %</u>	<u>(59.5) %</u>	<u>(19.6) %</u>	
<u>\$ (750,000)</u>	<u>\$ - 0 -</u>						
\$ (8,595,256)	\$ (2,422,100)						
14,646,618	17,068,718						
\$ 6,051,362	\$ 14,646,618						

See accompanying independent auditor's report.

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

	Amounts		
	2024	2023	2022
<b>REVENUES</b>			
Property Taxes	\$ 6,238,447	\$ 5,907,308	\$ 5,326,031
Penalty and Interest	105,963	70,100	108,404
Infrastructure Fees	470,357		
Investment and Miscellaneous Revenues	150,201	146,938	28,735
<b>TOTAL REVENUES</b>	<u>\$ 6,964,968</u>	<u>\$ 6,124,346</u>	<u>\$ 5,463,170</u>
<b>EXPENDITURES</b>			
Tax Collection Expenditures	\$ 242,899	\$ 223,802	\$ 170,090
Debt Service Principal	4,170,000	3,350,000	3,080,000
Debt Service Interest and Fees	3,366,636	2,832,422	2,741,525
Bond Issuance Costs			
Payment to Refunded Escrow Agent			
<b>TOTAL EXPENDITURES</b>	<u>\$ 7,779,535</u>	<u>\$ 6,406,224</u>	<u>\$ 5,991,615</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (814,567)</u>	<u>\$ (281,878)</u>	<u>\$ (528,445)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	\$ 2,183,421	\$	\$
Payment to Refunded Bond Escrow Agent			
Proceeds from Issuance of Long-Term Debt			
Bond Premium			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ 2,183,421</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ 1,368,854	\$ (281,878)	\$ (528,445)
<b>BEGINNING FUND BALANCE</b>	<u>1,097,407</u>	<u>1,379,285</u>	<u>1,907,730</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 2,466,261</u>	<u>\$ 1,097,407</u>	<u>\$ 1,379,285</u>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	<u>6,316</u>	<u>6,297</u>	<u>6,295</u>
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	<u>6,075</u>	<u>6,062</u>	<u>6,062</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 5,035,786	\$ 5,137,608	89.5 %	96.5 %	97.5 %	98.4 %	98.0 %
65,237	63,940	1.5	1.1	2.0	1.3	1.2
		6.8				
13,333	43,147	2.2	2.4	0.5	0.3	0.8
<u>\$ 5,114,356</u>	<u>\$ 5,244,695</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 186,460	\$ 176,749	3.5 %	3.7 %	3.1 %	3.6 %	3.4 %
4,410,000	1,285,000	59.9	54.7	56.4	86.2	24.5
2,484,944	2,605,185	48.3	46.2	50.2	48.6	49.7
231,313	162,912				4.5	3.1
5,000	63,000				0.1	1.2
<u>\$ 7,317,717</u>	<u>\$ 4,292,846</u>	<u>111.7 %</u>	<u>104.6 %</u>	<u>109.7 %</u>	<u>143.0 %</u>	<u>81.9 %</u>
<u>\$ (2,203,361)</u>	<u>\$ 951,849</u>	<u>(11.7) %</u>	<u>(4.6) %</u>	<u>(9.7) %</u>	<u>(43.0) %</u>	<u>18.1 %</u>
\$ 750,000	\$					
(6,029,296)	(4,067,634)					
5,810,000	4,020,000					
451,359	208,793					
<u>\$ 982,063</u>	<u>\$ 161,159</u>					
\$ (1,221,298)	\$ 1,113,008					
3,129,028	2,016,020					
<u>\$ 1,907,730</u>	<u>\$ 3,129,028</u>					
<u>6,283</u>	<u>6,274</u>					
<u>6,043</u>	<u>6,043</u>					

See accompanying independent auditor's report.

District Mailing Address - Bridgestone Municipal Utility District  
c/o Polley Garza PLLC  
1401 Enclave Parkway, Suite 625  
Houston, TX 77077

District Telephone Number - (346) 440-1275

Notes: 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 developers or with any of the District's consultants.

Submission date of most recent District Registration Form: November 5, 2024

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution on July 25, 2023. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

\* Amounts paid over the \$7,200 limit will be withheld during the next fiscal year.

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**BRIDGESTONE MUNICIPAL UTILITY DISTRICT**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**DECEMBER 31, 2024**

<b>Consultants:</b>	<b>Date Hired</b>	<b>Fees for the year ended December 31, 2024</b>	<b>Title</b>
Polley Garza PLLC	05/14/01	\$ 510,821 \$ 339,520	General Counsel Bond Related
McCall Gibson Swedlund Barfoot Ellis PLLC	01/11/99	\$ 35,000 \$ 20,250	Auditor AUP Services
Myrtle Cruz, Inc.	11/16/78	\$ 145,988	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	07/01/96	\$ 28,385	Delinquent Tax Attorney
Quiddity Engineering, LLC	04/01/93	\$ 2,104,990	Engineer
The GMS Group, LLC	10/02/12	\$ 332,525	Financial Advisor
Mary Jarmon	05/15/07	\$ -0-	Investment Officer
Water District Management Company, Inc.	05/05/09	\$ 1,372,231	Operator
Equi-Tax, Inc.	07/28/77	\$ 99,153	Tax Assessor/ Collector
Harris County	01/01/04	\$ 1,332,428	Law Enforcement

See accompanying independent auditor's report.