



**Harris County Municipal  
Utility District No. 365  
Harris County, Texas**

**Independent Auditor's Report, Financial Statements,  
and Supplementary Information**

August 31, 2025



**Harris County Municipal Utility District No. 365**  
**Contents**  
**August 31, 2025**

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## Independent Auditor's Report

Board of Directors  
Harris County Municipal Utility District No. 365  
Harris County, Texas

### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 365 (District), as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of August 31, 2025, and the respective changes in financial position thereof 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 (GAAS). 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 these 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 budgetary comparison schedules, as listed in the table of contents, 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 GAAS, 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.

### ***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 accompanying schedules required by the Texas Commission on Environmental Quality listed in the table of contents are presented for purposes of additional analysis and are 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Forvis Mazars, LLP**

Houston, Texas  
February 5, 2026

**Harris County Municipal Utility District No. 365  
Management's Discussion and Analysis  
Year Ended August 31, 2025**

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***Overview of the Financial Statements***

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and by the District's state oversight agency, the Texas Commission on Environmental Quality (Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities that engage in a single governmental program, such as the provision of water, sanitary sewer, and drainage services. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements, and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

***Government-Wide Financial Statements***

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets, liabilities, and deferred inflows and outflows of resources of the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position, and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period, and expenses are recorded even though they may not have used cash during the current year.

Although the statement of activities looks different from a commercial enterprise's statement of income, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as change in net position, essentially the same thing.

***Fund Financial Statements***

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the general fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

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**Governmental Funds**

Governmental-fund financial statements consist of a balance sheet and a statement of revenues, expenditures, and changes in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time but do not include capital assets such as land and water, sewer, and drainage systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund’s assets, liabilities, and deferred inflows and outflows of resources is labeled the fund balance and generally indicates the amount that can be used to finance the next fiscal year’s activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

Because the focus of the government-wide and fund financial statements is different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in the notes to financial statements that describes the adjustments to fund balances to arrive at net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in the notes to financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position, as reported in the governmental activities column in the statement of activities.

**Notes to Financial Statements**

The notes to financial statements provide additional information that is essential to a full understanding of the data found in the government-wide and fund financial statements.

**Financial Analysis of the District as a Whole**

The District’s overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements:

**Summary of Net Position**

	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 7,939,409	\$ 6,795,688
Capital assets	8,462,225	8,649,427
Total assets	<u>16,401,634</u>	<u>15,445,115</u>
Deferred outflows of resources	<u>-</u>	<u>23,888</u>
Total assets and deferred outflows of resources	<u>\$ 16,401,634</u>	<u>\$ 15,469,003</u>
Long-term liabilities	\$ 525,000	\$ 492,766
Other liabilities	553,703	558,482
Total liabilities	<u>1,078,703</u>	<u>1,051,248</u>

**Harris County Municipal Utility District No. 365  
Management's Discussion and Analysis  
Year Ended August 31, 2025**

**Summary of Net Position (Continued)**

	<u>2025</u>	<u>2024</u>
Net position		
Net investment in capital assets	\$ 8,074,770	\$ 8,167,804
Restricted	285,907	1,094,877
Unrestricted	<u>6,962,254</u>	<u>5,155,074</u>
Total net position	<u>\$ 15,322,931</u>	<u>\$ 14,417,755</u>

The total net position of the District increased by \$905,176, or about 6%. The majority of the increase in net position is related to tax revenues intended to pay principal on the District's bonded indebtedness, which is shown as long-term liabilities in the government-wide financial statements. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Summary of Changes in Net Position**

	<u>2025</u>	<u>2024</u>
Revenues		
Property taxes	\$ 2,542,668	\$ 2,594,585
City of Houston rebates	224,054	212,496
Charges for services	2,422,657	2,907,881
Other revenues	<u>454,886</u>	<u>375,770</u>
Total revenues	<u>5,644,265</u>	<u>6,090,732</u>
Expenses		
Services	4,343,816	4,097,323
Depreciation	276,741	292,874
Debt service	<u>118,532</u>	<u>26,711</u>
Total expenses	<u>4,739,089</u>	<u>4,416,908</u>
Change in net position	905,176	1,673,824
Net position, beginning of year	<u>14,417,755</u>	<u>12,743,931</u>
Net position, end of year	<u>\$ 15,322,931</u>	<u>\$ 14,417,755</u>

***Financial Analysis of the District's Funds***

The District's combined fund balances as of the end of the fiscal year ended August 31, 2025 were \$7,354,265, an increase of \$1,144,509 from the prior year.

The general fund's fund balance increased by \$1,809,624. This increase was primarily due to property taxes, service, City of Houston (City) rebates revenues, and investment income exceeding service operations and capital outlay expenditures.

The water plant and wastewater treatment plant funds' fund balances remained the same as all expenditures were billed to the participants.

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Year Ended August 31, 2025**

The debt service fund’s fund balance decreased by \$809,104 because bond principal and interest requirements were greater than property tax revenues generated.

The capital projects fund’s fund balance increased by \$143,989 due to proceeds received from the sale of the District’s bonds exceeding capital outlay expenditures, debt issuance costs, and an interfund transfer to the general fund.

**General Fund Budgetary Highlights**

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to penalty and interest revenues and investment income being greater than anticipated as well as regional water fee revenues, purchased services expenditures, other expenditures, capital outlay expenditures, and an interfund transfer from the capital projects fund being less than anticipated. The fund balance as of August 31, 2025 was expected to be \$6,639,126, and the actual end-of-year fund balance was \$6,930,291.

**Capital Assets and Related Debt**

**Capital Assets**

Capital assets held by the District at the end of the current and previous fiscal years are summarized below:

**Capital Assets (Net of Accumulated Depreciation)**

	<u>2025</u>	<u>2024</u>
Land and improvements	\$ 3,402,148	\$ 3,242,326
Construction in progress	381,062	451,345
Water facilities	1,748,288	1,848,032
Wastewater facilities	<u>2,930,727</u>	<u>3,107,724</u>
Total capital assets	<u>\$ 8,462,225</u>	<u>\$ 8,649,427</u>

During the current year, additions to capital assets were as follows:

Joint drainage channel and detention system repairs	\$ 10,889
Construction in progress related to the Park at Arbordale relief sewer, Coles Crossing stormwater, and water quality improvements and coatings for joint water plant Nos. 1 and 2	<u>78,650</u>
Total additions to capital assets	<u>\$ 89,539</u>

**Debt**

The changes in the debt position of the District during the fiscal year ended August 31, 2025 are summarized below:

Long-term debt payable, beginning of year	\$ 492,766
Increases in long-term debt	975,000
Decreases in long-term debt	<u>(942,766)</u>
Long-term debt payable, end of year	<u>\$ 525,000</u>

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Year Ended August 31, 2025**

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At August 31, 2025, the District had \$20,230,000 of unlimited tax bonds authorized, but unissued, for the purpose of acquiring, constructing, and improving the water, sanitary sewer, and drainage systems within the District.

The District's bonds carry an underlying rating of "A+" from Standard & Poor's.

***Other Relevant Factors***

***Relationship to the City of Houston***

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City, the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City without the District's consent, except as set forth below.

***Strategic Partnership Agreement***

Effective April 9, 2007, the District entered into a Strategic Partnership Agreement (Agreement) with the City, which annexed certain portions of the District into the City for "limited purposes," as described therein. Under the terms of the Agreement, the City agreed it will not annex the District as a whole for full purposes for 30 years.

**Harris County Municipal Utility District No. 365**  
**Statement of Net Position and Governmental Funds Balance Sheet**  
**August 31, 2025**

	<u>General Fund</u>	<u>Water Plant Fund</u>	<u>Wastewater Treatment Plant Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>Assets</b>								
Cash	\$ 95,215	\$ 186,102	\$ 66,345	\$ 28,382	\$ 177,373	\$ 553,417	\$ -	\$ 553,417
Certificates of deposit	695,703	-	-	-	-	695,703	-	695,703
Short-term investments	6,144,379	-	-	59,827	-	6,204,206	-	6,204,206
Receivables								
Property taxes	7,908	-	-	5,477	-	13,385	-	13,385
Service accounts	138,953	-	-	-	-	138,953	-	138,953
Tax rebates	37,475	-	-	-	-	37,475	18,056	55,531
Accrued interest	8,328	-	-	-	-	8,328	-	8,328
Interfund receivables	6,018	99,914	41,679	14,182	-	161,793	(161,793)	-
Due from participants	-	168,078	50,909	-	-	218,987	-	218,987
Due from others	18,841	-	-	-	-	18,841	-	18,841
Prepaid expenditures	32,058	-	-	-	-	32,058	-	32,058
Capital assets (net of accumulated depreciation)								
Land and improvements	-	-	-	-	-	-	3,402,148	3,402,148
Construction in progress	-	-	-	-	-	-	381,062	381,062
Infrastructure	-	-	-	-	-	-	4,679,015	4,679,015
<b>Total Assets</b>	<u>\$ 7,184,878</u>	<u>\$ 454,094</u>	<u>\$ 158,933</u>	<u>\$ 107,868</u>	<u>\$ 177,373</u>	<u>\$ 8,083,146</u>	<u>\$ 8,318,488</u>	<u>\$ 16,401,634</u>

**Harris County Municipal Utility District No. 365**  
**Statement of Net Position and Governmental Funds Balance Sheet**  
**August 31, 2025**

(Continued)

	General Fund	Water Plant Fund	Wastewater Treatment Plant Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
<b>Liabilities</b>								
Accounts payable	\$ 70,616	\$ 166,068	\$ 69,413	\$ 5,161	\$ -	\$ 311,258	\$ -	\$ 311,258
Customer deposits	4,780	-	-	-	-	4,780	-	4,780
Operating deposits	-	144,013	44,760	-	-	188,773	-	188,773
Retainage payable	-	-	-	-	33,384	33,384	-	33,384
Due to others	15,508	-	-	-	-	15,508	-	15,508
Interfund payables	155,775	-	-	6,018	-	161,793	(161,793)	-
Long-term liabilities								
Due within one year	-	-	-	-	-	-	70,000	70,000
Due after one year	-	-	-	-	-	-	455,000	455,000
<b>Total Liabilities</b>	<b>246,679</b>	<b>310,081</b>	<b>114,173</b>	<b>11,179</b>	<b>33,384</b>	<b>715,496</b>	<b>363,207</b>	<b>1,078,703</b>
<b>Deferred Inflows of Resources</b>								
Deferred property tax revenues	7,908	-	-	5,477	-	13,385	(13,385)	-
<b>Fund Balances/Net Position</b>								
Fund balances								
Nonspendable, prepaid expenditures	32,058	-	-	-	-	32,058	(32,058)	-
Restricted:								
Restricted, unlimited tax bonds	-	-	-	91,212	-	91,212	(91,212)	-
Water, sewer and drainage	-	-	-	-	143,989	143,989	(143,989)	-
Committed								
Water production and distribution	-	144,013	-	-	-	144,013	(144,013)	-
Wastewater collection and treatment	-	-	44,760	-	-	44,760	(44,760)	-
Unassigned	6,898,233	-	-	-	-	6,898,233	(6,898,233)	-
Total fund balances	6,930,291	144,013	44,760	91,212	143,989	7,354,265	(7,354,265)	-
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 7,184,878</b>	<b>\$ 454,094</b>	<b>\$ 158,933</b>	<b>\$ 107,868</b>	<b>\$ 177,373</b>	<b>\$ 8,083,146</b>		
Net position								
Net investment in capital assets							8,074,770	8,074,770
Restricted for plant operations							188,773	188,773
Restricted for debt service							96,689	96,689
Restricted for capital projects							445	445
Unrestricted							6,962,254	6,962,254
Total net position							<b>\$ 15,322,931</b>	<b>\$ 15,322,931</b>

**Harris County Municipal Utility District No. 365  
Statement of Activities and Governmental Funds Revenues,  
Expenditures, and Changes in Fund Balances  
Year Ended August 31, 2025**

	General Fund	Water Plant Fund	Wastewater Treatment Plant Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
<b>Revenues</b>								
Property taxes	\$ 2,420,869	\$ -	\$ -	\$ 118,588	\$ -	\$ 2,539,457	\$ 3,211	\$ 2,542,668
City of Houston rebates	223,274	-	-	-	-	223,274	780	224,054
Water service	348,037	-	-	-	-	348,037	-	348,037
Sewer service	276,132	-	-	-	-	276,132	-	276,132
Regional water fee	613,760	-	-	-	-	613,760	-	613,760
Bulk water sales	-	1,882,567	-	-	-	1,882,567	(954,171)	928,396
Bulk sewer sales	-	-	539,951	-	-	539,951	(283,619)	256,332
Penalty and interest	74,643	-	-	13,532	-	88,175	-	88,175
Tap connection and inspection fees	24,711	-	-	-	-	24,711	-	24,711
Investment income	263,526	1,630	458	40,290	491	306,395	-	306,395
Other income	35,605	-	-	-	-	35,605	-	35,605
<b>Total Revenues</b>	<b>4,280,557</b>	<b>1,884,197</b>	<b>540,409</b>	<b>172,410</b>	<b>491</b>	<b>6,878,064</b>	<b>(1,233,799)</b>	<b>5,644,265</b>
<b>Expenditures/Expenses</b>								
Service operations								
Purchased services	1,225,412	-	-	-	-	1,225,412	(1,225,412)	-
Regional water fee	-	1,394,644	-	-	-	1,394,644	-	1,394,644
Professional fees	337,399	11,756	4,593	1,016	-	354,764	-	354,764
Contracted services	244,812	32,624	46,622	39,616	-	363,674	-	363,674
Utilities	3,640	195,465	123,031	-	-	322,136	-	322,136
Repairs and maintenance	518,324	206,334	316,535	-	-	1,041,193	-	1,041,193
Other expenditures	131,258	22,314	49,628	11,858	46	215,104	644,639	859,743
Tap connections	7,662	-	-	-	-	7,662	-	7,662
Capital outlay	80,857	21,060	-	-	644,639	746,556	(746,556)	-
Depreciation	-	-	-	-	-	-	276,741	276,741
Debt service								
Principal retirement	-	-	-	905,000	-	905,000	(905,000)	-
Interest and fees	-	-	-	24,024	-	24,024	(13,878)	10,146
Debt issuance costs	-	-	-	-	108,386	108,386	-	108,386
<b>Total Expenditures/Expenses</b>	<b>2,549,364</b>	<b>1,884,197</b>	<b>540,409</b>	<b>981,514</b>	<b>753,071</b>	<b>6,708,555</b>	<b>(1,969,466)</b>	<b>4,739,089</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>1,731,193</b>	<b>-</b>	<b>-</b>	<b>(809,104)</b>	<b>(752,580)</b>	<b>169,509</b>	<b>735,667</b>	

**Harris County Municipal Utility District No. 365  
Statement of Activities and Governmental Funds Revenues,  
Expenditures, and Changes in Fund Balances  
Year Ended August 31, 2025**

**(Continued)**

	<u>General Fund</u>	<u>Water Plant Fund</u>	<u>Wastewater Treatment Plant Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Other Financing Sources (Uses)</b>								
Interfund transfers in (out)	\$ 78,431	\$ -	\$ -	\$ -	\$ (78,431)	\$ -	\$ -	
General obligation bonds issued	-	-	-	-	975,000	975,000	(975,000)	
<b>Total Other Financing Sources</b>	<u>78,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>896,569</u>	<u>975,000</u>	<u>(975,000)</u>	
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	1,809,624	-	-	(809,104)	143,989	1,144,509	(1,144,509)	
<b>Change in Net Position</b>							905,176	\$ 905,176
<b>Fund Balances/Net Position</b>								
Beginning of year	<u>5,120,667</u>	<u>144,013</u>	<u>44,760</u>	<u>900,316</u>	<u>-</u>	<u>6,209,756</u>	<u>-</u>	<u>14,417,755</u>
End of year	<u>\$ 6,930,291</u>	<u>\$ 144,013</u>	<u>\$ 44,760</u>	<u>\$ 91,212</u>	<u>\$ 143,989</u>	<u>\$ 7,354,265</u>	<u>\$ -</u>	<u>\$ 15,322,931</u>

**Note 1. Nature of Operations and Summary of Significant Accounting Policies**

Harris County Municipal Utility District No. 365 (District) was created by an order of the Texas Natural Resource Conservation Commission, now known as the Texas Commission on Environmental Quality (Commission), effective June 26, 1996, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own, and operate waterworks, wastewater, and drainage facilities and to provide such facilities and services to the customers of the District.

The District is governed by a Board of Directors (Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

***Reporting Entity***

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for which the District is considered to be financially accountable. Accountability is defined as the District's substantive appointment of the voting majority of the component unit's governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

***Government-Wide and Fund Financial Statements***

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities that engage in a single governmental program, such as the provision of water, wastewater, drainage, and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, charges for services, and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District.

The fund financial statements provide information about the District's governmental funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental funds:

*General Fund* – The general fund is the primary operating fund of the District, which accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, charges for services, and interest income.

The District has two special revenue funds as follows:

*Water Plant* – Accounts for revenues and expenditures involving specific revenue sources that are legally restricted to expenditures for specified purposes. The primary source of revenue is bulk water sales.

**Harris County Municipal Utility District No. 365**  
**Notes to Financial Statements**  
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*Wastewater Treatment Plant* – Accounts for revenues and expenditures involving specific revenue sources that are legally restricted to expenditures for specified purposes. The primary source of revenue is bulk sewer sales.

*Debt Service Fund* – The debt service fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for principal and interest related costs, as well as the financial resources being accumulated for future debt service.

*Capital Projects Fund* – The capital projects fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays.

***Fund Balances – Governmental Funds***

The fund balances for the District’s governmental funds can be displayed in up to five components:

*Nonspendable* – Amounts that are not in a spendable form or are required to be maintained intact.

*Restricted* – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

*Committed* – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by issuance of a resolution by the District’s Board.

*Assigned* – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

*Unassigned* – The residual classification for the general fund and includes all amounts not contained in the other classifications.

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

***Measurement Focus and Basis of Accounting***

***Government-Wide Financial Statements***

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as liabilities. Intergovernmental revenues are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted.

**Harris County Municipal Utility District No. 365**  
**Notes to Financial Statements**  
**August 31, 2025**

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***Fund Financial Statements***

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures, and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures, and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services, and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

***Deferred Outflows and Inflows of Resources***

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

***Interfund Transactions***

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

***Pension Costs***

The District does not participate in a pension plan and, therefore, has no pension costs.

***Use of 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 amounts of assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

***Investments and Investment Income***

Investments in certificates of deposit, U.S. Government and agency securities, and certain pooled funds, which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

***Property Taxes***

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes and penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

**Harris County Municipal Utility District No. 365**  
**Notes to Financial Statements**  
**August 31, 2025**

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In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended August 31, 2025 include collections during the current period or within 60 days of year-end related to the 2024 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended August 31, 2025, the 2024 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of \$5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives is not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

Water production and distribution facilities	10–45 years
Wastewater collection and treatment facilities	10–45 years

***Deferred Amount on Debt Refundings***

In the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt in a debt refunding is deferred and amortized to interest expense using the effective interest rate method over the remaining life of the old debt or the life of the new debt, whichever is shorter. Such amounts are classified as deferred outflows or inflows of resources.

***Debt Issuance Costs***

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and, therefore, are recognized as an expense/expenditure in the period incurred.

***Long-Term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on bonds are recognized as a component of long-term liabilities and amortized over the life of the related debt using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Harris County Municipal Utility District No. 365**  
**Notes to Financial Statements**  
**August 31, 2025**

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**Net Position/Fund Balances**

Fund balances and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

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

**Reconciliation of Government-Wide and Fund Financial Statements**

Amounts reported for net position of governmental activities in the statement of net position and fund balances in the governmental funds balance sheet are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	\$ 8,462,225
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	13,385
Receivable for tax rebates is not available in the current period and is not reported in the funds.	18,056
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	<u>(525,000)</u>
Adjustment to fund balances to arrive at net position.	<u><u>\$ 7,968,666</u></u>

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balances in the governmental funds statement of revenues, expenditures, and changes in fund balances because:

Change in fund balances.	\$ 1,144,509
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense and noncapitalized costs exceeded capital outlay expenditures in the current period.	(187,202)
Governmental funds report proceeds from sale of bonds because they provide current financial resources to governmental funds. Principal payments on debt are recorded as expenditures. None of these transactions, however, have any effect on net position.	(70,000)

**Harris County Municipal Utility District No. 365**  
**Notes to Financial Statements**  
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Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported in the statement of activities.	\$ 3,991
Some expenses previously reported in the statement of activities are reported as expenditures in governmental funds.	<u>13,878</u>
Change in net position of governmental activities.	<u><u>\$ 905,176</u></u>

**Note 2. Deposits, Investments, and Investment Income**

***Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, a government’s deposits may not be returned to it. The District’s deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies, or instrumentalities of the State of Texas; or certain collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.

At August 31, 2025, none of the District’s bank balances were exposed to custodial credit risk.

***Investments***

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, obligations of states, agencies, and counties and other political subdivisions with an investment rating not less than “A,” insured or collateralized certificates of deposit, and certain bankers’ acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts, and investment pools.

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 registered with the Securities and Exchange Commission. The State Comptroller of Public Accounts of the State of Texas has oversight of TexPool. The District’s investments in TexPool are reported at amortized cost.

The District also invests in Texas CLASS, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Trustees, elected by the participants, has oversight of Texas CLASS. The District’s investments may be redeemed at any time. Texas CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques and limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. The District’s investments in Texas CLASS are reported at net asset value.

**Harris County Municipal Utility District No. 365**  
**Notes to Financial Statements**  
**August 31, 2025**

At August 31, 2025, the District had the following investments and maturities:

Type	Amortized Cost/Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
TexPool	\$ 4,349,521	\$ 4,349,521	\$ -	\$ -	\$ -
Texas CLASS	<u>1,854,685</u>	<u>1,854,685</u>	-	-	-
Totals	<u>\$ 6,204,206</u>	<u>\$ 6,204,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Interest Rate Risk.** As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years, and interest rate indexed collateralized mortgage obligations. The external investment pools are presented as investments with a maturity of less than one year because they are redeemable in full immediately.

**Credit Risk.** Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At August 31, 2025, the District's investments in TexPool and Texas CLASS were rated "AAAm" by Standard & Poor's.

**Summary of Carrying Values**

The carrying values of deposits and investments shown previously are included in the balance sheet at August 31, 2025 as follows:

Carrying value	
Deposits	\$ 1,249,120
Investments	<u>6,204,206</u>
Total	<u>\$ 7,453,326</u>

Included in the following statement of net position captions:

Cash	\$ 553,417
Certificates of deposit	695,703
Short-term investments	<u>6,204,206</u>
Total	<u>\$ 7,453,326</u>

**Investment Income**

Investment income of \$306,395 for the year ended August 31, 2025 consisted of interest income.

**Fair Value Measurements**

The District has the following recurring fair value measurements as of August 31, 2025:

- Pooled investments of \$1,854,685 are valued at fair value per share of the pool's underlying portfolio.

**Harris County Municipal Utility District No. 365**  
**Notes to Financial Statements**  
**August 31, 2025**

**Note 3. Capital Assets**

A summary of changes in capital assets for the year ended August 31, 2025 is presented below:

<b>Governmental Activities</b>	<b>Balances, Beginning of Year</b>	<b>Additions</b>	<b>Reclassi- fications</b>	<b>Balances, End of Year</b>
Capital assets, non-depreciable				
Land and improvements	\$ 3,242,326	\$ 10,889	\$ 148,933	\$ 3,402,148
Construction in progress	451,345	78,650	(148,933)	381,062
Total capital assets, non-depreciable	<u>3,693,671</u>	<u>89,539</u>	<u>-</u>	<u>3,783,210</u>
Capital assets, depreciable				
Water production and distribution facilities	5,146,961	-	-	5,146,961
Wastewater collection and treatment facilities	6,588,674	-	-	6,588,674
Total capital assets, depreciable	<u>11,735,635</u>	<u>-</u>	<u>-</u>	<u>11,735,635</u>
Less accumulated depreciation				
Water production and distribution facilities	(3,298,929)	(99,744)	-	(3,398,673)
Wastewater collection and treatment facilities	(3,480,950)	(176,997)	-	(3,657,947)
Total accumulated depreciation	<u>(6,779,879)</u>	<u>(276,741)</u>	<u>-</u>	<u>(7,056,620)</u>
Total governmental activities, net	<u>\$ 8,649,427</u>	<u>\$ (187,202)</u>	<u>\$ -</u>	<u>\$ 8,462,225</u>

**Note 4. Long-Term Liabilities**

Changes in long-term liabilities for the year ended August 31, 2025 were as follows:

<b>Governmental Activities</b>	<b>Balances, Beginning of Year</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances, End of Year</b>	<b>Amounts Due in One Year</b>
Bonds payable					
General obligation bonds	\$ 455,000	\$ 975,000	\$ 905,000	\$ 525,000	\$ 70,000
Add premiums on bonds	37,766	-	37,766	-	-
Total governmental activities long-term liabilities	<u>\$ 492,766</u>	<u>\$ 975,000</u>	<u>\$ 942,766</u>	<u>\$ 525,000</u>	<u>\$ 70,000</u>

**Harris County Municipal Utility District No. 365**  
**Notes to Financial Statements**  
**August 31, 2025**

**General Obligation Bonds**

	<b>Series 2025</b>
Amount outstanding, August 31, 2025	\$525,000
Interest rates	3.00% to 3.75%
Maturity dates, serially beginning/ending	September 1, 2026/2033
Interest payment dates	March 1/September 1
Callable date*	September 1, 2031

\*Or any date thereafter; callable at par plus accrued interest to the date of redemption

**Annual Debt Service Requirements**

The District has been paying the amount due September 1 within the fiscal year preceding this due date, and the following schedule has been prepared assuming this practice will be followed in future years. The schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at August 31, 2025:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 70,000	\$ 18,025	\$ 88,025
2027	65,000	15,925	80,925
2028	65,000	13,813	78,813
2029	65,000	11,700	76,700
2030	65,000	9,425	74,425
2031–2033	195,000	14,463	209,463
Total	\$ 525,000	\$ 83,350	\$ 608,350

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount.

Bonds voted	\$ 41,200,000
Bonds sold	20,970,000
Refunding bonds voted	24,720,000
Refunding bond authorization used	1,093,364

**Note 5. Significant Bond Resolution and Commission Requirements**

The Bond Resolution requires that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended August 31, 2025, the District levied an ad valorem debt service tax at the rate of \$0.0175 per \$100 of assessed valuation, which resulted in a tax levy of \$120,476 on the taxable valuation of \$688,433,162 for the 2024 tax year. The interest and principal requirements paid from the tax revenues and other available debt service fund resources were \$928,199.

**Harris County Municipal Utility District No. 365**  
**Notes to Financial Statements**  
**August 31, 2025**

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**Note 6. Maintenance Taxes**

At an election held August 10, 1996, voters authorized a maintenance tax not to exceed \$1.50 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended August 31, 2025, the District levied an ad valorem maintenance tax at the rate of \$0.3525 per \$100 of assessed valuation, which resulted in a tax levy of \$2,426,727 on the taxable valuation of \$688,433,162 for the 2024 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

**Note 7. Regional Water Authority**

The District is within the boundaries of the North Harris County Regional Water Authority (Authority), which was created by the Texas Legislature. The Authority was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Harris-Galveston Subsidence District, which regulates groundwater withdrawal. As of August 31, 2025, the Authority was billing the District \$2.60 per 1,000 gallons of water pumped from its wells. This amount is subject to future adjustments.

**Note 8. Contracts With Other Districts**

Effective October 8, 1998, the District and Harris County Municipal Utility District No. 364 (District No. 364) entered into an agreement whereby District No. 364 would purchase capacity in water production, wastewater treatment, and storm water control facilities owned and constructed by the District. This agreement was subsequently amended on April 1, 2000, April 26, 2001, February 21, 2002, and April 23, 2003. On July 1, 2004, the existing agreement and all amendments were replaced with the Coles Crossing Joint Facilities Agreement, as amended.

The agreement provides for the District to hold title to and operate the facilities. Operating costs of the facilities are shared by the districts on a pro rata share basis, based on water consumption.

***Joint Wastewater Treatment Plant***

Operations of the wastewater treatment plant are accounted for in the special revenue fund. Transactions for the current year are summarized as follows:

	<u>The District</u>	<u>District No. 364</u>	<u>Total</u>
Due from participants, beginning of year	\$ 10,819	\$ 37,383	\$ 48,202
Current year billings to participants	271,241	268,710	539,951
Current year collections	(240,381)	(255,184)	(495,565)
	<u>\$ 41,679</u>	<u>\$ 50,909</u>	<u>\$ 92,588</u>

At August 31, 2025, the District owns 46.4% of the capacity in the wastewater treatment plant and District No. 364 owns 53.6%.

**Harris County Municipal Utility District No. 365**  
**Notes to Financial Statements**  
**August 31, 2025**

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***Joint Water Plant***

Operations for the water plant are accounted for in the special revenue fund. Transactions for the current year are summarized as follows:

	<u>The District</u>	<u>District No. 364</u>	<u>Total</u>
Due from participants, beginning of year	\$ 213,362	\$ 309,146	\$ 522,508
Current year billings to participants	954,171	928,396	1,882,567
Current year collections	<u>(1,067,619)</u>	<u>(1,069,464)</u>	<u>(2,137,083)</u>
Due from participants, end of year	<u>\$ 99,914</u>	<u>\$ 168,078</u>	<u>\$ 267,992</u>

At August 31, 2025, the District owns 56% of the capacity in the water plant and District No. 364 owns 44%.

The districts have funded a \$377,546 operational reserve for both facilities.

**Note 9. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts in the past three fiscal years.

**Note 10. Strategic Partnership Agreement**

Effective April 9, 2007, the District and the City entered into a Strategic Partnership Agreement (Agreement) under which the City annexed a tract of land (tract) within the boundaries of the District for limited purposes. The District continues to exercise all powers and functions of a municipal utility district as provided by law. As consideration for the District providing services as detailed in the Agreement, the City agrees to remit one-half of all sales and use tax revenues generated within the boundaries of the tract. As consideration for the sales tax payments by the City, the District agrees to continue to provide and develop water, sewer, and drainage services within the District in lieu of full purpose annexation. The City agrees it will not annex the District for full purposes or commence any action to annex the District during the term of the Agreement, which is 30 years. During the current year, the District recorded \$224,054 in sales tax rebate revenue.

***Required Supplementary Information***

**Harris County Municipal Utility District No. 365  
 Budgetary Comparison Schedule – General Fund  
 Year Ended August 31, 2025**

	<b>Original Budget</b>	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Property taxes	\$ 1,300,000	\$ 2,400,000	\$ 2,420,869	\$ 20,869
City of Houston rebates	235,000	235,000	223,274	(11,726)
Water service	375,000	375,000	348,037	(26,963)
Sewer service	275,000	275,000	276,132	1,132
Regional water fee	885,000	885,000	613,760	(271,240)
Penalty and interest	15,000	15,000	74,643	59,643
Tap connection and inspection fees	-	-	24,711	24,711
Investment income	185,000	185,000	263,526	78,526
Other income	-	-	35,605	35,605
<b>Total Revenues</b>	<b>3,270,000</b>	<b>4,370,000</b>	<b>4,280,557</b>	<b>(89,443)</b>
<b>Expenditures</b>				
Service operations				
Purchased services	1,338,096	1,324,843	1,225,412	99,431
Professional fees	368,000	368,000	337,399	30,601
Contracted services	252,870	252,870	244,812	8,058
Utilities	5,000	5,000	3,640	1,360
Repairs and maintenance	479,500	509,500	518,324	(8,824)
Other expenditures	359,150	389,150	131,258	257,892
Tap connections	-	-	7,662	(7,662)
Capital outlay	1,198,200	475,000	80,857	394,143
<b>Total Expenditures</b>	<b>4,000,816</b>	<b>3,324,363</b>	<b>2,549,364</b>	<b>774,999</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(730,816)</b>	<b>1,045,637</b>	<b>1,731,193</b>	<b>685,556</b>
<b>Other Financing Sources</b>				
Interfund transfers in	-	472,822	78,431	(394,391)
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>(730,816)</b>	<b>1,518,459</b>	<b>1,809,624</b>	<b>291,165</b>
<b>Fund Balance, Beginning of Year</b>	<b>5,120,667</b>	<b>5,120,667</b>	<b>5,120,667</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ 4,389,851</b>	<b>\$ 6,639,126</b>	<b>\$ 6,930,291</b>	<b>\$ 291,165</b>

**Harris County Municipal Utility District No. 365  
 Budgetary Comparison Schedule – Water Plant  
 Year Ended August 31, 2025**

	<b>Original Budget</b>	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Service fees				
District No. 364	\$ 1,065,726	\$ 1,090,227	\$ 928,396	\$ (161,831)
The District	1,015,474	1,047,473	954,171	(93,302)
Investment income	1,500	1,500	1,630	130
<b>Total Revenues</b>	<b>2,082,700</b>	<b>2,139,200</b>	<b>1,884,197</b>	<b>(255,003)</b>
<b>Expenditures</b>				
Service operations				
Regional water fee	1,600,000	1,600,000	1,394,644	205,356
Professional fees	16,500	16,500	11,756	4,744
Contracted services	30,200	30,200	32,624	(2,424)
Utilities	175,000	175,000	195,465	(20,465)
Repairs and maintenance	245,000	270,000	206,334	63,666
Other expenditures	16,000	16,000	22,314	(6,314)
Capital outlay	-	30,000	21,060	8,940
<b>Total Expenditures</b>	<b>2,082,700</b>	<b>2,137,700</b>	<b>1,884,197</b>	<b>253,503</b>
<b>Excess of Revenues Over Expenditures</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>1,500</b>
<b>Fund Balance, Beginning of Year</b>	<b>144,013</b>	<b>144,013</b>	<b>144,013</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ 144,013</b>	<b>\$ 145,513</b>	<b>\$ 144,013</b>	<b>\$ 1,500</b>

**Harris County Municipal Utility District No. 365  
 Budgetary Comparison Schedule – Wastewater Treatment Plant  
 Year Ended August 31, 2025**

	<b>Original Budget</b>	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Service fees				
District No. 364	\$ 272,370	\$ 277,370	\$ 268,710	\$ (8,660)
The District	242,970	247,970	271,241	23,271
Investment income	350	350	458	108
<b>Total Revenues</b>	<u>515,690</u>	<u>525,690</u>	<u>540,409</u>	<u>14,719</u>
<b>Expenditures</b>				
Service operations				
Professional fees	7,750	7,750	4,593	3,157
Contracted services	51,700	51,700	46,622	5,078
Utilities	130,000	130,000	123,031	6,969
Repairs and maintenance	291,500	301,500	316,535	(15,035)
Other expenditures	34,740	34,740	49,628	(14,888)
<b>Total Expenditures</b>	<u>515,690</u>	<u>525,690</u>	<u>540,409</u>	<u>(14,719)</u>
<b>Excess of Revenues Over Expenditures</b>	-	-	-	-
<b>Fund Balance, Beginning of Year</b>	<u>44,760</u>	<u>44,760</u>	<u>44,760</u>	-
<b>Fund Balance, End of Year</b>	<u>\$ 44,760</u>	<u>\$ 44,760</u>	<u>\$ 44,760</u>	-

**Harris County Municipal Utility District No. 365**  
**Notes to Required Supplementary Information**  
**August 31, 2025**

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***Budgets and Budgetary Accounting***

Annual operating budgets are prepared for the general, water plant, and wastewater treatment plant funds by the District's consultants. The budgets reflect resources expected to be received during the current year and expenditures expected to be incurred. The Board is required to adopt the budgets prior to the start of its fiscal year. The budgets are not a spending limitation (a legally restricted appropriation). The original budget of the general fund, the water plant fund, and the wastewater treatment plant fund were amended during fiscal 2025.

The District prepares its annual operating budgets on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedules – General Fund, Water Plant, and Wastewater Treatment Plant funds present the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

***Supplementary Information***

**Harris County Municipal Utility District No. 365  
Other Schedules Included Within This Report  
August 31, 2025**

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(Schedules included are checked or explanatory notes provided for omitted schedules.)

- [X] Notes Required by the Water District Accounting Manual  
See "Notes to Financial Statements," Pages 12–22
- [X] Schedule of Services and Rates
- [X] Schedule of General Fund Expenditures
- [X] Schedule of Temporary Investments
- [X] Analysis of Taxes Levied and Receivable
- [X] Schedule of Long-Term Debt Service Requirements by Years
- [X] Changes in Long-Term Bonded Debt
- [X] Comparative Schedules of Revenues and Expenditures – General Fund and Debt Service Fund –  
Five Years
- [X] Board Members, Key Personnel, and Consultants

**Harris County Municipal Utility District No. 365**  
**Schedule of Services and Rates**  
**Year Ended August 31, 2025**

1. Services provided by the District

- |  |   |  |
|--|---|--|
| <input checked="" type="checkbox"/> Retail Water   | <input type="checkbox"/> Wholesale Water      | <input checked="" type="checkbox"/> Drainage |
| <input checked="" type="checkbox"/> Retail Wastewater  | <input type="checkbox"/> Wholesale Wastewater | <input type="checkbox"/> Irrigation          |
| <input checked="" type="checkbox"/> Parks/Recreation   | <input type="checkbox"/> Fire Protection      | <input checked="" type="checkbox"/> Security |
| <input type="checkbox"/> Solid Waste/Garbage   | <input type="checkbox"/> Flood Control        | <input type="checkbox"/> Roads               |
| <input checked="" type="checkbox"/> Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect) |   |  |
| <input checked="" type="checkbox"/> Other <u>Recycling</u>   |   |  |

2. Retail service providers

a. Retail rates for a 5/8" meter (or equivalent):

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate Per 1,000 Gallons Over Minimum</u>	<u>Usage Levels</u>	
Water:	\$ 5.00	10,000	N	\$ 1.00	10,001 to	15,000
				\$ 1.75	15,001 to	25,000
				\$ 2.50	25,001 to	35,000
				\$ 3.50	35,001 to	60,000
				\$ 5.00	60,001 to	No Limit

Wastewater: \$ 14.00      1      Y

Regional water fee: \$ 2.60      1      N      \$ 2.60      1 to      No Limit

Does the District employ winter averaging for wastewater usage?      Yes       No

Total charges per 10,000 gallons usage (including fees):      Water \$ 31.00      Wastewater \$ 14.00

b. Water and wastewater retail connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFC*</u>
Unmetered	-	-	x1.0	-
≤ 3/4"	708	708	x1.0	708
1"	423	423	x2.5	1,058
1 1/2"	10	10	x5.0	50
2"	41	41	x8.0	328
3"	-	-	x15.0	-
4"	1	1	x25.0	25
6"	1	1	x50.0	50
8"	1	1	x80.0	80
10"	-	-	x115.0	-
Total water	1,185	1,185		2,299
Total wastewater	1,124	1,124	x1.0	1,124

3. Total water consumption (in thousands) during the fiscal year

Gallons pumped into the system:	516,909
Gallons billed to customers:	490,423
Water accountability ratio (gallons billed/gallons pumped):	94.88%

\*"ESFC" means equivalent single-family connections

**Harris County Municipal Utility District No. 365**  
**Schedule of General Fund Expenditures**  
**Year Ended August 31, 2025**

<b>Personnel (including benefits)</b>		\$ -
<b>Professional Fees</b>		
Auditing	\$ 23,800	
Legal	245,168	
Engineering	68,431	
Financial advisor	-	337,399
<b>Purchased Services for Resale</b>		
Bulk water and wastewater service purchases		1,225,412
<b>Regional Water Fee</b>		-
<b>Contracted Services</b>		
Bookkeeping	26,200	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	86,239	
Other contracted services	62,697	175,136
<b>Utilities</b>		3,640
<b>Repairs and Maintenance</b>		518,324
<b>Administrative Expenditures</b>		
Directors' fees	34,511	
Office supplies	29,170	
Insurance	13,268	
Other administrative expenditures	54,309	131,258
<b>Capital Outlay</b>		
Capitalized assets	80,857	
Expenditures not capitalized	-	80,857
<b>Tap Connection Expenditures</b>		7,662
<b>Solid Waste Disposal/Recycling</b>		69,676
<b>Fire Fighting</b>		-
<b>Parks and Recreation</b>		-
<b>Other Expenditures</b>		-
<b>Total Expenditures</b>		<u><u>\$ 2,549,364</u></u>

**Harris County Municipal Utility District No. 365**  
**Schedule of Temporary Investments**  
**August 31, 2025**

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Face Amount</u>	<u>Accrued Interest Receivable</u>
<b>General Fund</b>				
Certificates of Deposit				
No. 3102407	4.40%	10/01/25	\$ 230,000	\$ 4,214
No. 626876	4.26%	10/29/25	230,000	3,329
No. 51209177	4.50%	11/04/25	235,703	785
TexPool	4.31%	Demand	4,289,694	-
Texas CLASS	4.38%	Demand	<u>1,854,685</u>	<u>-</u>
			6,840,082	8,328
<b>Debt Service Fund</b>				
TexPool	4.31%	Demand	<u>59,827</u>	<u>-</u>
<b>Totals</b>			<u><u>\$ 6,899,909</u></u>	<u><u>\$ 8,328</u></u>



**Harris County Municipal Utility District No. 365  
 Analysis of Taxes Levied and Receivable  
 Year Ended August 31, 2025**

**(Continued)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Property Valuations</b>				
Land	\$ 159,257,952	\$ 158,308,869	\$ 129,043,156	\$ 125,823,982
Improvements	574,488,144	582,840,946	536,212,119	435,549,684
Personal property	23,896,402	23,919,299	23,014,033	20,445,358
Exemptions	<u>(69,209,336)</u>	<u>(84,865,839)</u>	<u>(71,635,883)</u>	<u>(14,362,684)</u>
<b>Total Property Valuations</b>	<u><u>\$ 688,433,162</u></u>	<u><u>\$ 680,203,275</u></u>	<u><u>\$ 616,633,425</u></u>	<u><u>\$ 567,456,340</u></u>
<b>Tax Rates per \$100 Valuation</b>				
Debt service tax rates	\$ 0.0175	\$ 0.1800	\$ 0.2200	\$ 0.2550
Maintenance tax rates*	<u>0.3525</u>	<u>0.2025</u>	<u>0.1900</u>	<u>0.1950</u>
<b>Total Tax Rates per \$100 Valuation</b>	<u><u>\$ 0.3700</u></u>	<u><u>\$ 0.3825</u></u>	<u><u>\$ 0.4100</u></u>	<u><u>\$ 0.4500</u></u>
<b>Tax Levy</b>	<u><u>\$ 2,547,203</u></u>	<u><u>\$ 2,601,778</u></u>	<u><u>\$ 2,528,197</u></u>	<u><u>\$ 2,553,554</u></u>
<b>Percent of Taxes Collected to Taxes Levied**</b>	<u>99%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>

\*Maximum tax rate approved by voters: \$1.50 on August 10, 1996

\*\*Calculated as taxes collected for a tax year divided by taxes levied for that tax year

**Harris County Municipal Utility District No. 365  
Schedule of Long-Term Debt Service Requirements by Years  
August 31, 2025**

<u>Due During Fiscal Years Ending August 31</u>	<u>Series 2025</u>		<u>Total</u>
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	
2026	\$ 70,000	\$ 18,025	\$ 88,025
2027	65,000	15,925	80,925
2028	65,000	13,813	78,813
2029	65,000	11,700	76,700
2030	65,000	9,425	74,425
2031	65,000	7,150	72,150
2032	65,000	4,875	69,875
2033	65,000	2,438	67,438
Totals	<u>\$ 525,000</u>	<u>\$ 83,350</u>	<u>\$ 608,350</u>

The District pays the amount due September 1 prior to that date. This schedule has been prepared assuming this practice will continue in the future.

**Harris County Municipal Utility District No. 365**  
**Changes in Long-Term Bonded Debt**  
**Year Ended August 31, 2025**

	<b>Bond Issue</b>		
	<b>Refunding Series 2019</b>	<b>Series 2025</b>	<b>Totals</b>
Interest rates	2.00% to 3.00%	3.00% to 3.75%	
Dates interest payable	March 1/ September 1	March 1/ September 1	
Maturity dates		September 1, 2026/2033	
Bond outstanding, beginning of current year	\$ 455,000	\$ -	\$ 455,000
Bonds sold during current year	-	975,000	975,000
Retirements, principal	<u>455,000</u>	<u>450,000</u>	<u>905,000</u>
Bond outstanding, end of current year	<u>\$ -</u>	<u>\$ 525,000</u>	<u>\$ 525,000</u>
Interest paid during current year	<u>\$ 9,100</u>	<u>\$ 14,099</u>	<u>\$ 23,199</u>
Paying agent's name and address	<p><b>Series 2019</b> – <u>The Bank of New York Mellon Trust Company, N.A., Houston, Texas</u>  <b>Series 2025</b> – <u>The Bank of New York Mellon Trust Company, N.A., Houston, Texas</u></p>		
Bond authority	<b>Tax Bonds</b>	<b>Other Bonds</b>	<b>Refunding Bonds</b>
Amount authorized by voters	\$ 41,200,000	\$ -	\$ 24,720,000
Amount Issued	<u>\$ 20,970,000</u>	<u>\$ -</u>	<u>\$ 1,093,364</u>
Remaining to be issued	<u>\$ 20,230,000</u>	<u>\$ -</u>	<u>\$ 23,626,636</u>
Debt service fund cash and temporary investment balances as of August 31, 2025:			<u>\$ 88,209</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:			<u>\$ 76,044</u>

**Harris County Municipal Utility District No. 365**  
**Comparative Schedule of Revenues and Expenditures – General Fund**  
**Five Years Ended August 31,**

	Amounts				
	2025	2024	2023	2022	2021
<b>General Fund</b>					
<b>Revenues</b>					
Property taxes	\$ 2,420,869	\$ 1,374,570	\$ 1,158,747	\$ 1,094,680	\$ 1,136,247
City of Houston rebates	223,274	212,179	214,292	231,618	209,242
Water service	348,037	346,402	360,819	377,449	312,259
Sewer service	276,132	272,162	281,195	280,743	285,450
Regional water fee	613,760	883,038	1,056,296	1,197,729	1,000,697
Penalty and interest	74,643	18,250	15,648	11,683	3,607
Tap connection and inspection fees	24,711	1,275	2,250	1,360	1,650
Investment income	263,526	265,162	207,860	23,672	3,431
Other income	35,605	3,876	5,090	22,797	16,344
<b>Total Revenues</b>	<u>4,280,557</u>	<u>3,376,914</u>	<u>3,302,197</u>	<u>3,241,731</u>	<u>2,968,927</u>
<b>Expenditures</b>					
Service operations					
Purchased services	1,225,412	1,336,841	1,834,168	1,809,283	1,528,191
Professional fees	337,399	422,686	271,267	202,634	165,252
Contracted services	244,812	230,135	214,351	213,915	204,809
Utilities	3,640	3,697	3,161	5,843	16,008
Repairs and maintenance	518,324	487,195	436,885	385,530	228,578
Other expenditures	131,258	131,418	111,662	127,654	83,323
Tap connections	7,662	-	3,948	-	-
Capital outlay	80,857	171,227	548,876	80,177	522,447
Debt service, debt issuance costs	-	-	31,216	6,017	-
<b>Total Expenditures</b>	<u>2,549,364</u>	<u>2,783,199</u>	<u>3,455,534</u>	<u>2,831,053</u>	<u>2,748,608</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	1,731,193	593,715	(153,337)	410,678	220,319
<b>Other Financing Sources</b>					
Interfund transfers in	78,431	-	-	-	-
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	1,809,624	593,715	(153,337)	410,678	220,319
<b>Fund Balance, Beginning of Year</b>	<u>5,120,667</u>	<u>4,526,952</u>	<u>4,680,289</u>	<u>4,269,611</u>	<u>4,049,292</u>
<b>Fund Balance, End of Year</b>	<u>\$ 6,930,291</u>	<u>\$ 5,120,667</u>	<u>\$ 4,526,952</u>	<u>\$ 4,680,289</u>	<u>\$ 4,269,611</u>
<b>Total Active Retail Water Connections</b>	<u>1,185</u>	<u>1,182</u>	<u>1,180</u>	<u>1,181</u>	<u>1,179</u>
<b>Total Active Retail Wastewater Connections</b>	<u>1,124</u>	<u>1,121</u>	<u>1,121</u>	<u>1,122</u>	<u>1,120</u>

**Percent of Fund Total Revenues**

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
56.6 %	40.7 %	35.1 %	33.8 %	38.3 %
5.2	6.3	6.5	7.1	7.0
8.1	10.3	10.9	11.6	10.5
6.5	8.1	8.5	8.7	9.6
14.3	26.2	32.0	36.9	33.7
1.7	0.5	0.5	0.4	0.1
0.6	0.0	0.1	0.0	0.1
6.2	7.8	6.3	0.7	0.1
0.8	0.1	0.1	0.8	0.6
100.0	100.0	100.0	100.0	100.0
28.6	39.6	55.5	55.8	51.5
7.9	12.5	8.2	6.2	5.6
5.7	6.8	6.5	6.6	6.9
0.1	0.1	0.1	0.2	0.5
12.1	14.4	13.2	11.9	7.7
3.1	3.9	3.4	3.9	2.8
0.2	-	0.1	-	-
1.9	5.1	16.6	2.5	17.6
-	-	1.0	0.2	-
59.6	82.4	104.6	87.3	92.6
40.4 %	17.6 %	(4.6) %	12.7 %	7.4 %

**Harris County Municipal Utility District No. 365**  
**Comparative Schedule of Revenues and Expenditures – Debt Service Fund**  
**Five Years Ended August 31,**

	Amounts				
	2025	2024	2023	2022	2021
<b>Debt Service Fund</b>					
<b>Revenues</b>					
Property taxes	\$ 118,588	\$ 1,221,073	\$ 1,339,959	\$ 1,432,717	\$ 1,406,122
Penalty and interest	13,532	8,337	7,528	11,935	15,448
Investment income	40,290	61,330	52,202	7,902	648
<b>Total Revenues</b>	<u>172,410</u>	<u>1,290,740</u>	<u>1,399,689</u>	<u>1,452,554</u>	<u>1,422,218</u>
<b>Expenditures</b>					
Current					
Professional fees	1,016	827	1,675	6,006	1,008
Contracted services	39,616	42,398	38,181	32,122	36,522
Other expenditures	11,858	12,711	7,589	11,724	5,290
Debt service					
Principal retirement	905,000	860,000	1,210,000	1,295,000	1,275,000
Interest and fees	24,024	35,650	72,700	111,550	148,775
<b>Total Expenditures</b>	<u>981,514</u>	<u>951,586</u>	<u>1,330,145</u>	<u>1,456,402</u>	<u>1,466,595</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(809,104)	339,154	69,544	(3,848)	(44,377)
<b>Fund Balance, Beginning of Year</b>	<u>900,316</u>	<u>561,162</u>	<u>491,618</u>	<u>495,466</u>	<u>539,843</u>
<b>Fund Balance, End of Year</b>	<u>\$ 91,212</u>	<u>\$ 900,316</u>	<u>\$ 561,162</u>	<u>\$ 491,618</u>	<u>\$ 495,466</u>

**Percent of Fund Total Revenues**

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
68.8 %	94.6 %	95.7 %	98.6 %	98.9 %
7.8	0.6	0.6	0.8	1.1
<u>23.4</u>	<u>4.8</u>	<u>3.7</u>	<u>0.6</u>	<u>0.0</u>
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
0.6	0.1	0.1	0.4	0.1
23.0	3.3	2.7	2.2	2.6
6.9	1.0	0.5	0.8	0.4
524.9	66.6	86.5	89.2	89.6
<u>13.9</u>	<u>2.7</u>	<u>5.2</u>	<u>7.7</u>	<u>10.4</u>
<u>569.3</u>	<u>73.7</u>	<u>95.0</u>	<u>100.3</u>	<u>103.1</u>
<u>(469.3) %</u>	<u>26.3 %</u>	<u>5.0 %</u>	<u>(0.3) %</u>	<u>(3.1) %</u>

**Harris County Municipal Utility District No. 365  
Board Members, Key Personnel, and Consultants  
Year Ended August 31, 2025**

Complete District mailing address:	Harris County Municipal Utility District No. 365 c/o Allen Boone Humphries Robinson LLP 3200 Southwest Freeway, Suite 2600 Houston, TX 77027
District business telephone number:	713.860.6400
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	May 21, 2024
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

<b>Board Members</b>	<b>Term of Office Elected &amp; Expires</b>	<b>Fees*</b>	<b>Expense Reimbursements</b>	<b>Title at Year-End</b>
Gregory Coleman	Elected 05/22– 05/26	\$ 6,851	\$ 379	President
Cathy Cropper	Elected 05/22– 05/26	6,630	1,466	Vice President
Ann Nguyen Moore	Elected 05/24– 05/28	7,200	2,939	Secretary
Michael Crafton	Elected 05/24– 05/28	6,630	1,790	Assistant Vice President
Cassandra Cronin	Elected 05/24– 05/28	7,200	721	Assistant Secretary

\*Fees are the amounts actually paid to a director during the District's fiscal year.

**Harris County Municipal Utility District No. 365  
Board Members, Key Personnel, and Consultants  
Year Ended August 31, 2025**

**(Continued)**

<b>Consultants</b>	<b>Date Hired</b>	<b>Fees and Expense Reimbursements</b>	<b>Title</b>
Allen Boone Humphries Robinson LLP	07/28/03	\$ 245,168 40,985	Attorney Bond Counsel
Bob Leared Interests	06/04/97	28,316	Tax Assessor/ Collector
Burke Engineering LLC	05/11/20	189,235	Engineer
Forvis Mazars, LLP	07/16/98	32,000	Auditor
Harris Central Appraisal District	Legislative Action	18,886	Appraiser
Masterson Advisors LLC	05/17/18	27,263	Financial Advisor
Myrtle Cruz, Inc.	04/19/19	56,026	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	05/21/98	1,016	Tax Attorney
Si Environmental, LLC	07/01/12	700,965	Operator
<b>Investment Officer</b>			
Mary Jarmon	04/19/19	N/A	Bookkeeper