

Newport Municipal Utility District

Information Required by Section 26.18, Texas Tax Code and
Section 2051.202, Texas Government Code

Date: June 4, 2024

(FYE 2023 audit; director terms @5/4/2024 election; new operator company name)

(1) Name and term of office of each member of the governing body:

Director Name	Term Begins	Term ends
Margarette Chasteen	05/04/2024	05/06/2028
DeLonne L. Johnson	05/07/2022	05/02/2026
Deborah L. Florus	05/07/2022	05/02/2026
Earl B. Boykin	05/07/2022	05/02/2026
R. Gary Hasse	05/04/2024	05/06/2028

(2) Mailing address, physical address, e-mail address, and telephone number:

2727 Allen Parkway, Suite 1100
Houston, Texas 77019
713-652-6500
94088@smithmur.com

(3) a. Official contact information for each member of the governing body:

Same as Item (2) above.

b. Name of General Manager or Executive Director: Not applicable.c. Name, mailing address and telephone number of person representing District's utility operator: Andrea Martin, SiEnvironmental Services, P. O. Box 1186, Crosby, Texas 77532, 281-324-9803.d. Name, mailing address and telephone number of person representing District's tax assessor-collector: Delia Yanez, Assessments of the Southwest, Inc., P. O. Box 1368, Friendswood, Texas 77546, 281-482-0216.(4) District's budget for the preceding two years: See attached.(5) Proposed or adopted budget for the current year: See attached.(6) Change in amount of District budget from the preceding year to current year, by dollar amount and percentage:

<u>2023 Budget Revenues</u>	<u>2024 Budget Revenues</u>	<u>Change (Dollar)</u>	<u>% of Change</u>
\$9,453,319	\$10,843,197	\$1,389,878	14.7025%

(7) Amount of property tax revenue budgeted for maintenance and operations for the preceding two years and the current year: See attached budgets.(8) Amount of property tax revenue budgeted for debt service for the preceding two years and the current year: The District does not budget for debt service.

(9) Tax rate for maintenance and operations adopted by the taxing unit for the current and preceding two years:

2023: \$0.3323 Defined Area #1: 2023: \$0.7977 Defined Area #2: 2023: \$0.7977
 2022: \$0.3473 Defined Area #1: 2022: \$0.7977
 2021: \$0.2762 Defined Area #1: 2021: \$0.7838

(10) The tax rate for debt service adopted by the taxing unit for the current and preceding two years:

2023: \$0.270 Defined Area #1: 2022: \$0.00 Defined Area #2: 2023: \$0.00
 2022: \$0.255 Defined Area #1: 2022: \$0.00
 2021: \$0.340 Defined Area #1: 2021: \$0.00

(11) This information required by Section 26.18 is applicable only to school districts.

(12) Tax rate for maintenance and operations proposed by the taxing unit for the current year:
 As of the date of this report, the proposed tax rates for the District, Defined Area 1, and Defined Area 2 have not been established.

(13) Tax rate for debt service proposed by the taxing unit for the current year:
 As of the date of this report, the proposed tax rates for the District, Defined Area 1, and Defined Area 2 have not been established.

(14) This information required by Section 26.18 is applicable only to school districts.

(15) The most recent financial audit of the District: See attached.

(16) Rate of District's ad valorem tax, if any: The District's ad valorem tax rate for 2023 is \$0.6023 per \$100 assessed valuation. The District's Defined Area 1's ad valorem tax rate for 2023 is \$0.7977 per \$100 assessed valuation. The District's Defined Area 2's ad valorem tax rate for 2023 is \$0.7977 per \$100 assessed valuation.

(17) Rate of District's sales and use tax, if any: Not applicable.

(18) Notice of tax rate hearing required under Chapter 26, Tax Code or Section 49.216, Water Code: The Notices of the Tax Rate Hearings for the District, Defined Area 1 and Defined Area 2 will be posted on this website when available.

(19) District's meeting schedule and location: Monthly on the 3rd Thursday at 4:30 p.m. at 16410 Country Club Drive, Community Room (next to Fitness Room), Crosby, Texas.

(20) The Board's regular meetings are held within the District as listed in (19) above. Nevertheless, under Texas law, the following information is required to be posted.

Residents of the District have the right to request the designation of a meeting location within the District under Section 49.062(g), Water Code. A description of this process can be found at <https://www.tceq.texas.gov/downloads/water-districts/forms/form-20863.pdf>

(21) Notices of meetings and approved minutes. Each notice of a meeting and approved minutes for meetings conducted in the current calendar year and the immediately preceding calendar year are posted on this website.

NEWPORT MUNICIPAL UTILITY DISTRICT														
OPERATING FUND BUDGET														
YEAR ENDING DECEMBER 31, 2024														
											ADOPTED 12/17/2023			
Garbage Count	4218	4228	4238	4248	4258	4268	4278	4288	4298	4308	4318	4328		
Account Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTALS	
4100 · Water Service Revenue	194,367	194,367	194,367	194,367	194,367	194,367	194,367	194,367	194,367	194,367	194,367	194,367	194,367	\$ 2,332,404
4101 · Groundwater Credits	65,000	52,500	60,300	33,000	-	20,300	-	-	8,650	-	-	8,650	248,400	
4102 · SJRA Fee	14,777	14,777	14,777	14,777	14,777	14,777	14,777	14,777	14,777	14,777	14,777	14,777	177,324	
4120 · Reconnection Fees	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	18,144	
4200 · Sewer Service Revenue	225,108	225,108	225,108	225,108	225,108	225,108	225,108	225,108	225,108	225,108	225,108	225,108	2,701,296	
4310 · Tap Connection Fees	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	402,000	
4320.1 · Maintenance Tax Revenue	2,240,000	690,000	355,000	40,000	19,800	19,253	16,500	7,000	5,000	7,500	7,500	7,500	3,415,053	
4320.2 · Maint Tax - DA1 Operations	25,500	-	-	-	-	-	-	-	-	-	-	-	25,500	
4320.3 · Maint Tax - DA2 Operations													-	
4325 · Park Rental	50	50	50	50	50	50	50	50	50	50	50	50	600	
4330 · Penalty Interest & Late Fee	9,812	9,812	9,812	9,812	9,812	9,812	9,812	9,812	9,812	9,812	9,812	9,812	117,744	
4333 · Collection & Return Check Fees	35	35	35	35	35	35	35	35	35	35	35	35	420	
4350 · Transfer Fees	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	22,596	
5391 · Interest on Temp Investments	87,500	87,500	87,500	87,500	87,500	87,500	87,500	87,500	87,500	87,500	87,500	87,500	1,050,000	
5399 · Tower Site Revenue	29,430	-	-	5,658	-	-	5,658	-	-	5,658	-	-	46,404	
5402 · Standby Fee Revenue	20	20	20	20	20	20	20	20	20	20	20	20	240	
5411 · Park FOBS	557	557	557	557	557	557	557	557	557	557	557	557	6,684	
5054 · MUD 578 Water Revenue	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261	135,132	
5055 · MUD 578 Sewer Revenue	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261	135,132	
5056 · MUD 578 SJRA	677	677	677	677	677	677	677	677	677	677	677	677	8,124	
TOTAL REVENUE	\$ 2,952,250	\$ 1,334,820	\$ 1,007,620	\$ 670,978	\$ 612,120	\$ 631,873	\$ 614,478	\$ 599,320	\$ 605,970	\$ 605,478	\$ 599,820	\$ 608,470	\$ 10,843,197	
6200 · Payroll Administration	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 3,060	
6201 · Payroll Tax Expense	338	169	237	169	237	169	338	237	169	254	169	271	2,757	
6202 · Billing & Computer Service	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	70,800	
6203 · Computer Support (Aqua Metric)	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	32,400	
6231 · Operations - Parks & Trails	26,947	26,947	26,947	26,947	26,947	26,947	26,947	26,947	26,947	26,947	26,947	26,947	323,364	
6300 · Purchased Water Services	32,727	32,727	32,727	32,727	32,727	32,727	32,727	32,727	32,727	32,727	32,727	32,727	392,724	
6310 · Director Fees	4,420	2,210	3,094	2,210	3,094	2,210	4,420	3,094	2,210	3,315	2,210	3,536	36,023	
6317 · Website Expenses	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	20,172	
6320 · Legal Fees	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	132,000	
6321 · Auditing Fees		-	21,000			2,000	-	-	-	-	-	-	23,000	
6322 · Engineering Fees - General	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	480,000	
6324 · Lab Supply & Equipment SWTP/WWTP	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,004	
6325 · Election Expenses			6,500			20,000	4,000						30,500	
6327 · Permit Fees - WP/LS/STP	270		6,720				-					18,455	25,645	
6328 · Operations - L/S & STP	43,262	43,262	43,262	43,262	43,262	43,262	43,262	43,262	43,262	43,262	43,262	43,262	519,144	
6329 · Operations - Manager base	4,693	4,693	4,693	4,693	4,693	4,693	4,693	4,693	4,693	4,693	4,693	4,693	56,316	
6330 · Operator Billing Fees	64,057	64,057	64,057	64,057	64,057	64,057	64,057	64,057	64,057	64,057	64,057	64,057	768,684	
6332 · Operations - WP & SWTP	80,925	80,925	80,925	80,925	80,925	80,925	80,925	80,925	80,925	80,925	80,925	80,925	971,100	
6333 · Bookkeeping Fees	3,900	4,900	4,200	4,100	4,600	4,400	4,100	4,100	3,900	4,100	3,900	4,100	50,300	
6334 · Repairs & Maint - SWTP	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	80,400	
6335 · Maintenance & Repairs - STP	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	81,000	
6336 · Sludge & Waste Disposal	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000	

NEWPORT MUNICIPAL UTILITY DISTRICT													
OPERATING FUND BUDGET													
YEAR ENDING DECEMBER 31, 2024													
											ADOPTED 12/17/2023		
Garbage Count	4218	4228	4238	4248	4258	4268	4278	4288	4298	4308	4318	4328	
Account Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTALS
6338 · Legal Notices	500	-	-				500				-	-	1,000
6340 · Printing and Office Supplies	435	435	435	435	435	435	435	435	435	435	435	435	5,220
6342 · Chemicals (SWTP)	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	225,000
6343 · Chemicals - WP	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	13,500
6344 · Chemicals - STP	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	67,500
6345 · Operations-Detention Ponds	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	62,160
6347 · Monitoring/Testing	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	22,500
6348 · Monitoring/Testing - STP	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
6340 · Postage	60	60	60	60	60	60	60	60	60	60	60	60	720
6353 · Insurance											75,000		75,000
6352 · Utilities - SWTP	4,400	4,140	4,400	4,453	4,494	4,833	4,959	5,126	5,060	3,940	5,493	4,957	56,255
6354 · Travel Expenses	30	30	30	30	30	30	30	30	30	30	30	30	360
6355 · A W B D Expenses	5,000	135	135	135	135	135	5,000	135	135	135	135	750	11,965
6359 · Other Exp/Unclaimed Prop	6,000	1,350	135	135	135	135	6,000	135	135	135	135	750	15,180
6360 · Utilities - STP	11,128	10,463	11,124	11,264	11,366	12,229	12,555	12,984	12,813	9,948	13,920	12,550	142,344
6361 · Telephone	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	19,800
6362 · Utilities - L/S	1,263	1,188	1,263	1,279	1,290	1,388	1,426	1,474	1,455	1,130	1,581	1,425	16,162
6363 · Utilities - WP	2,062	1,939	2,061	2,087	2,106	2,266	2,326	2,406	2,374	1,843	2,579	2,325	26,374
6370 · Tap Connection Expense	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	168,000
6382 · Arbitrage Expense		-	400	-	3,250	-	-	-	-	-	3,250	-	6,900
6395 · Security Parks & Trails	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
6399 · Disposal Service - District	69,053	69,217	69,380	69,544	69,708	69,871	70,035	70,199	70,363	70,526	70,690	70,854	839,439
6407 · Repairs & Maint - District	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	780,000
6408 · Repairs & Maint - WP	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	40,008
6409 · Repairs & Maint - L/S	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	54,000
6410 · Repairs & Maint - Parks/Trails	10,600	10,600	10,600	10,600	10,600	10,600	10,600	10,600	10,600	10,600	10,600	10,600	127,200
6411 · R&M-Manholes/I&I/Valves	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
6492 · Repairs & Maint-Detention Ponds	7,420	7,420	7,420	7,420	7,420	7,420	7,420	7,420	7,420	7,420	7,420	7,420	89,040
6506 · Hydrant Maintenance	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
6510 · Records Management	250	250	250	250	250	250	250	250	250	250	250	250	3,000
7410 · TCEQ Assessment Fee												25,169	25,169
TOTAL EXPENSE	597,932	585,309	620,248	584,974	590,013	609,235	605,257	589,487	588,211	584,924	687,115	616,485	7,259,190
NET REVENUE (DEFICIT)	\$ 2,354,318	\$ 749,511	\$ 387,372	\$ 86,004	\$ 22,107	\$ 22,638	\$ 9,221	\$ 9,833	\$ 17,759	\$ 20,554	\$ (87,295)	\$ (8,015)	3,584,007
Maint Tax Based on 2023 CAV \$1,048,675,251 X \$0.3473 /100 X 98% Collection								Consolidated by;					
MTax-DA1 Ops Based on 2023 CAV \$261,586 X \$0.7977 /100 X 98% Collection								McLennan & Associates, LP					
Garbage Services - \$16.37 January to December 2024 Based on 2% CPI Increase								1717 St. James Place, Suite 500, Box 45 Houston Texas 77056					
PRESENTED DRAFT #1: 11/16, 12/17/2023								Phone (281) 920-4000 Fax (281) 920-0065					
APPROVED: 12/17/2023								Email: jdiaz@mclennanandassoc.com					
								Email: wticzon@mclennanandassoc.com					

NEWPORT MUNICIPAL UTILITY DISTRICT														
OPERATING FUND BUDGET														
YEAR ENDING DECEMBER 31, 2023														
											Adopted 12/17/2022			
Garbage Count	4102	4111	4120	4129	4138	4147	4156	4165	4174	4183	4192	4201		
Account Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTALS	2022
4100 - Water Service Revenue	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 2,160,000	\$ 1,740,000
4101 - Groundwater Credits	100,000	123,000	15,100	5,588	-	-	-	-	17,653	-	17,653	-	278,994	249,800
4102 - SJRA Fee	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	144,000	132,000
4120 - Reconnection Fees	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	35,340	36,000
4200 - Sewer Service Revenue	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	2,520,000	2,400,000
4310 - Tap Connection Fees	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	420,000	594,960
4320.1 - Maintenance Tax Revenue	648,832	2,055,286	246,149	50,088	33,509	13,902	20,172	12,140	16,859	6,043	2,534	80,911	3,186,425	2,164,538
4320.2 - Maint Tax - DA1 Operations	-	-	24,302									654	24,956	20,003
4325 - Park Rental	10	10	10	10	10	10	10	10	10	10	10	10	120	600
4330 - Penalty Interest & Late Fee	8,300	8,300	8,300	8,300	8,300	8,300	8,300	8,300	8,300	8,300	8,300	8,300	99,600	75,300
4333 - Collection & Return Check Fees	35	35	35	35	35	35	35	35	35	35	35	35	420	480
4350 - Transfer Fees	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	28,800	35,400
5391 - Interest on Temp Investments	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	504,000	8,400
5399 - Tower Site Revenue	29,265	-	-	5,493	-	-	5,493	-	-	5,493	-	-	45,744	31,602
5402 - Standby Fee Revenue	20	20	20	20	20	20	20	20	20	20	20	20	240	240
5411 - Park FOBS	390	390	390	390	390	390	390	390	390	390	390	390	4,680	4,680
TOTAL REVENUE	\$ 1,271,197	\$ 2,671,386	\$ 778,651	\$ 554,269	\$ 526,609	\$ 507,002	\$ 518,765	\$ 505,240	\$ 527,612	\$ 504,636	\$ 513,287	\$ 574,665	\$ 9,453,319	\$ 7,494,003
6200 - Payroll Administration	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 3,060	\$ 1,800
6201 - Payroll Tax Expense	161	459	161	161	161	161	459	161	161	161	161	161	2,528	2,528
6202 - Billing & Computer Service	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000	70,800
6203 - Computer Support (Aqua Metric)	2,671	2,671	2,671	2,671	2,671	2,671	2,671	2,671	2,671	2,671	2,671	2,671	32,052	36,000
6231 - Operations - Parks & Trails	26,418	26,418	26,418	26,418	26,418	26,418	26,418	26,418	26,418	26,418	26,418	26,418	317,016	317,016
6300 - Purchased Water Services	31,256	31,256	28,231	31,256	30,248	31,256	30,248	31,256	31,256	30,248	31,256	30,248	368,015	344,400
6310 - Director Fees	2,100	6,000	2,100	2,100	2,100	2,100	6,000	2,100	2,100	2,100	2,100	2,100	33,000	33,000
6317 - Website Expenses	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	15,600	18,000
6320 - Legal Fees	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	132,000	132,000
6321 - Auditing Fees		-	15,500	-	5,500	-	-	-	-	-	-	-	21,000	20,000
6322 - Engineering Fees - General	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	270,000	210,000
6324 - Lab Supply & Equipment SWTP/WWTP	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000	24,000
6327 - Permit Fees - WP/LS/STP	270	6,720	-	-	-	-	-	-	-	-	-	18,500	200	25,690
6328 - Operations - L/S & STP	42,414	42,414	42,414	42,414	42,414	42,414	42,414	42,414	42,414	42,414	42,414	42,414	508,968	508,968
6329 - Operations - Manager base	4,601	4,601	4,601	4,601	4,601	4,601	4,601	4,601	4,601	4,601	4,601	4,601	55,212	55,212
6330 - Operator Billing Fees	62,801	62,801	62,801	62,801	62,801	62,801	62,801	62,801	62,801	62,801	62,801	62,801	753,612	753,612
6332 - Operations - WP & SWTP	79,338	79,338	79,338	79,338	79,338	79,338	79,338	79,338	79,338	79,338	79,338	79,338	952,056	952,056
6333 - Bookkeeping Fees	3,820	3,790	4,270	3,700	3,520	3,700	3,520	3,700	3,520	3,700	3,520	5,220	45,980	33,600
6334 - Repairs & Maint - SWTP	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	78,000	50,400
6335 - Maintenance & Repairs - STP	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	108,000	72,000
6336 - Sludge & Waste Disposal	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	108,000	96,000

NEWPORT MUNICIPAL UTILITY DISTRICT														
OPERATING FUND BUDGET														
YEAR ENDING DECEMBER 31, 2023														
											Adopted 12/17/2022			
Garbage Count	4102	4111	4120	4129	4138	4147	4156	4165	4174	4183	4192	4201		
Account Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTALS	2022
6338 - Legal Notices	250	-	-	250	-	-	-	-	-	250	-	-	750	1,500
6340 - Printing and Office Supplies	400	400	400	400	400	400	400	400	400	400	400	400	4,800	1,200
6342 - Chemicals (SWTP)	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	174,000	150,000
6343 - Chemicals - WP	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000	20,040
6344 - Chemicals - STP	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000	90,000
6345 - Operations-Detention Ponds	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	35,784	20,064
6347 - Monitoring/Testing	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	13,200
6348 - Monitoring/Testing - STP	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000	42,000
6340 - Postage	45	45	45	45	45	45	45	45	45	45	45	45	540	0
6342 - Chemicals (SWTP)	4,017	3,496	3,952	3,946	3,930	4,040	3,738	4,199	4,029	3,805	4,104	4,485	47,741	33,776
6353 - Insurance	-	-	-	-	-	-	-	-	-	-	75,122	-	75,122	71,217
6354 - Travel Expenses	50	50	50	50	50	50	50	50	50	50	50	50	600	600
6355 - A W B D Expenses	-	5,000	-	-	-	-	5,000	-	-	-	700	-	10,700	10,700
6359 - Other Exp/Unclaimed Prop	-	-	-	-	6,177	-	-	-	-	-	-	-	6,177	4,100
6360 - Utilities - STP	11,111	9,670	10,931	10,916	10,872	11,176	10,341	11,614	11,143	10,526	11,351	12,406	132,057	100,094
6361 - Telephone	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	23,340	21,600
6362 - Utilities - L/S	1,236	1,076	1,216	1,214	1,209	1,243	1,150	1,292	1,239	1,171	1,263	1,380	14,689	15,175
6363 - Utilities - WP	2,053	1,787	2,020	2,017	2,009	2,066	1,911	2,146	2,060	1,945	2,098	2,293	24,405	25,530
6370 - Tap Connection Expense	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	162,000	342,000
6382 - Arbitrage Expense	-	-	-	-	-	-	-	-	-	-	4,200	-	4,200	5,000
6395 - Security Parks & Trails	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000	36,000
6399 - Disposal Service - District	64,565	64,707	64,849	64,990	65,132	65,274	68,686	68,835	68,984	69,132	69,281	69,430	803,866	762,085
6407 - Repairs & Maint - District	67,800	67,800	67,800	67,800	67,800	67,800	67,800	67,800	67,800	67,800	67,800	67,800	813,600	600,000
6408 - Repairs & Maint - WP	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	51,600	24,000
6409 - Repairs & Maint - L/S	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000	167,880
6410 - Repairs & Maint - Parks/Trails	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	68,400	54,000
6411 - R&M-Manholes/I&I/Valves	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000	48,000
6492 - Repairs & Maint-Detention Ponds	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	76,800	76,680
6506 - Hydrant Maintenance	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000	30,000
6510 - Records Management	250	250	250	250	250	250	250	250	250	250	250	250	3,000	3,000
7410 - TCEQ Assessment Fee	-	-	-	-	-	-	-	-	-	-	-	23,400	23,400	20,700
TOTAL EXPENSE	556,009	569,131	568,400	555,720	566,028	556,186	566,223	560,473	559,662	558,208	658,826	586,493	6,861,360	6,560,908
NET REVENUE (DEFICIT)	\$ 715,188	\$ 2,102,255	\$ 210,251	\$ (1,452)	\$ (39,419)	\$ (49,184)	\$ (47,458)	\$ (55,233)	\$ (32,050)	\$ (53,572)	\$ (145,539)	\$ (11,828)	2,591,958	933,096
Maint Tax Based on 2022 TEV \$936,209,161 X \$0.3473 /100 X 98% Collection														
MTax-DA1 Ops Based on 2022 TEV \$=3,192,232 X \$0.7977 /100 X 98% Collection														
Garbage Services - \$15.74 January to June 2023, \$16.53 (5% CPI-U) July to December, 2023														
Consolidated by:														
McLennan & Associates, LP														
1717 St. James Place, Suite 500, Box 45 Houston Texas 77056														
Phone (281) 920-4000 Fax (281) 920-0065														
Email: jdiaz@mcLennanandassoc.com														
Email: wtcizon@mcLennanandassoc.com														
PRESENTED DRAFT #1:	11/17/2022													
ADOPTED DRAFT #1:	11/17/2022													

NEWPORT MUNICIPAL UTILITY DISTRICT													
OPERATING FUND BUDGET													
YEAR ENDING DECEMBER 31, 2022													
											ADOPTED 11/18/2021		
Garbage Count	4102	4119	4136	4153	4170	4187	4204	4221	4238	4255	4272	4289	
Account Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTALS
4100 - Water Service Revenue	\$ 145,000	\$ 145,000	\$145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 1,740,000
4101 - Groundwater Credits	100,000	80,000	35,000	2,500	2,500	14,900	-	-	14,900	-	-	-	249,800
4102 - SJRA Fee	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	132,000
4120 - Reconnection Fees	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
4200 - Sewer Service Revenue	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,400,000
4310 - Tap Connection Fees	49,580	49,580	49,580	49,580	49,580	49,580	49,580	49,580	49,580	49,580	49,580	49,580	594,960
4320.1 - Maintenance Tax Revenue	1,380,000	395,000	233,288	80,000	28,000	13,000	12,250	8,000	6,000	4,000	2,000	3,000	2,164,538
4320.2 - Maint Tax - DA1 Operations		20,003	-	-	-	-	-	-	-	-	-	-	20,003
4325 - Park Rental	50	50	50	50	50	50	50	50	50	50	50	50	600
4330 - Penalty Interest & Late Fee	6,275	6,275	6,275	6,275	6,275	6,275	6,275	6,275	6,275	6,275	6,275	6,275	75,300
4333 - Collection & Return Check Fees	40	40	40	40	40	40	40	40	40	40	40	40	480
4350 - Transfer Fees	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	35,400
5391 - Interest on Temp Investments	700	700	700	700	700	700	700	700	700	700	700	700	8,400
5399 - Tower Site Revenue	25,044	-	-	2,186	-	-	2,186	-	-	2,186	-	-	31,602
5402 - Standby Fee Revenue	20	20	20	20	20	20	20	20	20	20	20	20	240
5411 - Park FOBS	390	390	390	390	390	390	390	390	390	390	390	390	4,680
TOTAL REVENUE	\$ 1,924,049	\$ 914,008	\$687,293	\$ 503,691	\$ 449,505	\$ 446,905	\$ 433,441	\$ 427,005	\$ 439,905	\$ 425,191	\$ 421,005	\$ 422,005	\$ 7,494,003
6200 - Payroll Administration	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
6201 - Payroll Tax Expense	161	459	161	161	161	161	459	161	161	161	161	161	2,528
6202 - Billing & Computer Service	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	70,800
6203 - Computer Support (Aqua Metric)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
6231 - Operations - Parks & Trails	26,418	26,418	26,418	26,418	26,418	26,418	26,418	26,418	26,418	26,418	26,418	26,418	317,016
6300 - Purchased Water Services	28,700	28,700	28,700	28,700	28,700	28,700	28,700	28,700	28,700	28,700	28,700	28,700	344,400
6310 - Director Fees	2,100	6,000	2,100	2,100	2,100	2,100	6,000	2,100	2,100	2,100	2,100	2,100	33,000
6317 - Website Expenses	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
6320 - Legal Fees	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	132,000
6321 - Auditing Fees		-	15,000	-	5,000	-	-	-	-	-	-	-	20,000
6322 - Engineering Fees - General	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	210,000
6324 - Lab Supply & Equipment SWTP/WWTP	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
6325 - Election Expenses		-	-	10,000	-	-	-	-	-	-	-	-	10,000
6327 - Permit Fees - WP/LS/STP		6,720	-	-	-	-	-	2,650	-	1,350	18,456	200	29,376
6328 - Operations - L/S & STP	42,414	42,414	42,414	42,414	42,414	42,414	42,414	42,414	42,414	42,414	42,414	42,414	508,968
6329 - Operations - Manager base	4,601	4,601	4,601	4,601	4,601	4,601	4,601	4,601	4,601	4,601	4,601	4,601	55,212
6330 - Operator Billing Fees	62,801	62,801	62,801	62,801	62,801	62,801	62,801	62,801	62,801	62,801	62,801	62,801	753,612
6332 - Operations - WP & SWTP	79,338	79,338	79,338	79,338	79,338	79,338	79,338	79,338	79,338	79,338	79,338	79,338	952,056
6333 - Bookkeeping Fees	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	33,600
6334 - Repairs & Maint - SWTP	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	50,400
6335 - Maintenance & Repairs - STP	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
6336 - Sludge & Waste Disposal	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	96,000

NEWPORT MUNICIPAL UTILITY DISTRICT													
OPERATING FUND BUDGET													
YEAR ENDING DECEMBER 31, 2022													
												ADOPTED 11/18/2021	
Garbage Count	4102	4119	4136	4153	4170	4187	4204	4221	4238	4255	4272	4289	
Account Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTALS
6338 · Legal Notices	250	-	-	250	-	-	250	-	-	250	250	250	1,500
6340 · Printing and Office Supplies	100	100	100	100	100	100	100	100	100	100	100	100	1,200
6342 · Chemicals (SWTP)	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	150,000
6343 · Chemicals - WP	1,670	1,670	1,670	1,670	1,670	1,670	1,670	1,670	1,670	1,670	1,670	1,670	20,040
6344 · Chemicals - STP	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000
6345 · Operations-Detention Ponds	1,672	1,672	1,672	1,672	1,672	1,672	1,672	1,672	1,672	1,672	1,672	1,672	20,064
6347 · Monitoring/Testing	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	13,200
6348 · Monitoring/Testing - STP	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
6352 · Utilities - SWTP	2,911	2,759	2,394	2,451	2,611	2,926	3,139	2,911	3,182	2,764	2,636	3,091	33,776
6353 · Insurance		-	-	-	-	-	-	-	-	-	71,217	-	71,217
6354 · Travel Expenses	50	50	50	50	50	50	50	50	50	50	50	50	600
6355 · A W B D Expenses		5,000	-	-	-	-	5,000	-	-	-	700	-	10,700
6359 · Other Exp/Unclaimed Prop		-	-	-	4,100	-	-	-	-	-	-	-	4,100
6360 · Utilities - STP	8,626	8,176	7,095	7,263	7,739	8,672	9,303	8,628	9,429	8,190	7,813	9,160	100,094
6361 · Telephone	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,600
6362 · Utilities - L/S	1,308	1,239	1,076	1,101	1,173	1,315	1,410	1,308	1,430	1,242	1,184	1,389	15,175
6363 · Utilities - WP	2,200	2,085	1,810	1,852	1,974	2,212	2,373	2,201	2,405	2,089	1,993	2,336	25,530
6370 · Tap Connection Expense	28,500	28,500	28,500	28,500	28,500	28,500	28,500	28,500	28,500	28,500	28,500	28,500	342,000
6382 · Arbitrage Expense		-	-	-	-	-	-	-	-	-	5,000	-	5,000
6395 · Security Service	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
6399 · Disposal Service - District	61,470	61,724	61,979	62,234	62,489	62,743	64,258	64,518	64,778	65,038	65,297	65,557	762,085
6407 · Repairs & Maint - District	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	600,000
6408 · Repairs & Maint - WP	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
6409 · Repairs & Maint - L/S	13,990	13,990	13,990	13,990	13,990	13,990	13,990	13,990	13,990	13,990	13,990	13,990	167,880
6410 · Repairs & Maint - Parks/Trails	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	54,000
6411 · R&M-Manholes/I&I/Valves	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
6492 · Repairs & Maint-Detention Ponds	6,390	6,390	6,390	6,390	6,390	6,390	6,390	6,390	6,390	6,390	6,390	6,390	76,680
6506 · Hydrant Maintenance	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
6510 · Records Management	250	250	250	250	250	250	250	250	250	250	250	250	3,000
7410 · TCEQ Assessment Fee												20,700	20,700
TOTAL EXPENSE	530,370	545,506	542,958	538,756	538,691	531,474	543,537	535,821	534,828	534,527	628,151	556,289	6,560,908
NET REVENUE (DEFICIT)	\$ 1,393,680	\$ 368,502	\$144,335	\$ (35,065)	\$ (89,186)	\$ (84,569)	\$(110,096)	\$(108,816)	\$ (94,923)	\$(109,336)	\$(207,146)	\$(134,284)	933,096
Maint Tax Based on 2021 TEV \$799,678,654 X \$0.2762 /100 X 98% Collection									Consolidated by:				
MTax-DA1 Ops Based on 2021 CAV \$=2,604,105 X \$0.7838 /100 X 98% Collection									McLennan & Associates, LP				
Garbage Services - \$14.99 January to June 2022, \$15.28 July to December, 2022									1717 St. James Place, Suite 500, Box 45 Houston Texas 77056				
									Phone (281) 920-4000 Fax (281) 920-0065				
PRESENTED DRAFT #1: 08/19/21									Email: jdiaz@mclennanandassoc.com				
PRESENTED DRAFT #2: 9/15, 10/21/2021									Email: wticzon@mclennanandassoc.com				
PRESENTED DRAFT #3: 11/18/2021													
ADOPTED DRAFT #3: 11/18/2021													

NEWPORT MUNICIPAL UTILITY DISTRICT													
OPERATING FUND BUDGET													
YEAR ENDING DECEMBER 31, 2021													
Account Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTALS
4100 - Water Service Revenue	\$ 135,000	\$ 135,000	\$135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 1,620,000
4101 - Groundwater Credits	30,240	-	31,450	16,314	-	-	-	-	-	-	-	-	78,004
4102 - SJRA Fee	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	126,000
4103 - Capital Project Base @ \$35.00	-	-	-	-	-	-	-	-	-	-	-	-	-
4120 - Reconnection Fees	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	57,600
4200 - Sewer Service Revenue	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	2,040,000
4310 - Tap Connection Fees	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	624,000
4320.1 - Maintenance Tax Revenue	1,502,153	430,948	154,323	31,175	13,190	11,073	16,130	8,989	6,287	4,252	4,521	89,835	2,272,876
4320.2 - Maint Tax - DA1 Operations	11,601	2,391	1,192	241	102	85	125	69	48	33	35	694	16,616
4325 - Park Rental	60	60	60	60	60	60	60	60	60	60	60	60	720
4330 - Penalty Interest & Late Fee	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
4333 - Collection & Return Check Fees	70	70	70	70	70	70	70	70	70	70	70	70	840
4350 - Transfer Fees	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	27,600
5391 - Interest on Temp Investments	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	27,024
5399 - Tower Site Revenue	24,165	-	-	2,186	-	-	2,186	-	-	2,186	-	-	30,723
5411 - Park FOBS	120	120	120	120	120	120	120	120	120	120	120	120	1,440
TOTAL REVENUE	\$ 1,951,261	\$ 816,441	\$570,067	\$ 433,018	\$ 396,394	\$ 394,260	\$ 401,543	\$ 392,160	\$ 389,437	\$ 389,573	\$ 387,658	\$ 473,631	\$ 6,995,443
6200 - Payroll Administration	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 1,680
6201 - Payroll Tax Expense	199	199	199	199	199	199	199	199	199	199	199	199	2,388
6202 - Billing & Computer Service	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	66,000
6203 - Computer Support (Aqua Metric)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
6231 - Operations - Parks & Trails	26,418	26,418	26,418	26,418	26,418	26,418	26,418	26,418	26,418	26,418	26,418	26,418	317,016
6300 - Purchased Water Services	27,855	27,855	27,855	27,855	27,855	27,855	27,855	27,855	27,855	27,855	27,855	27,855	334,260
6310 - Director Fees	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	31,200
6317 - Website Expenses	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	13,920
6320 - Legal Fees	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	126,000
6321 - Auditing Fees	-	-	17,000	-	3,000	-	-	-	-	-	-	-	20,000
6322 - Engineering Fees - General	17,167	17,167	17,167	17,167	17,167	17,167	17,167	17,167	17,166	17,166	17,166	17,166	206,000
6324 - Lab Supply & Equipment SWTP/WWTP	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
6327 - Permit Fees - WPLS/STP	790	6,720	-	-	-	-	-	-	-	-	-	9,990	26,320
6328 - Operations - L/S & STP	42,414	42,414	42,414	42,414	42,414	42,414	42,414	42,414	42,414	42,414	42,414	42,414	508,968
6329 - Operations - Manager base	4,601	4,601	4,601	4,601	4,601	4,601	4,601	4,601	4,601	4,601	4,601	4,601	55,212
6330 - Operator Billing Fees	61,570	61,570	61,570	61,570	61,570	61,570	61,570	61,570	61,570	61,570	61,570	61,570	738,840
6332 - Operations - WP & SWTP	79,338	79,338	79,338	79,338	79,338	79,338	79,338	79,338	79,338	79,338	79,338	79,338	952,056
6333 - Bookkeeping Fees	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	32,400
6334 - Repairs & Maint - SWTP	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	52,800
6335 - Maintenance & Repairs - STP	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
6336 - Sludge & Waste Disposal	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	96,000

NEWPORT MUNICIPAL UTILITY DISTRICT														
OPERATING FUND BUDGET														
YEAR ENDING DECEMBER 31, 2020														
Account Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	DRAFT # 4		TOTALS	
											Nov	Dec		
4100 · Water Service Revenue	\$ 134,738	134,738	134,738	134,738	134,738	134,738	134,738	134,738	134,738	134,738	134,738	134,738	134,738	1,616,856
4101 · Groundwater Credits	9,313	9,313	9,313	9,313	9,313	9,313	9,313	9,313	9,313	9,313	9,313	9,313	9,313	111,756
4102 · SJRA Fee	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	102,000
4103- Capital Project Base @ \$35.00	136,068	136,068	136,068	136,068	136,068	136,068	136,068	136,068	136,068	136,068	136,068	136,068	136,068	1,632,816
4120 · Reconnection Fees	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	61,200
4200 · Sewer Service Revenue	159,300	159,300	159,300	159,300	159,300	159,300	159,300	159,300	159,300	159,300	159,300	159,300	159,300	1,911,600
4310 · Tap Connection Fees	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	384,000
4320 · Maintenance Tax Revenue	1,200,000	600,000	133,000	45,000	11,000	7,000	6,000	5,000	4,000	6,000	11,000	69,000	2,097,000	
4325 · Park Rental	60	60	60	60	60	60	60	60	60	60	60	60	60	720
4330 · Penalty Interest & Late Fee	7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	89,100
4333 · Collection & Return Check Fees	105	105	105	105	105	105	105	105	105	105	105	105	105	1,260
4350 · Transfer Fees	2,270	2,270	2,270	2,270	2,270	2,270	2,270	2,270	2,270	2,270	2,270	2,270	2,270	27,240
5391 · Interest on Temp Investments	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	141,600
5399 · Tower Site Revenue	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	39,600
5402 · Standby Fee Revenue	326	326	326	326	326	326	326	326	326	326	326	326	326	3,912
5411 · Park FOBS	418	418	418	418	418	418	418	418	418	418	418	418	418	5,016
TOTAL REVENUE	\$ 1,710,723	\$ 1,110,723	\$ 643,723	\$ 555,723	\$ 521,723	\$ 517,723	\$ 516,723	\$ 515,723	\$ 514,723	\$ 516,723	\$ 521,723	\$ 579,723	8,225,676	
6200 · Payroll Administration	\$ 114	\$ 114	\$ 114	\$ 114	\$ 114	\$ 114	\$ 114	\$ 114	\$ 114	\$ 114	\$ 114	\$ 114	\$ 114	1,368
6201 · Payroll Tax Expense	199	199	199	199	199	199	199	199	199	199	199	199	199	2,388
6202 · Billing & Computer Service	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	61,200
6203 · Computer Support (Aqua Metric)	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,600
6300 · Purchased Water Services	27,084	27,084	27,084	27,084	27,084	27,084	27,084	27,084	27,084	27,084	27,084	27,084	27,084	325,008
6310 · Director Fees	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	31,200
6317 · Website Expenses	250	250	250	250	250	250	250	250	250	250	250	250	250	3,000
6320 · Legal Fees	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	126,000
6321 · Auditing Fees	-	-	-	17,500	-	2,000	-	-	-	-	-	-	-	19,500
6322 · Engineering Fees - General	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	336,000
6324 · Lab Supply & Equipment SWTP/MWTP	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	26,004
6325 · Election Expenses	-	5,000	-	-	5,008	-	-	-	-	-	-	-	-	10,008
6326 · ENGR-TPDES PERMIT RENEWAL	167	167	167	167	167	167	167	167	167	167	167	167	167	2,004
6327 · Permit Fees - WP/LS/STP	470	470	470	470	470	470	470	470	470	470	470	470	470	5,640
6328 · Operations - L/S & STP	41,583	41,583	41,583	41,583	41,583	41,583	41,583	41,583	41,583	41,583	41,583	41,583	41,583	498,996
6329 · Operations - Manager base	4,511	4,511	4,511	4,511	4,511	4,511	4,511	4,511	4,511	4,511	4,511	4,511	4,511	54,132
6330 · Operator Billing Fees	61,570	61,570	61,570	61,570	61,570	61,570	61,570	61,570	61,570	61,570	61,570	61,570	61,570	738,840
6231 · Operations - Parks & Trails	25,900	25,900	25,900	25,900	25,900	25,900	25,900	25,900	25,900	25,900	25,900	25,900	25,900	310,800
6332 · Operations - WP & SWTP	77,783	77,783	77,783	77,783	77,783	77,783	77,783	77,783	77,783	77,783	77,783	77,783	77,783	933,396
6333 · Bookkeeping Fees	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	32,400
6334 · Repairs & Maint - SWTP	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
6335 · Maintenance & Repairs - STP	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
6336 · Sludge & Waste Disposal	5,834	5,834	5,834	5,834	5,834	5,834	5,834	5,834	5,834	5,834	5,834	5,834	5,834	70,008

NEWPORT MUNICIPAL UTILITY DISTRICT
HARRIS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2023

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	1-3
MANAGEMENT’S DISCUSSION AND ANALYSIS	4-8
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET	9-12
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	13
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	14-15
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	16
NOTES TO THE FINANCIAL STATEMENTS	17-34
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND	36
SUPPLEMENTARY INFORMATION – REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE	
NOTES REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE (Included in the notes to the financial statements)	
SERVICES AND RATES	38-40
GENERAL FUND EXPENDITURES	41
INVESTMENTS	42
TAXES LEVIED AND RECEIVABLE	43-44
LONG-TERM DEBT SERVICE REQUIREMENTS	45-54
CHANGES IN LONG-TERM BOND DEBT	55-57
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES GENERAL FUND AND DEBT SERVICE FUND - FIVE YEARS	58-61
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS	62-63

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

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

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

INDEPENDENT AUDITOR'S REPORT

Board of Directors
 Newport Municipal Utility District
 Harris County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Newport Municipal Utility District (the "District") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Board of Directors
Newport Municipal Utility District

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
Newport Municipal Utility District

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

April 18, 2024

**NEWPORT MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Management's discussion and analysis of the financial performance of Newport Municipal Utility District (the "District") provides an overview of the District's financial activities for the fiscal year ended December 31, 2023. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements 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 presents information that 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.

**NEWPORT MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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. The budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$16,058,279 as of December 31, 2023. A portion of the District's net position reflects its net investments in capital assets which includes land and land improvements, construction in progress, equipment, buildings, water, wastewater and drainage facilities and parks less any debt used to acquire those assets that is still outstanding.

The table on the following page presents a comparative analysis of government-wide changes in net position for the current and prior years.

**NEWPORT MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2023	2022	Change Positive (Negative)
Current and Other Assets	\$ 48,233,181	\$ 40,311,711	\$ 7,921,470
Capital Assets (Net of Accumulated Depreciation)	39,276,566	31,826,610	7,449,956
Total Assets	\$ 87,509,747	\$ 72,138,321	\$ 15,371,426
Deferred Outflows of Resources	\$ 335,692	\$ 399,575	\$ (63,883)
Bonds Payable	\$ 57,264,708	\$ 46,140,947	\$ (11,123,761)
Other Liabilities	7,323,788	8,653,287	1,329,499
Total Liabilities	\$ 64,588,496	\$ 54,794,234	\$ (9,794,262)
Deferred Inflows of Resources	\$ 7,198,664	\$ 5,673,468	\$ (1,525,196)
Net Position:			
Net Investment in Capital Assets	\$ (2,151,511)	\$ (2,201,732)	\$ 50,221
Restricted	1,768,079	1,785,689	(17,610)
Unrestricted	16,441,711	12,486,237	3,955,474
Total Net Position	\$ 16,058,279	\$ 12,070,194	\$ 3,988,085

The following table provides a summary of the District's operations for the years ended December 31, 2023, and December 31, 2022.

	Summary of Changes in the Statement of Activities		
	2023	2022	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 5,668,949	\$ 4,973,850	\$ 695,099
Charges for Services	6,366,916	5,742,367	624,549
Other Revenues	2,581,676	2,741,325	(159,649)
Total Revenues	\$ 14,617,541	\$ 13,457,542	\$ 1,159,999
Expenses for Services	10,629,456	8,935,125	(1,694,331)
Change in Net Position	\$ 3,988,085	\$ 4,522,417	\$ (534,332)
Net Position, Beginning of Year	12,070,194	7,547,777	4,522,417
Net Position, End of Year	\$ 16,058,279	\$ 12,070,194	\$ 3,988,085

**NEWPORT MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of December 31, 2023, were \$37,721,719, an increase of \$5,551,693 from the prior year.

The General Fund fund balance increased by \$3,694,488, primarily due to service revenues, property tax revenues, and investment revenues exceeding operating, capital, and administrative costs.

The Debt Service Fund fund balance increased by \$137,933, primarily due to the structure of the District's outstanding long-term debt.

The Capital Projects Fund fund balance increased by \$1,719,272. The increase was due to the issuance of the Series 2023 bonds in the current year, a portion of which remained unspent at year end.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board adopts an unappropriated budget each year. Actual revenues were \$1,589,393 more than budgeted revenues and actual expenditures were \$486,864 more than budgeted expenditures which resulted in a positive variance of \$1,102,529.

CAPITAL ASSETS

Capital assets as of December 31, 2023, totaled \$39,276,566 (net of accumulated depreciation) and include land and land improvements, construction in progress, buildings, equipment, parks and the water, wastewater and drainage systems.

Capital Assets At Year-End			
	2023	2022	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 649,253	\$ 649,253	\$
Construction in Progress	13,996,255	5,959,161	8,037,094
Capital Assets Subject to Depreciation:			
Equipment	285,129	285,129	
Buildings	193,360	193,360	
Water System	19,287,858	19,218,467	69,391
Wastewater System	20,744,020	20,662,026	81,994
Drainage System	5,393,032	5,237,558	155,474
Parks	3,882,984	3,544,113	338,871
Less: Accumulated Depreciation	<u>(25,155,325)</u>	<u>(23,922,457)</u>	<u>(1,232,868)</u>
Total Net Capital Assets	<u>\$ 39,276,566</u>	<u>\$ 31,826,610</u>	<u>\$ 7,449,956</u>

**NEWPORT MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

LONG-TERM DEBT ACTIVITY

At year end, the District had total bond debt payable of \$57,190,000. The changes in the debt position of the District during the fiscal year ended December 31, 2023, are summarized as follows:

Bond Debt Payable, January 1, 2023	\$ 45,910,000
Add: Bond Sale	12,430,000
Less: Bond Principal Paid	<u>(1,150,000)</u>
Bond Debt Payable, December 31, 2023	<u>\$ 57,190,000</u>

The District's bonds carry an underlying rating of "A" from Standard & Poor's. The District's Series 2016 Refunding Bonds carry an insured rating of "AA/AA+" and the Series 2018 Bonds carry an insured rating of "AA" by virtue of bond insurance issued by Assured Guaranty Municipal Corporation. The District's Series 2019 Refunding, Series 2020A, Series 2020B, Series 2021 and Series 2023 Bonds carry insured ratings of "AA" by virtue of bond insurance issued by 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.

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 Newport Municipal Utility District, c/o Smith, Murdaugh, Little & Bonham, L.L.P., 2727 Allen Parkway, Suite 1100, Houston, TX 77019.

NEWPORT MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2023

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 507,651	\$ 1,056,924
Investments	19,342,301	2,053,689
Receivables:		
Property Taxes	2,963,554	2,395,624
Penalty and Interest on Delinquent Taxes		
Service Accounts (Net of Allowance for Doubtful Accounts of \$40,000)	849,307	
Leases, Due Within One Year		
Leases, Due After One Year		
Standby Fees	140,991	
Due from Other Funds	2,112,000	
Prepaid Costs	94,964	
Capital Assets:		
Land and Land Improvements		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	\$ 26,010,768	\$ 5,506,237
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	\$ -0-	\$ -0-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 26,010,768	\$ 5,506,237

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>
\$ 99,843	\$ 1,664,418	\$	\$ 1,664,418
17,910,471	39,306,461		39,306,461
	5,359,178		5,359,178
		94,152	94,152
	849,307		849,307
		19,110	19,110
		842,395	842,395
	140,991	(140,991)	
	2,112,000	(2,112,000)	
	94,964	3,196	98,160
		649,253	649,253
		13,996,255	13,996,255
		24,631,058	24,631,058
<u>\$ 18,010,314</u>	<u>\$ 49,527,319</u>	<u>\$ 37,982,428</u>	<u>\$ 87,509,747</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 335,692</u>	<u>\$ 335,692</u>
<u><u>\$ 18,010,314</u></u>	<u><u>\$ 49,527,319</u></u>	<u><u>\$ 38,318,120</u></u>	<u><u>\$ 87,845,439</u></u>

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

**NEWPORT MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2023**

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	\$ 425,205	\$ 31,559
Accrued Interest Payable		
Unearned Revenue	134,850	
Due to Other Funds		524,132
Security Deposits	748,406	
Developer Advances	796,334	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
Note Payable, Due Within One Year		
TOTAL LIABILITIES	\$ 2,104,795	\$ 555,691
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 3,590,069	\$ 2,904,679
Lease Revenues		
Standby Fees	140,991	
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 3,731,060	\$ 2,904,679
FUND BALANCES		
Nonspendable - Prepaid Costs	\$ 94,964	\$
Restricted for Authorized Construction		
Restricted for Debt Service		2,045,867
Restricted for Defined Area Operations	66,672	
Committed for Capital Improvements	2,005,057	
Unassigned	18,008,220	
TOTAL FUND BALANCES	\$ 20,174,913	\$ 2,045,867
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 26,010,768	\$ 5,506,237
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 921,507	\$ 1,378,271	\$	\$ 1,378,271
		437,309	437,309
	134,850	3,825,000	3,959,850
1,587,868	2,112,000	(2,112,000)	
	748,406		748,406
	796,334		796,334
		1,200,000	1,200,000
		56,064,708	56,064,708
		3,618	3,618
<u>\$ 2,509,375</u>	<u>\$ 5,169,861</u>	<u>\$ 59,418,635</u>	<u>\$ 64,588,496</u>
\$	\$ 6,494,748	\$ (129,150)	\$ 6,365,598
		833,066	833,066
	140,991	(140,991)	
<u>\$ -0-</u>	<u>\$ 6,635,739</u>	<u>\$ 562,925</u>	<u>\$ 7,198,664</u>
\$	\$ 94,964	\$ (94,964)	\$
15,500,939	15,500,939	(15,500,939)	
	2,045,867	(2,045,867)	
	66,672	(66,672)	
	2,005,057	(2,005,057)	
	18,008,220	(18,008,220)	
<u>\$ 15,500,939</u>	<u>\$ 37,721,719</u>	<u>\$ (37,721,719)</u>	<u>\$ -0-</u>
<u>\$ 18,010,314</u>	<u>\$ 49,527,319</u>		
		\$ (2,151,511)	\$ (2,151,511)
		1,768,079	1,768,079
		16,441,711	16,441,711
		<u>\$ 16,058,279</u>	<u>\$ 16,058,279</u>

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

**NEWPORT MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023**

Total Fund Balances - Governmental Funds		\$ 37,721,719
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Prepaid bond insurance in governmental activities is not a current financial resource and, therefore, is not reported as an asset in the governmental funds.		3,196
Deferred charges on refunding bonds are not expenditures of the current period.		335,692
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		39,276,566
Leases receivable and the corresponding deferred inflows of resources are reported in the government-wide financial statements in accordance with auditing standards.		28,439
Deferred tax revenues and penalty and interest receivable on delinquent taxes for the 2022 and prior tax levies became part of recognized revenue in the governmental activities of the District.		223,302
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:		
Accrued Interest Payable	\$ (437,309)	
Unearned Revenue - Payment in Lieu of Taxes	(3,825,000)	
Bonds Payable	(57,264,708)	
Note Payable	<u>(3,618)</u>	<u>(61,530,635)</u>
Total Net Position - Governmental Activities		<u>\$ 16,058,279</u>

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

THIS PAGE INTENTIONALLY LEFT BLANK

NEWPORT MUNICIPAL UTILITY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>General Fund</u>	<u>Debt Service Fund</u>
REVENUES		
Property Taxes	\$ 3,276,407	\$ 2,396,062
Water Service	2,461,028	
Wastewater Service	2,980,681	
San Jacinto River Authority Fees	197,052	
Penalty and Interest	129,778	46,354
Tap Connection and Inspection Fees	557,606	
Groundwater Credits	397,034	
Investment and Miscellaneous Revenues	<u>1,043,126</u>	<u>137,130</u>
TOTAL REVENUES	<u>\$ 11,042,712</u>	<u>\$ 2,579,546</u>
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 532,328	\$ 839
Contracted Services	3,497,793	120,341
Purchased Water Service	376,270	
Utilities	281,262	
Repairs and Maintenance	1,199,809	
Depreciation		
Other	831,781	9,789
Capital Outlay	623,701	
Developer Interest		
Debt Service:		
Note Principal	4,545	
Note Interest	735	
Bond Principal		1,150,000
Bond Interest		1,160,644
Bond Issuance Costs		
TOTAL EXPENDITURES/EXPENSES	<u>\$ 7,348,224</u>	<u>\$ 2,441,613</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	<u>\$ 3,694,488</u>	<u>\$ 137,933</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from Issuance of Long-Term Debt	\$	\$
Bond Discount		
TOTAL OTHER FINANCING SOURCES, NET	<u>\$ -0-</u>	<u>\$ -0-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 3,694,488</u>	<u>\$ 137,933</u>
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JANUARY 1, 2023	<u>16,480,425</u>	<u>1,907,934</u>
FUND BALANCES/NET POSITION - DECEMBER 31, 2023	<u>\$ 20,174,913</u>	<u>\$ 2,045,867</u>

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 5,672,469	\$ (3,520)	\$ 5,668,949
	2,461,028		2,461,028
	2,980,681		2,980,681
	197,052		197,052
	176,132	(5,583)	170,549
	557,606		557,606
	397,034		397,034
750,947	1,931,203	253,439	2,184,642
<u>\$ 750,947</u>	<u>\$ 14,373,205</u>	<u>\$ 244,336</u>	<u>\$ 14,617,541</u>
\$	\$ 533,167	\$	\$ 533,167
	3,618,134		3,618,134
	376,270		376,270
	281,262		281,262
10,207	1,210,016		1,210,016
		1,232,868	1,232,868
6,405	847,975		847,975
10,127,760	10,751,461	(10,751,461)	
305,447	305,447		305,447
	4,545	(4,545)	
	735		735
	1,150,000	(1,150,000)	
	1,160,644	143,866	1,304,510
919,072	919,072		919,072
<u>\$ 11,368,891</u>	<u>\$ 21,158,728</u>	<u>\$ (10,529,272)</u>	<u>\$ 10,629,456</u>
<u>\$ (10,617,944)</u>	<u>\$ (6,785,523)</u>	<u>\$ 10,773,608</u>	<u>\$ 3,988,085</u>
\$ 12,430,000	\$ 12,430,000	\$ (12,430,000)	\$
(92,784)	(92,784)	92,784	
<u>\$ 12,337,216</u>	<u>\$ 12,337,216</u>	<u>\$ (12,337,216)</u>	<u>\$ -0-</u>
\$ 1,719,272	\$ 5,551,693	\$ (5,551,693)	\$
		3,988,085	3,988,085
13,781,667	32,170,026	(20,099,832)	12,070,194
<u>\$ 15,500,939</u>	<u>\$ 37,721,719</u>	<u>\$ (21,663,440)</u>	<u>\$ 16,058,279</u>

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

**NEWPORT 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, 2023**

Net Change in Fund Balances - Governmental Funds	\$ 5,551,693
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.	(3,520)
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.	(5,583)
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(1,232,868)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.	10,751,461
In the Statement of Net Position, bond discounts, bond premiums, deferred charges on refundings and bond insurance are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.	91,748
Governmental funds report bond principal payments and note principal payments as expenditures. However, in the Statement of Net Position, the principal portion of bond and note payments are reported as decreases in long-term liabilities.	1,154,545
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.	(142,830)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.	(12,430,000)
Governmental funds report receipts of payments in lieu of taxes as revenues in the period received. However, in the Statement of Net Position, payments in lieu of taxes are recorded as unearned revenue and amortized over 20 years, as defined by the governing agreement.	225,000
Governmental funds report lease revenues when collected. The net present value of future lease payments are recognized over the term of the lease in governmental activities.	<u>28,439</u>
Change in Net Position - Governmental Activities	<u>\$ 3,988,085</u>

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

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. CREATION OF DISTRICT

Harris County Municipal Utility District No. 20 (“District No. 20”) was created by an Order of the Texas Water Rights Commission, presently known as the Texas Commission on Environmental Quality (the “Commission”), effective December 13, 1972. Harris County Municipal Utility District No. 73 (“District No. 73”) was created by an Order of the Texas Water Rights Commission, presently known as the Commission, effective September 13, 1977. Pursuant to the Texas Water Code, two or more districts governed by the provisions of Chapter 54 may be consolidated to form a single district. The Board of Directors of District No. 20 and District No. 73 agreed to consolidate. Effective May 2, 1998, voters within both districts voted to approve the consolidation into Newport Municipal Utility District (the “District”). Effective August 1, 1998, the District was formed. Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The District is also empowered to contract for or employ its own peace officers with powers to make arrests and to establish, operate and maintain a fire department to perform all fire-fighting activities within the District. The Board of Directors held its first meeting on August 26, 1998, and the first bonds of the District were sold on August 31, 1999.

The District is contiguous to Harris County Municipal Utility District No. 19 (“District No. 19”), which was organized at the inception of the Newport Project to own and operate the regional water supply and distribution and sewage collection and treatment facilities to serve all of the municipal utility districts in the Newport Project. District No. 19 operated in that capacity pursuant to a Water Supply Contract by and among District No. 19, Harris County Municipal Utility District No. 74 (“District No. 74”), District No. 20, District No. 73 and Purcell Co., Inc. (“Purcell”) (a previous developer in the Newport Project) dated May 1, 1978, as amended, and an Amended and Restated Waste Disposal Agreement by and among District No. 19, District No. 74, District No. 20, District No. 73 and Purcell dated September 1, 1980, as amended. District No. 19 owned and operated the central water supply facilities and wastewater treatment facilities for the benefit of other municipal utility districts that in turn provided retail water and wastewater service for all residential and commercial customers in the Newport Project.

After the consolidation of District No. 20 and District No. 73, the District became the only municipal utility district providing retail water and wastewater service to all residential and commercial customers in the Newport Project. In an effort to increase efficiency and reduce overall costs of administration of operations and maintenance of the water supply and wastewater treatment systems and facilities by eliminating certain duplicative administrative expenses, the District agreed to assume the rights, powers, duties and property of District No. 19. Pursuant to a Contract for Assignment of Rights, Powers and Duties and Transfer of Property, District No. 19 and the District agreed to transfer to the District all of District No. 19’s rights,

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. CREATION OF DISTRICT (Continued)

powers and duties with respect to all of the existing central water supply and wastewater treatment facilities owned and operated by District No. 19, along with any future expansions or replacement of the facilities. The assignment and transfer were effective as of December 31, 1998, and since the effective date, District No. 19 has been inactive. Dissolution of District No. 19 occurred in 2016. Currently, the District operates all water supply and wastewater treatment plants and facilities in the Newport Project.

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

Financial Statement Presentation

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

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

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

When both restricted and unrestricted resources are available for use, generally it 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.

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.

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds (Continued)

The General Fund accounts for resources not required to be 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.

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 if they are collectible 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 2022 tax levy collections during the period October 1, 2022 to December 31, 2023, and taxes collected from January 1, 2023 to December 31, 2023, for the 2021 and prior tax levies. The 2023 tax levy has been fully deferred to meet the obligations of the District in the 2024 fiscal year.

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. The Debt Service Fund owed the General Fund \$524,132 for maintenance tax collections and the Capital Projects Fund owed the General Fund \$1,587,868 for capital costs.

Service Accounts Receivable

The District provides for uncollectible accounts receivable through the allowance method of accounting. Under this method a provision for uncollectible accounts is charged against service revenue, and the allowance account is increased or decreased based on past collection history and management’s evaluation of current accounts receivable. All amounts considered uncollectible are charged against service revenue, and recoveries of previously charged-off accounts are added to service revenue. The District established a \$40,000 allowance for uncollectible accounts at December 31, 2023.

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include land and land improvements, construction in progress, equipment, buildings, water, wastewater and drainage systems, and parks, 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 acquisition 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 \$10,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation over estimated useful lives ranging from 3 to 45 years.

Budgeting

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

Pensions

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

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.

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position. Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources.

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

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

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. During the fiscal years ending 2019, 2020 and 2022, the District collected \$2,005,057 in capital project base fees. As of December 31, 2023, this amount has been committed for future capital project improvements. Base fees are no longer included in charges to District customers.

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

Unassigned: all other spendable amounts in the General Fund.

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

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3. LONG-TERM DEBT

	Refunding Series 2013	Refunding Series 2016	Series 2016A
Amount Outstanding – December 31, 2023	\$ 1,180,000	\$ 2,290,000	\$ 5,500,000
Interest Rates	3.75%	4.00%	2.125% – 3.000%
Maturity Dates – Serially Beginning/Ending	April 1, 2024/2025	April 1, 2024/2029	April 1, 2026/2039
Interest Payment Dates	April 1/ October 1	April 1/ October 1	April 1/ October 1
Callable Dates	April 1, 2020*	April 1, 2024*	April 1, 2024*

	Series 2018	Refunding Series 2019	Series 2020A
Amount Outstanding – December 31, 2023	\$ 4,225,000	\$ 1,815,000	\$ 7,500,000
Interest Rates	3.000% – 3.625%	2.00% – 3.00%	2.25% – 2.75%
Maturity Dates – Serially Beginning/Ending	April 1, 2026/2041	April 1, 2024/2029	April 1, 2030/2043
Interest Payment Dates	April 1/ October 1	April 1/ October 1	April 1/ October 1
Callable Dates	April 1, 2024*	April 1, 2025*	April 1, 2025*

- * Or any date thereafter, callable at par plus unpaid accrued interest in whole or in part at the option of the District. Series 2013 Refunding term bonds due April 1, 2025 are subject to mandatory redemption beginning April 1, 2024. Series 2016A term bonds due April 1, 2031 are subject to mandatory redemption beginning April 1, 2026. Series 2018 term bonds due April 1, 2030 are subject to mandatory redemption beginning April 1, 2029. Series 2020A term bonds due April 1, 2041 and 2043 are subject to mandatory redemption beginning April 1, 2040 and 2042.

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3. LONG-TERM DEBT (Continued)

	<u>Series 2020B</u>	<u>Series 2021</u>	<u>Series 2023</u>
Amount Outstanding – December 31, 2023	\$ 1,410,000	\$ 20,840,000	\$ 12,430,000
Interest Rates	2.25% – 2.75%	2.00% – 4.50%	4.00% – 4.50%
Maturity Dates – Serially Beginning/Ending	April 1, 2030/2042	April 1, 2026/2046	April 1, 2026/2048
Interest Payment Dates	April 1/ October 1	April 1/ October 1	April 1/ October 1
Callable Dates	April 1, 2025**	April 1, 2027**	April 1, 2029**

** Or any date thereafter, callable at par plus unpaid accrued interest in whole or in part at the option of the District. Series 2020B term bonds due April 1, 2031, 2033, 2036, 2039 and 2042 are subject to mandatory redemption beginning April 1, 2030, 2032, 2034, 2037 and 2040. Series 2021 term bonds due April 1, 2036, 2044 and 2046 are subject to mandatory redemption beginning April 1, 2035, 2043 and 2045.

Transactions regarding bonds payable for the current year is summarized in the following table:

	<u>January 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31, 2023</u>
Bonds Payable	\$ 45,910,000	\$ 12,430,000	\$ 1,150,000	\$ 57,190,000
Unamortized Discounts	(83,466)	(92,784)	(5,100)	(171,150)
Unamortized Premiums	314,413		68,555	245,858
Bonds Payable, Net	<u>\$ 46,140,947</u>	<u>\$ 12,337,216</u>	<u>\$ 1,213,455</u>	<u>\$ 57,264,708</u>
		Amount Due Within One Year		\$ 1,200,000
		Amount Due After One Year		<u>56,064,708</u>
		Bonds Payable, Net		<u>\$ 57,264,708</u>

On September 19, 2023, the District closed on the sale of its \$12,430,000 Series 2023 Unlimited Tax Bonds. Proceeds from sale of the Bonds will be used to finance construction and related engineering costs for the following: water, sanitary sewer and drainage facilities to serve Newport, Section 10 Partial Replat No. 1, Newport, Section 7 Partial Replat No. 4, and Newport, Section 7 Partial Replat No. 5; clearing and grubbing to serve Newport, Section 7 Partial Replat Nos. 4 and 5; Sanitary Sewer System Improvement Projects; Surface Water and Ground Water Improvement Projects; and Water System Improvement Projects. Bond proceeds will also be used to pay developer interest and to pay certain costs associated with the issuance of the Bonds.

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3. LONG-TERM DEBT (Continued)

As of December 31, 2023, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 1,200,000	\$ 1,676,599	\$ 2,876,599
2025	1,255,000	1,616,813	2,871,813
2026	1,935,000	1,561,407	3,496,407
2027	1,990,000	1,490,997	3,480,997
2028	2,015,000	1,425,232	3,440,232
2029-2033	10,760,000	6,278,347	17,038,347
2034-2038	12,460,000	4,777,006	17,237,006
2039-2043	13,545,000	2,974,450	16,519,450
2044-2048	12,030,000	987,862	13,017,862
	<u>\$ 57,190,000</u>	<u>\$ 22,788,713</u>	<u>\$ 79,978,713</u>

As of December 31, 2023, the District had authorized but unissued bonds in the amount of \$27,780,000 for water, sewer and drainage facilities, \$50,000,000 for water, sewer and drainage facilities for Defined Area No. 1 and \$55,000,000 for water, sewer, and drainage facilities for Defined Area No. 2 (see also Note 13). The District also has authorization to issue bonds for refunding purposes.

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 sanitary sewer system.

During the year ended December 31, 2023, the District levied an ad valorem debt service tax rate of \$0.27 per \$100 of assessed valuation, which resulted in a tax levy of \$2,839,310 on the adjusted taxable valuation of \$1,051,596,372 for the 2023 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy and Note 13 for the tax levied for Defined Area No. 1.

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.

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4. SIGNIFICANT BOND ORDERS AND LEGAL REQUIREMENTS

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.

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.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$1,664,418 and the bank balance was \$1,712,044. Of the bank balance, \$599,843 was covered by federal depository insurance and the remaining by pledged collateral held by a third party in the District's name. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at December 31, 2023, as listed below:

GENERAL FUND	\$ 507,651
DEBT SERVICE FUND	1,056,924
CAPITAL PROJECTS FUND	<u>99,843</u>
TOTAL DEPOSITS	<u>\$ 1,664,418</u>

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest District funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated 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 Texas CLASS, an external investment pool that is not SEC-registered. Texas CLASS invests only in securities allowed by the Public Funds Investment Act and is governed by a board of trustees, elected annually by its participants. Public Trust Advisors, LLC serves as the pool's administrator and investment advisor and UMB Bank, N.A. serves as custodian for the pool. Texas CLASS measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in Texas CLASS at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from Texas CLASS.

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of December 31, 2023, the District had the following investments and maturities:

<u>Funds and Investment Type</u>	<u>Fair Value</u>	<u>Maturities of Less Than 1 Year</u>
<u>GENERAL FUND</u>		
TexPool	\$ 1,046	\$ 1,046
Texas CLASS	19,341,255	19,341,255
<u>DEBT SERVICE FUND</u>		
TexPool	521	521
Texas CLASS	2,053,168	2,053,168
<u>CAPITAL PROJECTS FUND</u>		
Texas CLASS	<u>17,910,471</u>	<u>17,910,471</u>
TOTAL INVESTMENTS	<u>\$ 39,306,461</u>	<u>\$ 39,306,461</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2023, the District's investments in TexPool and Texas CLASS were rated AAAM by Standard and Poor's.

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

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.

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6. CAPITAL ASSETS

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

	January 1, 2023	Increases	Decreases	December 31, 2023
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 649,253	\$	\$	\$ 649,253
Construction in Progress	<u>5,959,161</u>	<u>8,375,965</u>	<u>338,871</u>	<u>13,996,255</u>
Total Capital Assets Not Being Depreciated	<u>\$ 6,608,414</u>	<u>\$ 8,375,965</u>	<u>\$ 338,871</u>	<u>\$ 14,645,508</u>
Capital Assets Subject to Depreciation				
Equipment	\$ 285,129	\$	\$	\$ 285,129
Buildings	193,360			193,360
Water System	19,218,467	69,391		19,287,858
Wastewater System	20,662,026	81,994		20,744,020
Drainage System	5,237,558	155,474		5,393,032
Parks	<u>3,544,113</u>	<u>338,871</u>		<u>3,882,984</u>
Total Capital Assets Subject to Depreciation	<u>\$ 49,140,653</u>	<u>\$ 645,730</u>	<u>\$ - 0 -</u>	<u>\$ 49,786,383</u>
Accumulated Depreciation				
Equipment	\$ 195,619	\$ 14,924	\$	\$ 210,543
Buildings	63,070	4,991		68,061
Water System	10,048,481	526,400		10,574,881
Wastewater System	10,380,426	497,098		10,877,524
Drainage System	494,091	130,832		624,923
Parks	<u>2,740,770</u>	<u>58,623</u>		<u>2,799,393</u>
Total Accumulated Depreciation	<u>\$ 23,922,457</u>	<u>\$ 1,232,868</u>	<u>\$ - 0 -</u>	<u>\$ 25,155,325</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 25,218,196</u>	<u>\$ (587,138)</u>	<u>\$ - 0 -</u>	<u>\$ 24,631,058</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 31,826,610</u>	<u>\$ 7,788,827</u>	<u>\$ 338,871</u>	<u>\$ 39,276,566</u>

NOTE 7. MAINTENANCE TAX

At an election held on May 2, 1998, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$1.00 per \$100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and sanitary sewer system and for any other lawful purpose. During the year ended December 31, 2023, the District levied an ad valorem maintenance tax rate of \$0.3323 per \$100 of assessed valuation, which resulted in a tax levy of \$3,494,455 on the adjusted taxable valuation of \$1,051,596,372 for the 2023 tax year.

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8. AGREEMENT WITH DEVELOPER

On April 25, 1991, the districts that now form the District executed an agreement with Purcell, the Developer within the District at that time. The agreement provided for the purchase of a tract of land to be used for the surface water treatment plant at a price of \$25,000. The districts agreed to provide water on an interim basis up to 24,000,000 gallons a year at a cost of \$0.22 per 1,000 gallons of water used by the Newport Country Club Golf Course.

On June 30, 1999, the District executed a First Amendment to Agreement with Stonebridge Properties Corporation (the “Developer”), as successor in interest to Newport Partners and Purcell. The Developer agreed to fund the cost of the distribution line to provide water from a point of connection to the golf course and obtain approval of the San Jacinto River Authority at no cost to the District. The Developer will have a credit applied against the cost of water supplied to the golf course consisting of the \$25,000 original cost of the land plus compounded interest of \$27,032 from the original contract date to present. Future credits are as follows:

Fiscal Year	Principal	Interest	Total
2024	<u>\$ 3,618</u>	<u>\$ 326</u>	<u>\$ 3,944</u>

In certain years, the Developer has taken water in amounts that are less than the total yearly credit amount, and in other years, the Developer has taken water in amounts that are more than the total credit amount. The District’s requirement to provide raw water at its cost will terminate at the earlier of the payout schedule listed above or December 31, 2030.

NOTE 9. STANDBY CHARGES

In a prior fiscal year, the District imposed a standby fee on undeveloped property within the District. The District no longer imposes standby fees. The following is a summary of standby fee transactions for the fiscal year ended December 31, 2023.

Standby Fees Receivable – January 1, 2023	\$ 140,991
Less: Current Year Collections	<u>-0-</u>
Standby Fees Receivable – December 31, 2023	<u>\$ 140,991</u>

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District carries commercial insurance for its fidelity bonds and participates in the Texas Municipal League Intergovernmental Risk Pool (TML) to provide property, general liability, automobile, boiler and machinery, errors and omissions and workers compensation coverage. The District, along with other participating entities, contributes annual amounts determined by TML's management. As claims arise they are submitted and paid by TML. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 11. UNREIMBURSED COSTS

The District has executed Water, Sewer and Drainage Improvement Financing and Construction Contracts with Developers within the District. These agreements provide for the Developers to advance funds for the contribution of certain facilities with the agreement that the District will use its best efforts to issue, sell and deliver its bonds on the best available terms as soon as reasonably practical and use the proceeds to reimburse the costs incurred by the Developers. The District will not initiate a sale of bonds to pay the reimbursable costs until the District receives the advice of its financial advisor that two tests are met: 1) the sale of bonds will not necessitate the increase in the District's debt service tax rate beyond certain set amounts, and 2) the assessed valuation of the project and all taxable improvements constructed would independently support the issuance of bonds in one or more series to pay the Developers. The District will apply certain formulas to determine when the District is obligated to issue bonds for the purpose of reimbursing the Developers. The amount to be reimbursed to the Developers is limited by certain financial tests in the contracts and rules of the Commission and may not be the full amount expended by the Developers on behalf of the District.

The following table presents a summary of due to developer transactions for the current year:

Due to Developer – January 1, 2023	\$ 2,068,637
Plus: Current Year Additions	306,899
Less: Current Year Payments	<u>(2,375,536)</u>
Due to Developer – December 31, 2023	<u>\$ -0-</u>

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12. WATER SUPPLY CONTRACT

On April 17, 2008, the District entered into a Water Supply Contract (“Contract”) with the San Jacinto River Authority (the “Authority”). The Contract states the Authority will provide up to 1,850,000 gallons of untreated surface water per day (“demand quantity”) to the District. The District is obligated to pay the Authority for an average daily quantity equal to the demand quantity, whether actually taken by the District or not, at the applicable rate per 1,000 gallons. The rate as of December 31, 2023, was \$0.545 per 1,000 gallons. During the current fiscal year, the District paid \$376,270 for water purchased in accordance with the Contract. The Contract is in effect for a term of 40 years commencing May 1, 2008.

NOTE 13. DEFINED AREA NO. 1 AND DEFINED AREA NO. 2

At an election held on May 6, 2017, District voters authorized the establishment of Defined Area No. 1 within the District, issuance of new money bonds to benefit the Defined Area No. 1 in the maximum amount of \$50,000,000 to be used for water, sewer and drainage system improvements, and the levy and collection of a maintenance tax upon all taxable property within the Defined Area No. 1. During the year ended December 31, 2023, the District levied an ad valorem maintenance tax rate for the Defined Area No. 1 of \$0.7977 per \$100 of assessed valuation, which resulted in a tax levy of \$31,833 on the adjusted taxable valuation of \$3,990,545 for the 2023 tax year.

At an election held on November 8, 2022, District voters authorized the establishment of Defined Area No. 2 within the District, issuance of new money bonds to benefit the Defined Area No. 2 in the maximum amount of \$55,000,000 to be used for water, sewer and drainage system improvements, and issuance of refunding bonds of \$18,350,000 for the Defined Area No. 2. At an election held on May 6, 2023, District voters approved an operation and maintenance tax at an unlimited rate upon all taxable property within the Defined Area No. 2. During the year ended December 31, 2023, no ad valorem maintenance tax rate was levied for the Defined Area No. 2.

NOTE 14. LEASE AGREEMENTS

On January 1, 1997, the District entered into a Site Agreement to lease property to a third party for the purpose of constructing and operating a communication facility, including tower structures and related equipment. The term of this Site Agreement was December 31, 2001, with four five-year renewal option periods. On August 16, 2018, the District entered into the First Amendment to Site Agreement which extended the term of the lease for another five additional five-year renewal option periods. Quarterly payments are expected to range from \$5,658 to \$11,166 for the 96 quarters from fiscal years 2023 to 2046 which encompasses an annual rent expense increase of 3.00% each year. The expected lease termination is December 31, 2046. The discount rate used to calculate the lease receivable and related deferred inflow was 3.00%.

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14. LEASE AGREEMENTS (Continued)

On November 28, 2007, the District entered into a Communications Facilities License Agreement (“CFLA”) to provide a third party with facilities for housing and operating certain communications equipment. The term of the CFLA is ten years with four additional five-year option renewal periods. Monthly payments are expected to range from \$1,981 to \$3,431 for the 180 months from fiscal year 2023 to 2037 which encompasses an annual rent expense increase of 4.00% each year. The expected lease termination is December 31, 2037. The discount rate used to calculate the lease receivable and related deferred inflow was 4.00%.

These agreements are both required to be recorded in the financial statements in accordance with GASB Statement No. 87 which was implemented in the current fiscal year. Deferred inflows of resources related to lease revenues was \$878,345 as of the beginning of the current fiscal year (the date of implementation of GASB Statement No. 87). The District recognized lease revenue of \$45,279 during the current fiscal year which resulted in a year-end balance for deferred inflows of resources of \$833,066.

The changes in lease receivable during the current fiscal year are summarized in the following table:

Lease Receivable, January 1, 2023	\$ 878,345
Add: Lease Receivable Additions	
Less: Lease Principal Received	<u>(16,840)</u>
Lease Receivable, December 31, 2023	<u>\$ 861,505</u>

Future payments to be received by the District under the terms of the two leases are summarized in the following table:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 19,110	\$ 28,923	\$ 48,033
2025	21,524	28,198	49,722
2026	24,087	27,383	51,470
2027	26,808	26,473	53,281
2028	29,696	25,463	55,159
2029-2033	198,232	108,157	306,389
2034-2038	257,212	64,513	321,725
2039-2043	160,908	31,901	192,809
2044-2046	123,928	6,200	130,128
	<u>\$ 861,505</u>	<u>\$ 347,211</u>	<u>\$ 1,208,716</u>

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 15. WATER AND WASTEWATER TREATMENT AGREEMENTS

The District has entered into a Water Supply Agreement with Harris County Municipal Utility District No. 578 (“District No. 578”) to provide water to District No. 578. District No. 578 is required to construct a water supply line and related facilities from the District to District No. 578. The District is obligated to provide up to, but not more than, 350 ESFCs to District No. 578. The District could need to expand the surface water treatment plant earlier than would otherwise be necessary as a result of the Agreement with District No. 578. Pursuant to such Water Supply Agreement with District No. 578, District No. 578 is obligated to pay the District a total of \$1,262 per ESFCs in two equal installments and to make monthly payments for water at 150% of the in-District rate. During the current fiscal year, there were no payments from District No. 578 paid the District in relation to this Agreement. The next surface water treatment plant expansion is currently planned for 2025.

The District has also entered into a Wastewater Treatment Agreement with Harris County Municipal Utility District No. 578 to provide wastewater service to District No. 578. District No. 578 is required to construct a sewer line and related facilities from the District to District No. 578. The District is obligated to provide up to, but not more than, 350 ESFCs to District No. 578. The District could need to expand the wastewater treatment plant earlier than would otherwise be necessary as a result of the Agreement with District No. 578. District No. 578 is obligated to pay the District a total of \$1,738 per ESFCs in two equal installments and to make monthly payments for sewer at 150% of the in-District rate. During the current fiscal year, there were no payments from District No. 578 paid the District in relation to this Agreement. The next wastewater treatment plant expansion is currently planned for 2025.

NOTE 16. UNEARNED REVENUE

In September 2020, the District received \$4,500,000 for a non-taxable entity tap fee. The tap fee was calculated based on the assessed value of certain tracts totaling \$37,500,000 and a tax rate of \$0.60 per \$100 assessed valuation. The tap fee was calculated by multiplying the assessed value of the tracts by the tax rate by the number of years left to retire all of the District’s outstanding bonds at the time the exemption was granted by the appraisal district. The District recognized revenue of \$225,000 in the current fiscal year which resulted in a year end balance of unearned revenue of \$3,825,000. Unearned revenue of \$225,000 per year will continue to be recognized each year for the next 17 years.

NEWPORT MUNICIPAL UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

NEWPORT MUNICIPAL UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property Taxes	\$ 3,211,381	\$ 3,276,407	\$ 65,026
Water Service	2,160,000	2,461,028	301,028
Wastewater Service	2,520,000	2,980,681	460,681
San Jacinto River Authority Fees	144,000	197,052	53,052
Penalty and Interest	100,020	129,778	29,758
Tap Connection and Inspection Fees	420,000	557,606	137,606
Groundwater Credits	278,994	397,034	118,040
Investment and Miscellaneous Revenues	<u>618,924</u>	<u>1,043,126</u>	<u>424,202</u>
TOTAL REVENUES	\$ 9,453,319	\$ 11,042,712	\$ 1,589,393
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 423,000	\$ 532,328	\$ (109,328)
Contracted Services	3,548,694	3,497,793	50,901
Purchased Water Service	368,015	376,270	(8,255)
Utilities	194,491	281,262	(86,771)
Repairs and Maintenance	1,352,400	1,199,809	152,591
Other	974,760	837,061	137,699
Capital Outlay	<u> </u>	<u>623,701</u>	<u>(623,701)</u>
TOTAL EXPENDITURES	\$ 6,861,360	\$ 7,348,224	\$ (486,864)
NET CHANGE IN FUND BALANCE	\$ 2,591,959	\$ 3,694,488	\$ 1,102,529
FUND BALANCE - JANUARY 1, 2023	<u>16,480,425</u>	<u>16,480,425</u>	<u> </u>
FUND BALANCE - DECEMBER 31, 2023	<u>\$ 19,072,384</u>	<u>\$ 20,174,913</u>	<u>\$ 1,102,529</u>

See accompanying independent auditor's report.

THIS PAGE INTENTIONALLY LEFT BLANK

NEWPORT MUNICIPAL UTILITY DISTRICT
SUPPLEMENTARY INFORMATION – REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE
DECEMBER 31, 2023

**NEWPORT MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

2. RETAIL SERVICE PROVIDERS

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

The following rates are based on the rate order effective July 1, 2023.

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
WATER:	\$ 35.15	4,000	N	\$ 2.80	4,001 and up
WASTEWATER:	\$ 46.20	4,000	N	\$ 2.20	4,001 and up
SURCHARGE:					
Solid Waste/ Garbage	Included in wastewater charges				
San Jacinto River Authority	\$0.545 per 1,000 gallons				

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

Total monthly charges per 10,000 gallons usage: Water: \$51.95 Wastewater: \$59.40 Surcharge : \$5.45

See accompanying independent auditor's report.

**NEWPORT MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED DECEMBER 31, 2023**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤¾"	4,356	4,294	x 1.0	4,294
1"	30	30	x 2.5	75
1½"	4	4	x 5.0	20
2"	16	16	x 8.0	128
3"	3	3	x 15.0	45
4"	2	2	x 25.0	50
6"	2	2	x 50.0	100
8"	5	5	x 80.0	400
10"			x 115.0	
Total Water Connections	<u>4,418</u>	<u>4,356</u>		<u>5,112</u>
Total Wastewater Connections	<u>4,361</u>	<u>4,299</u>	x 1.0	<u>4,299</u>

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

Gallons pumped into system:	466,339,000	Water Accountability Ratio: 86% (Gallons billed and sold/ Gallons pumped)
Gallons billed to customers:	390,508,000	
Gallons Purchased:	478,719,000	From: San Jacinto River Authority
Total Gallons sold:	12,614,000	To: Harris County MUD No. 578

See accompanying independent auditor's report.

**NEWPORT MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Does the District have Debt Service standby fees? Yes No

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

** The District no longer assesses standby fees, but is still collecting fees due from prior years.

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.

NEWPORT MUNICIPAL UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023

PROFESSIONAL FEES:	
Auditing	\$ 22,000
Engineering	399,408
Legal	<u>110,920</u>
TOTAL PROFESSIONAL FEES	\$ <u>532,328</u>
PURCHASED WATER SERVICE	\$ <u>376,270</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 50,664
Operations and Billing	2,655,248
Solid Waste Disposal	<u>791,881</u>
TOTAL CONTRACTED SERVICES	\$ <u>3,497,793</u>
UTILITIES	\$ <u>281,262</u>
REPAIRS AND MAINTENANCE	\$ <u>1,199,809</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes and Administration	\$ 36,855
Insurance	65,760
Dues, Office, Website, and Other	<u>49,198</u>
TOTAL ADMINISTRATIVE EXPENDITURES	\$ <u>151,813</u>
CAPITAL OUTLAY	\$ <u>623,701</u>
TAP CONNECTIONS	\$ <u>133,750</u>
OTHER EXPENDITURES:	
Chemicals	\$ 316,857
Monitoring and Testing	44,513
Laboratory Fees	18,762
Permit Fees	25,910
Regulatory Assessment	26,918
Sludge Hauling	<u>113,258</u>
TOTAL OTHER EXPENDITURES	\$ <u>546,218</u>
DEBT SERVICE:	
Note Principal	\$ 4,545
Note Interest	<u>735</u>
NOTE PRINCIPAL AND INTEREST	\$ <u>5,280</u>
TOTAL EXPENDITURES	\$ <u><u>7,348,224</u></u>

See accompanying independent auditor's report.

NEWPORT MUNICIPAL UTILITY DISTRICT
INVESTMENTS
DECEMBER 31, 2023

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<u>GENERAL FUND</u>					
TexPool	XXXX0002	Varies	Daily	\$ 1,046	\$
Texas CLASS	XXXX0001	Varies	Daily	19,274,583	
Texas CLASS	XXXX0004	Varies	Daily	<u>66,672</u>	
TOTAL GENERAL FUND				<u>\$ 19,342,301</u>	<u>\$ -0-</u>
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0001	Varies	Daily	\$ 521	\$
Texas CLASS	XXXX0002	Varies	Daily	<u>2,053,168</u>	
TOTAL DEBT SERVICE FUND				<u>\$ 2,053,689</u>	<u>\$ -0-</u>
<u>CAPITAL PROJECTS FUND</u>					
Texas CLASS	XXXX0003	Varies	Daily	\$ 8,680,090	\$
Texas CLASS	XXXX0005	Varies	Daily	531,848	
Texas CLASS	XXXX0006	Varies	Daily	<u>8,698,533</u>	
TOTAL CAPITAL PROJECTS FUND				<u>\$ 17,910,471</u>	<u>\$ -0-</u>
TOTAL - ALL FUNDS				<u><u>\$ 39,306,461</u></u>	<u><u>\$ -0-</u></u>

See accompanying independent auditor's report.

NEWPORT MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023

	Maintenance Taxes Including Taxes Levied for Defined Area No. 1		Debt Service Taxes	
TAXES RECEIVABLE -				
JANUARY 1, 2023	\$ 1,126,968		\$ 837,083	
Adjustments to Beginning				
Balance	<u>(2,400)</u>	\$ 1,124,568	<u>(3,039)</u>	\$ 834,044
Original 2023 Tax Levy	\$ 3,282,426		\$ 2,645,893	
Adjustment to 2023 Tax Levy	<u>243,862</u>	<u>3,526,288</u>	<u>193,417</u>	<u>2,839,310</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 4,650,856		\$ 3,673,354
TAX COLLECTIONS:				
Prior Years	\$ 1,060,787		\$ 768,675	
Current Year	<u>626,515</u>	<u>1,687,302</u>	<u>509,055</u>	<u>1,277,730</u>
TAXES RECEIVABLE -				
DECEMBER 31, 2023		<u>\$ 2,963,554</u>		<u>\$ 2,395,624</u>
TAXES RECEIVABLE BY				
YEAR:				
2023		\$ 2,899,773		\$ 2,330,255
2022		23,203		17,036
2021		11,281		13,887
2020		6,752		5,929
2019		4,914		4,496
2018		3,924		3,544
2017		3,433		3,319
2016		3,606		3,288
2015		2,151		2,402
2014 and Prior		<u>4,517</u>		<u>11,468</u>
TOTAL		<u>\$ 2,963,554</u>		<u>\$ 2,395,624</u>

See accompanying independent auditor's report.

NEWPORT MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022	2021	2020
PROPERTY VALUATIONS - DISTRICT:				
Land	\$ 243,812,165	\$ 201,526,931	\$ 177,099,940	\$ 162,728,728
Improvements	971,658,500	870,978,535	693,806,206	629,692,453
Personal Property	11,104,507	9,309,475	7,567,352	7,805,002
Exemptions	<u>(174,978,800)</u>	<u>(144,075,436)</u>	<u>(78,069,697)</u>	<u>(77,255,915)</u>
TOTAL DISTRICT	<u>\$ 1,051,596,372</u>	<u>\$ 937,739,505</u>	<u>\$ 800,403,801</u>	<u>\$ 722,970,268</u>
PROPERTY VALUATIONS - DEFINED AREA NO. 1:				
Land	\$ 5,199,085	\$ 3,192,232	\$ 5,172,900	\$ 2,586,450
Improvements				17,655
Personal Property	278			
Exemptions	<u>(1,208,818)</u>	<u></u>	<u>(2,586,450)</u>	<u></u>
TOTAL DEFINED AREA NO. 1	<u>\$ 3,990,545</u>	<u>\$ 3,192,232</u>	<u>\$ 2,586,450</u>	<u>\$ 2,604,105</u>
TAX RATES PER \$100 VALUATION:				
DISTRICT:				
Debt Service	\$ 0.2700	\$ 0.2550	\$ 0.3400	\$ 0.2800
Maintenance	<u>0.3323</u>	<u>0.3473</u>	<u>0.2762</u>	<u>0.3189</u>
TOTAL DISTRICT	<u>\$ 0.6023</u>	<u>\$ 0.6023</u>	<u>\$ 0.6162</u>	<u>\$ 0.5989</u>
DEFINED AREA NO. 1:				
Maintenance	<u>\$ 0.7977</u>	<u>\$ 0.7977</u>	<u>\$ 0.7838</u>	<u>\$ 0.6511</u>
ADJUSTED TAX LEVY: *				
DISTRICT	<u>\$ 6,333,765</u>	<u>\$ 5,648,004</u>	<u>\$ 4,932,088</u>	<u>\$ 4,329,869</u>
DEFINED AREA NO. 1	<u>\$ 31,833</u>	<u>\$ 25,464</u>	<u>\$ 20,273</u>	<u>\$ 16,955</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>17.84 %</u>	<u>99.29 %</u>	<u>99.49 %</u>	<u>99.71 %</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 \$1.00 per \$100 of assessed valuation approved by voters on May 2, 1998.

See accompanying independent auditor's report.

NEWPORT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023

S E R I E S - 2 0 1 3 R E F U N D I N G

Due During Fiscal Years Ending December 31	Principal Due April 1	Interest Due April 1/ October 1	Total
2024	\$ 575,000	\$ 33,469	\$ 608,469
2025	605,000	11,344	616,344
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
	<u>\$ 1,180,000</u>	<u>\$ 44,813</u>	<u>\$ 1,224,813</u>

See accompanying independent auditor's report.

NEWPORT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023

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 April 1	Interest Due April 1/ October 1	Total
2024	\$ 345,000	\$ 84,700	\$ 429,700
2025	360,000	70,600	430,600
2026	375,000	55,900	430,900
2027	385,000	40,700	425,700
2028	405,000	24,900	429,900
2029	420,000	8,400	428,400
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
	<u>\$ 2,290,000</u>	<u>\$ 285,200</u>	<u>\$ 2,575,200</u>

See accompanying independent auditor's report.

NEWPORT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023

S E R I E S - 2 0 1 6 A			
Due During Fiscal Years Ending December 31	Principal Due April 1	Interest Due April 1/ October 1	Total
2024	\$	\$ 134,681	\$ 134,681
2025		134,681	134,681
2026	280,000	131,706	411,706
2027	295,000	125,597	420,597
2028	310,000	119,169	429,169
2029	325,000	112,422	437,422
2030	340,000	105,356	445,356
2031	360,000	97,919	457,919
2032	375,000	89,875	464,875
2033	395,000	80,966	475,966
2034	415,000	71,088	486,088
2035	435,000	60,463	495,463
2036	455,000	49,338	504,338
2037	480,000	37,350	517,350
2038	505,000	23,475	528,475
2039	530,000	7,950	537,950
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
	\$ 5,500,000	\$ 1,382,036	\$ 6,882,036

See accompanying independent auditor's report.

NEWPORT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023

S E R I E S - 2 0 1 8			
Due During Fiscal Years Ending December 31	Principal Due April 1	Interest Due April 1/ October 1	Total
2024	\$	\$ 139,938	\$ 139,938
2025		139,938	139,938
2026	100,000	138,438	238,438
2027	100,000	135,438	235,438
2028	100,000	132,438	232,438
2029	50,000	130,187	180,187
2030	300,000	124,937	424,937
2031	300,000	115,750	415,750
2032	300,000	106,187	406,187
2033	300,000	96,437	396,437
2034	300,000	86,687	386,687
2035	300,000	76,937	376,937
2036	300,000	67,000	367,000
2037	300,000	56,875	356,875
2038	300,000	46,750	346,750
2039	300,000	36,437	336,437
2040	425,000	23,750	448,750
2041	450,000	8,156	458,156
2042			
2043			
2044			
2045			
2046			
2047			
2048			
	\$ 4,225,000	\$ 1,662,280	\$ 5,887,280

See accompanying independent auditor's report.

NEWPORT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023

SERIES - 2019 REFUNDING

Due During Fiscal Years Ending December 31	Principal Due April 1	Interest Due April 1/ October 1	Total
2024	\$ 280,000	\$ 42,900	\$ 322,900
2025	290,000	37,200	327,200
2026	305,000	31,250	336,250
2027	315,000	23,475	338,475
2028	285,000	14,475	299,475
2029	340,000	5,100	345,100
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
	<u>\$ 1,815,000</u>	<u>\$ 154,400</u>	<u>\$ 1,969,400</u>

See accompanying independent auditor's report.

NEWPORT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023

S E R I E S - 2 0 2 0 A			
Due During Fiscal Years Ending December 31	Principal Due April 1	Interest Due April 1/ October 1	Total
2024	\$	\$ 192,668	\$ 192,668
2025		192,669	192,669
2026		192,669	192,669
2027		192,669	192,669
2028		192,669	192,669
2029		192,669	192,669
2030	395,000	188,225	583,225
2031	415,000	179,113	594,113
2032	435,000	169,550	604,550
2033	450,000	159,312	609,312
2034	470,000	148,387	618,387
2035	495,000	136,619	631,619
2036	515,000	123,994	638,994
2037	540,000	110,469	650,469
2038	565,000	95,966	660,966
2039	590,000	80,438	670,438
2040	615,000	63,869	678,869
2041	645,000	46,544	691,544
2042	670,000	28,463	698,463
2043	700,000	9,625	709,625
2044			
2045			
2046			
2047			
2048			
	\$ 7,500,000	\$ 2,696,587	\$ 10,196,587

See accompanying independent auditor's report.

NEWPORT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023

S E R I E S - 2 0 2 0 B			
Due During Fiscal Years Ending December 31	Principal Due April 1	Interest Due April 1/ October 1	Total
2024	\$	\$ 36,481	\$ 36,481
2025		36,481	36,481
2026		36,481	36,481
2027		36,481	36,481
2028		36,481	36,481
2029		36,481	36,481
2030	80,000	35,582	115,582
2031	85,000	33,725	118,725
2032	90,000	31,700	121,700
2033	95,000	29,504	124,504
2034	100,000	27,125	127,125
2035	105,000	24,563	129,563
2036	105,000	21,938	126,938
2037	110,000	19,113	129,113
2038	115,000	16,019	131,019
2039	120,000	12,787	132,787
2040	130,000	9,350	139,350
2041	135,000	5,706	140,706
2042	140,000	1,925	141,925
2043			
2044			
2045			
2046			
2047			
2048			
	\$ 1,410,000	\$ 487,923	\$ 1,897,923

See accompanying independent auditor's report.

NEWPORT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023

S E R I E S - 2 0 2 1			
Due During Fiscal Years Ending December 31	Principal Due April 1	Interest Due April 1/ October 1	Total
2024	\$	\$ 458,050	\$ 458,050
2025		458,050	458,050
2026	575,000	445,113	1,020,113
2027	595,000	418,787	1,013,787
2028	615,000	399,250	1,014,250
2029	635,000	386,750	1,021,750
2030	660,000	373,800	1,033,800
2031	680,000	360,400	1,040,400
2032	705,000	346,550	1,051,550
2033	730,000	332,200	1,062,200
2034	755,000	317,350	1,072,350
2035	780,000	302,000	1,082,000
2036	810,000	286,100	1,096,100
2037	840,000	269,600	1,109,600
2038	865,000	252,550	1,117,550
2039	895,000	234,950	1,129,950
2040	1,100,000	215,000	1,315,000
2041	1,100,000	192,313	1,292,313
2042	1,350,000	166,281	1,516,281
2043	1,450,000	136,531	1,586,531
2044	1,900,000	100,937	2,000,937
2045	1,900,000	60,562	1,960,562
2046	1,900,000	20,188	1,920,188
2047			
2048			
	\$ 20,840,000	\$ 6,533,312	\$ 27,373,312

See accompanying independent auditor's report.

NEWPORT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023

S E R I E S - 2 0 2 3				
Due During Fiscal Years Ending December 31	Principal Due April 1	Interest Due April 1/ October 1	Total	
2024	\$	\$	553,712	\$ 553,712
2025			535,850	535,850
2026	300,000		529,850	829,850
2027	300,000		517,850	817,850
2028	300,000		505,850	805,850
2029	300,000		493,850	793,850
2030	300,000		481,850	781,850
2031	300,000		469,850	769,850
2032	300,000		457,850	757,850
2033	300,000		445,850	745,850
2034	300,000		433,850	733,850
2035	300,000		421,850	721,850
2036	300,000		409,850	709,850
2037	300,000		397,850	697,850
2038	300,000		385,850	685,850
2039	300,000		373,663	673,663
2040	400,000		358,975	758,975
2041	400,000		341,725	741,725
2042	500,000		322,037	822,037
2043	600,000		297,975	897,975
2044	930,000		263,925	1,193,925
2045	1,000,000		220,500	1,220,500
2046	1,100,000		173,250	1,273,250
2047	1,650,000		111,375	1,761,375
2048	1,650,000		37,125	1,687,125
	\$ 12,430,000		\$ 9,542,162	\$ 21,972,162

See accompanying independent auditor's report.

NEWPORT MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending December 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2024	\$ 1,200,000	\$ 1,676,599	\$ 2,876,599
2025	1,255,000	1,616,813	2,871,813
2026	1,935,000	1,561,407	3,496,407
2027	1,990,000	1,490,997	3,480,997
2028	2,015,000	1,425,232	3,440,232
2029	2,070,000	1,365,859	3,435,859
2030	2,075,000	1,309,750	3,384,750
2031	2,140,000	1,256,757	3,396,757
2032	2,205,000	1,201,712	3,406,712
2033	2,270,000	1,144,269	3,414,269
2034	2,340,000	1,084,487	3,424,487
2035	2,415,000	1,022,432	3,437,432
2036	2,485,000	958,220	3,443,220
2037	2,570,000	891,257	3,461,257
2038	2,650,000	820,610	3,470,610
2039	2,735,000	746,225	3,481,225
2040	2,670,000	670,944	3,340,944
2041	2,730,000	594,444	3,324,444
2042	2,660,000	518,706	3,178,706
2043	2,750,000	444,131	3,194,131
2044	2,830,000	364,862	3,194,862
2045	2,900,000	281,062	3,181,062
2046	3,000,000	193,438	3,193,438
2047	1,650,000	111,375	1,761,375
2048	1,650,000	37,125	1,687,125
	<u>\$ 57,190,000</u>	<u>\$ 22,788,713</u>	<u>\$ 79,978,713</u>

See accompanying independent auditor's report.

NEWPORT MUNICIPAL UTILITY DISTRICT
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED DECEMBER 31, 2023

Description	Original Bonds Issued	Bonds Outstanding January 1, 2023
Newport Municipal Utility District Waterworks and Sewer System Combination Unlimited Tax and Revenue Refunding Bonds - Series 2013	\$ 5,295,000	\$ 1,730,000
Newport Municipal Utility District Waterworks and Sewer System Combination Unlimited Tax and Revenue Refunding Bonds - Series 2016	3,535,000	2,620,000
Newport Municipal Utility District Unlimited Tax Bonds - Series 2016A	5,500,000	5,500,000
Newport Municipal Utility District Unlimited Tax Bonds - Series 2018	4,225,000	4,225,000
Newport Municipal Utility District Unlimited Tax Refunding Bonds - Series 2019	2,720,000	2,085,000
Newport Municipal Utility District Unlimited Tax Bonds - Series 2020A	7,500,000	7,500,000
Newport Municipal Utility District Unlimited Tax Park Bonds - Series 2020B	1,410,000	1,410,000
Newport Municipal Utility District Unlimited Tax Bonds - Series 2021	20,840,000	20,840,000
Newport Municipal Utility District Unlimited Tax Bonds - Series 2023	<u>12,430,000</u>	<u> </u>
TOTAL	<u><u>\$ 63,455,000</u></u>	<u><u>\$ 45,910,000</u></u>

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding December 31, 2023</u>	<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>		
\$	\$ 550,000	\$ 53,875	\$ 1,180,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	330,000	96,550	2,290,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
		134,681	5,500,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
		139,938	4,225,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	270,000	48,400	1,815,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
		192,668	7,500,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
		36,481	1,410,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
		458,051	20,840,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
<u>12,430,000</u>			<u>12,430,000</u>	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
<u>\$ 12,430,000</u>	<u>\$ 1,150,000</u>	<u>\$ 1,160,644</u>	<u>\$ 57,190,000</u>	

See accompanying independent auditor's report.

THIS PAGE INTENTIONALLY LEFT BLANK

NEWPORT MUNICIPAL UTILITY DISTRICT
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED DECEMBER 31, 2023

Bond Authority:	<u>Tax Bonds</u>	<u>Park Bonds</u>	<u>Defined Area No. 1 Tax Bonds</u>	<u>Defined Area No. 2 Tax Bonds</u>
Amount Authorized by Voters	\$112,110,000	\$ 5,000,000	\$ 50,000,000	\$ 55,000,000
Amount Issued	<u>84,330,000</u>	<u>5,000,000</u>	<u> </u>	<u> </u>
Remaining to be Issued	<u>\$ 27,780,000</u>	<u>\$ - 0 -</u>	<u>\$ 50,000,000</u>	<u>\$ 55,000,000</u>
 Debt Service Fund cash and investment balances as of December 31, 2023:				<u>\$ 3,110,613</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:				<u>\$ 3,199,149</u>

See Note 3 for interest rates, interest payment dates and maturity dates.

Note: The District also has authorization to issue refunding utility bonds as well as Defined Area No. 2 refunding bonds.

See accompanying independent auditor's report.

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

	Amounts		
	2023	2022	2021
REVENUES			
Property Taxes	\$ 3,276,407	\$ 2,247,056	\$ 2,371,145
Water Service	2,461,028	2,561,512	1,802,678
Wastewater Service	2,980,681	2,766,567	2,632,301
San Jacinto River Authority Fees	197,052	169,730	142,313
Capital Project Base Fees		555,000	
Penalty and Interest	129,778	103,944	81,396
Tap Connection and Inspection Fees	557,606	73,625	625,217
Groundwater Credits	397,034	321,260	323,222
Capital Contributions			
Grant Revenues		879,695	
Payment in Lieu of Taxes			
Investment and Miscellaneous Revenues	1,043,126	367,836	117,004
TOTAL REVENUES	<u>\$ 11,042,712</u>	<u>\$ 10,046,225</u>	<u>\$ 8,095,276</u>
EXPENDITURES			
Professional Fees	\$ 532,328	\$ 431,560	\$ 411,334
Contracted Services	3,497,793	3,462,406	3,399,581
Purchased Water Service	376,270	344,378	334,249
Utilities	281,262	194,795	219,113
Repairs and Maintenance	1,199,809	1,229,231	1,098,928
Bad Debt Expense			
Other	831,781	696,120	697,381
Capital Outlay	623,701		186,928
Note Principal and Interest	5,280	5,280	5,280
TOTAL EXPENDITURES	<u>\$ 7,348,224</u>	<u>\$ 6,363,770</u>	<u>\$ 6,352,794</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 3,694,488</u>	<u>\$ 3,682,455</u>	<u>\$ 1,742,482</u>
OTHER FINANCING SOURCES			
Transfer In	\$	\$	\$ 250,525
Insurance Proceeds		52,274	189,540
TOTAL OTHER FINANCING SOURCES	<u>\$ - 0 -</u>	<u>\$ 52,274</u>	<u>\$ 440,065</u>
NET CHANGE IN FUND BALANCE	\$ 3,694,488	\$ 3,734,729	\$ 2,182,547
BEGINNING FUND BALANCE	<u>16,480,425</u>	<u>12,745,696</u>	<u>10,563,149</u>
ENDING FUND BALANCE	<u>\$ 20,174,913</u>	<u>\$ 16,480,425</u>	<u>\$ 12,745,696</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2020	2019	2023	2022	2021	2020	2019
\$ 2,076,309	\$ 1,828,858	29.7 %	22.4 %	29.3 %	15.9 %	25.6 %
1,775,184	1,699,135	22.3	25.5	22.3	13.6	23.8
2,163,939	2,010,003	27.0	27.5	32.5	16.7	28.1
140,904	128,869	1.8	1.7	1.8	1.1	1.8
1,322,956	127,101		5.5		10.2	1.8
58,983	106,254	1.2	1.0	1.0	0.5	1.5
533,543	369,062	5.0	0.7	7.7	4.1	5.2
283,398	359,764	3.6	3.2	4.0	2.2	5.0
	250,000					3.5
			8.8			
4,500,000					34.7	
<u>125,222</u>	<u>267,113</u>	<u>9.4</u>	<u>3.7</u>	<u>1.4</u>	<u>1.0</u>	<u>3.7</u>
\$ <u>12,980,438</u>	\$ <u>7,146,159</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 576,927	\$ 591,422	4.9 %	4.4 %	5.2 %	4.5 %	8.4 %
3,335,931	3,307,327	31.7	34.5	42.0	25.8	46.3
325,008	301,886	3.4	3.4	4.1	2.5	4.2
193,241	196,190	2.5	1.9	2.7	1.5	2.7
1,065,822	1,499,805	10.9	12.2	13.6	8.2	21.0
599,665					4.6	
846,358	1,029,697	7.5	6.9	8.6	6.5	14.4
121,467	22,104	5.6		2.3	0.9	0.3
<u>5,280</u>	<u>5,280</u>		<u>0.1</u>	<u>0.1</u>		<u>0.1</u>
\$ <u>7,069,699</u>	\$ <u>6,953,711</u>	<u>66.5 %</u>	<u>63.4 %</u>	<u>78.6 %</u>	<u>54.5 %</u>	<u>97.4 %</u>
\$ <u>5,910,739</u>	\$ <u>192,448</u>	<u>33.5 %</u>	<u>36.6 %</u>	<u>21.4 %</u>	<u>45.5 %</u>	<u>2.6 %</u>
\$ <u>362,007</u>	\$ <u>153,232</u>					
\$ <u>362,007</u>	\$ <u>153,232</u>					
\$ 6,272,746	\$ 345,680					
<u>4,290,403</u>	<u>3,944,723</u>					
\$ <u>10,563,149</u>	\$ <u>4,290,403</u>					

See accompanying independent auditor's report.

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

	Amounts		
	2023	2022	2021
REVENUES			
Property Taxes	\$ 2,396,062	\$ 2,740,033	\$ 2,069,871
Penalty and Interest	46,354	62,372	41,143
Investment and Miscellaneous Revenues	137,130	38,280	16,781
TOTAL REVENUES	\$ 2,579,546	\$ 2,840,685	\$ 2,127,795
EXPENDITURES			
Tax Collection Expenditures	\$ 124,469	\$ 112,530	\$ 123,007
Debt Service Principal	1,150,000	1,105,000	1,055,000
Debt Service Interest and Fees	1,167,144	1,256,978	772,344
Bond Issuance Costs			
TOTAL EXPENDITURES	\$ 2,441,613	\$ 2,474,508	\$ 1,950,351
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 137,933	\$ 366,177	\$ 177,444
OTHER FINANCING SOURCES (USES)			
Proceeds of Refunding Bonds	\$	\$	\$
Payment to Refunded Bond Escrow Agent			
Bond Premium			
TOTAL OTHER FINANCING SOURCES, NET	\$ - 0 -	\$ - 0 -	\$ - 0 -
NET CHANGE IN FUND BALANCE	\$ 137,933	\$ 366,177	\$ 177,444
BEGINNING FUND BALANCE	1,907,934	1,541,757	1,364,313
ENDING FUND BALANCE	\$ 2,045,867	\$ 1,907,934	\$ 1,541,757
TOTAL ACTIVE RETAIL WATER CONNECTIONS	4,356	4,233	4,201
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	4,299	4,177	4,134

See accompanying independent auditor's report.

		Percentage of Total Revenues				
<u>2020</u>	<u>2019</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
\$ 1,886,775	\$ 1,654,884	92.9 %	96.5 %	97.3 %	97.5 %	95.7 %
27,109	32,274	1.8	2.2	1.9	1.4	1.9
<u>22,166</u>	<u>40,619</u>	<u>5.3</u>	<u>1.3</u>	<u>0.8</u>	<u>1.1</u>	<u>2.4</u>
<u>\$ 1,936,050</u>	<u>\$ 1,727,777</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 97,310	\$ 92,397	4.9 %	4.0 %	5.8 %	5.0 %	5.2 %
775,000	940,000	44.6	38.9	49.6	40.0	54.4
977,264	639,351	45.2	44.2	36.3	50.5	37.0
	<u>111,752</u>					<u>6.5</u>
<u>\$ 1,849,574</u>	<u>\$ 1,783,500</u>	<u>94.7 %</u>	<u>87.1 %</u>	<u>91.7 %</u>	<u>95.5 %</u>	<u>103.1 %</u>
\$ 86,476	\$ (55,723)	<u>5.3 %</u>	<u>12.9 %</u>	<u>8.3 %</u>	<u>4.5 %</u>	<u>(3.1) %</u>
\$	\$ 2,720,000					
	(2,730,054)					
	<u>118,430</u>					
\$ - 0 -	\$ 108,376					
\$ 86,476	\$ 52,653					
<u>1,277,837</u>	<u>1,225,184</u>					
<u>\$ 1,364,313</u>	<u>\$ 1,277,837</u>					
<u>4,039</u>	<u>3,895</u>					
<u>3,982</u>	<u>3,830</u>					

See accompanying independent auditor's report.

**NEWPORT MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
DECEMBER 31, 2023**

District Mailing Address - Newport Municipal Utility District
c/o Smith, Murdaugh, Little & Bonham, L.L.P.
2727 Allen Parkway, Suite 1100
Houston, TX 77019

District Telephone Number - (713) 652-6500

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended December 31, 2023	Expense Reimbursements for the year ended December 31, 2023	Title
Margarette Chasteen	05/20 05/24 (Elected)	\$ 7,200	\$ 1,961	President
DeLonne Johnson	05/22 05/26 (Elected)	\$ 6,307	\$ 2,110	Vice President
Deborah Florus	05/22 05/26 (Elected)	\$ 4,452	\$ 56	Secretary
Earl Boykin	05/22 05/26 (Elected)	\$ 6,102	\$ -0-	Assistant Secretary
Gary Hasse	05/20 05/24 (Elected)	\$ 7,200	\$ 162	Director

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: June 13, 2022

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 23, 2003. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

**NEWPORT MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
DECEMBER 31, 2023**

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2023</u>	<u>Title</u>
Smith, Murdaugh, Little & Bonham, L.L.P.	08/01/98	\$ 113,669 \$ 326,828 \$ 839	General Counsel/ Bond Related/ Delinquent Tax Attorney
McCall Gibson Swedlund Barfoot PLLC	12/15/99	\$ 22,000 \$ 17,000	Auditor/ Bond Related
McLennan & Associates	03/24/04	\$ 57,323	Bookkeeper
Lockwood, Andrews and Newman, Inc.	02/21/19	\$ 2,112,569 \$ 63,859	Engineer/ Bond Related
Masterson Advisors	04/26/18	\$ 255,494	Financial Advisor
Jorge Diaz	01/26/17	\$ -0-	Investment Officer
Si Environmental (previously Professional Utility Services, Inc.)	08/01/98	\$ 3,301,203	Operator
Assessments of the Southwest	08/01/98	\$ 68,512	Tax Assessor/ Collector

See accompanying independent auditor's report.