



**Northwest Harris County  
Municipal Utility District No. 9  
Harris County, Texas**

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

September 30, 2025



**Northwest Harris County Municipal Utility District No. 9**  
**Contents**  
**September 30, 2025**

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## Independent Auditor's Report

Board of Directors  
Northwest Harris County Municipal Utility District No. 9  
Harris County, Texas

### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of Northwest Harris County Municipal Utility District No. 9 (District), as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the 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 September 30, 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 schedule, 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  
March 20, 2026**

**Northwest Harris County Municipal Utility District No. 9  
Management's Discussion and Analysis  
Year Ended September 30, 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.

**Northwest Harris County Municipal Utility District No. 9  
Management’s Discussion and Analysis  
Year Ended September 30, 2025**

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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	\$ 11,868,273	\$ 11,028,106
Capital assets	<u>6,723,049</u>	<u>6,682,150</u>
Total assets	<u>18,591,322</u>	<u>17,710,256</u>
Deferred outflows of resources	<u>150,246</u>	<u>159,997</u>
Total assets and deferred outflows of resources	<u>\$ 18,741,568</u>	<u>\$ 17,870,253</u>
Long-term liabilities	\$ 3,220,581	\$ 3,404,203
Other liabilities	<u>504,792</u>	<u>510,571</u>
Total liabilities	<u>3,725,373</u>	<u>3,914,774</u>

**Northwest Harris County Municipal Utility District No. 9  
Management's Discussion and Analysis  
Year Ended September 30, 2025**

**Summary of Net Position (Continued)**

	<u>2025</u>	<u>2024</u>
Net position		
Net investment in capital assets	\$ 3,652,714	\$ 3,437,944
Restricted	1,199,869	1,267,650
Unrestricted	<u>10,163,612</u>	<u>9,249,885</u>
Total net position	<u>\$ 15,016,195</u>	<u>\$ 13,955,479</u>

The total net position of the District increased by \$1,060,716, or about 8%. The majority of the increase in net position is related to property 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, as well as sales tax rebates, charges for services, and other revenues exceeding services expenses.

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	\$ 1,710,626	\$ 1,826,618
Sales tax rebates	241,681	264,385
Charges for services	2,216,103	2,323,050
Other revenues	<u>802,999</u>	<u>621,707</u>
Total revenues	<u>4,971,409</u>	<u>5,035,760</u>
Expenses		
Services	3,395,223	3,327,524
Depreciation	423,411	393,832
Debt service	<u>92,059</u>	<u>95,342</u>
Total expenses	<u>3,910,693</u>	<u>3,816,698</u>
Change in net position	1,060,716	1,219,062
Net position, beginning of year	<u>13,955,479</u>	<u>12,736,417</u>
Net position, end of year	<u>\$ 15,016,195</u>	<u>\$ 13,955,479</u>

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

The District's combined fund balances as of the end of the fiscal year ended September 30, 2025 were \$11,199,661, an increase of \$820,593 from the prior year.

The general fund's fund balance increased by \$891,981. This increase was primarily related to property taxes, sales tax rebates and service revenues, tap connection and inspection fees revenue, and investment income exceeding service operations and capital outlay expenditures.

**Northwest Harris County Municipal Utility District No. 9  
Management's Discussion and Analysis  
Year Ended September 30, 2025**

The debt service fund's fund balance decreased by \$71,388 primarily due to bond principal and interest requirements and contracted services expenditures exceeding property tax revenues and investment income.

**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 water service revenues, tap connection and inspection fees revenue and related expenditures, and professional fees expenditures being greater than anticipated and regional water fee revenues and regional water authority expenditures being less than anticipated. In addition, purchased services expenditures were not budgeted. The fund balance as of September 30, 2025 was expected to be \$9,819,269, and the actual end-of-year fund balance was \$10,074,550.

**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	\$ 1,091,824	\$ 1,091,824
Water facilities	2,475,717	2,220,910
Wastewater facilities	2,834,693	3,024,377
Equipment	<u>320,815</u>	<u>345,039</u>
Total capital assets	<u>\$ 6,723,049</u>	<u>\$ 6,682,150</u>

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

Purchase and installation of a new turntable drive assembly on No. 2 clarifier	\$ 132,250
Rehabilitation and purchase of new equipment for water well No. 2	310,460
Lift station Nos. 1 through 4 generator additions	<u>21,600</u>
Total additions to capital assets	<u>\$ 464,310</u>

**Debt**

The changes in the debt position of the District during the fiscal year ended September 30, 2025 are summarized as follows.

Long-term debt payable, beginning of year	\$ 3,404,203
Decreases in long-term debt	<u>(183,622)</u>
Long-term debt payable, end of year	<u>\$ 3,220,581</u>

A developer of the District has constructed facilities on behalf of the District. The District has agreed to reimburse the developer for these construction costs and interest to the extent approved by the Commission. At September 30, 2025, a liability for developer-constructed capital assets of \$156,804 was recorded in the government-wide financial statements.

**Northwest Harris County Municipal Utility District No. 9  
Management’s Discussion and Analysis  
Year Ended September 30, 2025**

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At September 30, 2025, the District had \$25,000,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing, and improving the water, sanitary sewer, and drainage systems within the District.

The District’s Series 2016 unlimited tax refunding bonds carry an underlying rating of “A+” from Standard & Poor’s and carry an insured rating of “AA” from Standard & Poor’s by virtue of bond insurance issued by Assured Guaranty Inc.

***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 of Houston (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 for full purposes without the District’s consent, except as follows:

***Strategic Partnership Agreement***

Effective April 3, 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 has agreed it will not annex the District as a whole for full purposes for 30 years. At that time, the City has the option to annex the District if it chooses to do so.

**Northwest Harris County Municipal Utility District No. 9**  
**Statement of Net Position and Governmental Funds Balance Sheet**  
**September 30, 2025**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>Assets</b>					
Cash	\$ 231,301	\$ 84,168	\$ 315,469	\$ -	\$ 315,469
Certificates of deposit	105,878	266,079	371,957	-	371,957
Short-term investments	9,833,612	772,637	10,606,249	-	10,606,249
Receivables					
Property taxes	55,108	20,405	75,513	-	75,513
Service accounts	369,827	-	369,827	-	369,827
Accrued penalty and interest	-	-	-	60,927	60,927
Accrued interest	620	1,639	2,259	-	2,259
Due from others	3,351	-	3,351	-	3,351
Due from City of Houston	28,767	-	28,767	33,954	62,721
Interfund receivables	-	8,307	8,307	(8,307)	-
Capital assets (net of accumulated depreciation)					
Land and improvements	-	-	-	1,091,824	1,091,824
Infrastructure	-	-	-	5,310,410	5,310,410
Equipment	-	-	-	320,815	320,815
<b>Total Assets</b>	<b>10,628,464</b>	<b>1,153,235</b>	<b>11,781,699</b>	<b>6,809,623</b>	<b>18,591,322</b>
<b>Deferred Outflows of Resources</b>					
Deferred amount on debt refundings	-	-	-	150,246	150,246
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 10,628,464</b>	<b>\$ 1,153,235</b>	<b>\$ 11,781,699</b>	<b>\$ 6,959,869</b>	<b>\$ 18,741,568</b>

**Northwest Harris County Municipal Utility District No. 9**  
**Statement of Net Position and Governmental Funds Balance Sheet**  
**September 30, 2025**

**(Continued)**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>Liabilities</b>					
Accounts payable	\$ 282,498	\$ 7,719	\$ 290,217	\$ -	\$ 290,217
Accrued interest payable	-	-	-	6,574	6,574
Customer deposits	197,783	-	197,783	-	197,783
Due to others	10,218	-	10,218	-	10,218
Interfund payables	8,307	-	8,307	(8,307)	-
Long-term liabilities					
Due within one year	-	-	-	190,000	190,000
Due after one year	-	-	-	3,030,581	3,030,581
<b>Total Liabilities</b>	<b>498,806</b>	<b>7,719</b>	<b>506,525</b>	<b>3,218,848</b>	<b>3,725,373</b>
<b>Deferred Inflows of Resources</b>					
Deferred property tax revenues	55,108	20,405	75,513	(75,513)	-
<b>Fund Balances/Net Position</b>					
Fund balances					
Restricted, unlimited tax bonds	-	1,125,111	1,125,111	(1,125,111)	-
Assigned, future expenditures	237,200	-	237,200	(237,200)	-
Unassigned	9,837,350	-	9,837,350	(9,837,350)	-
Total fund balances	10,074,550	1,125,111	11,199,661	(11,199,661)	-
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 10,628,464</b>	<b>\$ 1,153,235</b>	<b>\$ 11,781,699</b>		
<b>Net position</b>					
Net investment in capital assets				3,652,714	3,652,714
Restricted for debt service				1,199,869	1,199,869
Unrestricted				10,163,612	10,163,612
Total net position				<b>\$ 15,016,195</b>	<b>\$ 15,016,195</b>

**Northwest Harris County Municipal Utility District No. 9**  
**Statement of Activities and Governmental Funds Revenues,**  
**Expenditures, and Changes in Fund Balances**  
**Year Ended September 30, 2025**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>					
Property taxes	\$ 1,516,664	\$ 193,659	\$ 1,710,323	\$ 303	\$ 1,710,626
Sales tax rebates	220,575	-	220,575	21,106	241,681
Water service	776,237	-	776,237	-	776,237
Sewer service	571,962	-	571,962	-	571,962
Regional water fee	867,904	-	867,904	-	867,904
Penalty and interest	17,056	23,529	40,585	3,636	44,221
Tap connection and inspection fees	260,600	-	260,600	-	260,600
Investment income	425,007	42,924	467,931	-	467,931
Other income	26,000	4,247	30,247	-	30,247
<b>Total Revenues</b>	<u>4,682,005</u>	<u>264,359</u>	<u>4,946,364</u>	<u>25,045</u>	<u>4,971,409</u>
<b>Expenditures/Expenses</b>					
Service operations					
Purchased services	102,547	-	102,547	-	102,547
Regional water authority	618,314	-	618,314	-	618,314
Professional fees	317,942	8,561	326,503	-	326,503
Contracted services	232,972	39,441	272,413	-	272,413
Utilities	152,761	-	152,761	-	152,761
Repairs and maintenance	1,591,246	-	1,591,246	-	1,591,246
Other expenditures	188,482	21,507	209,989	-	209,989
Tap connections	121,450	-	121,450	-	121,450
Capital outlay	464,310	-	464,310	(464,310)	-
Depreciation	-	-	-	423,411	423,411
Debt service					
Principal retirement	-	185,000	185,000	(185,000)	-
Interest and fees	-	81,238	81,238	10,821	92,059
<b>Total Expenditures/Expenses</b>	<u>3,790,024</u>	<u>335,747</u>	<u>4,125,771</u>	<u>(215,078)</u>	<u>3,910,693</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	891,981	(71,388)	820,593	(820,593)	
<b>Change in Net Position</b>				1,060,716	1,060,716
<b>Fund Balances/Net Position</b>					
Beginning of year	<u>9,182,569</u>	<u>1,196,499</u>	<u>10,379,068</u>	<u>-</u>	<u>13,955,479</u>
End of year	<u>\$ 10,074,550</u>	<u>\$ 1,125,111</u>	<u>\$ 11,199,661</u>	<u>\$ -</u>	<u>\$ 15,016,195</u>

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

Northwest Harris County Municipal Utility District No. 9 (District) was created by an order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (Commission), effective July 16, 1980, 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.

**Northwest Harris County Municipal Utility District No. 9**  
**Notes to Financial Statements**  
**September 30, 2025**

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*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.

***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.

**Northwest Harris County Municipal Utility District No. 9**  
**Notes to Financial Statements**  
**September 30, 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.

**Northwest Harris County Municipal Utility District No. 9**  
**Notes to Financial Statements**  
**September 30, 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 September 30, 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 September 30, 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
Equipment	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 premiums and discounts on bonds 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.

**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.

**Northwest Harris County Municipal Utility District No. 9**  
**Notes to Financial Statements**  
**September 30, 2025**

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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.	\$ 6,723,049
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	75,513
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.	60,927
Deferred amount on debt refundings for governmental activities is not considered financial resources and is not reported in the funds.	150,246
Amounts due from the City of Houston (City) are not receivable in the current period and are not reported in the funds.	33,954
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	(6,574)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	<u>(3,220,581)</u>
Adjustment to fund balances to arrive at net position.	<u>\$ 3,816,534</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.	\$ 820,593
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 capital outlay expenditures exceeded depreciation expense in the current period.	40,899
Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.	185,000

**Northwest Harris County Municipal Utility District No. 9**  
**Notes to Financial Statements**  
**September 30, 2025**

Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported as revenues in the statement of activities.	\$ 25,045
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>(10,821)</u>
Change in net position of governmental activities.	<u><u>\$ 1,060,716</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 September 30, 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.

At September 30, 2025, the District had the following investments and maturities:

Type	Maturities in Years				
	Amortized Cost	Less Than 1	1–5	6–10	More Than 10
TexPool	\$ 10,606,249	\$ 10,606,249	\$ -	\$ -	\$ -

**Northwest Harris County Municipal Utility District No. 9**  
**Notes to Financial Statements**  
**September 30, 2025**

**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 pool is presented as an investment with a maturity of less than one year because it is 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 September 30, 2025, the District’s investments in TexPool 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 September 30, 2025 as follows:

Carrying value	
Deposits	\$ 687,426
Investments	<u>10,606,249</u>
Total	<u>\$ 11,293,675</u>

Included in the following statement of net position captions:

Cash	\$ 315,469
Certificates of deposit	371,957
Short-term investments	<u>10,606,249</u>
Total	<u>\$ 11,293,675</u>

**Investment Income**

Investment income of \$467,931 for the year ended September 30, 2025 consisted of interest income.

**Note 3. Capital Assets**

A summary of changes in capital assets for the year ended September 30, 2025 is presented as follows:

<u>Governmental Activities</u>	<u>Balances, Beginning of Year</u>	<u>Additions</u>	<u>Balances, End of Year</u>
Capital assets, non-depreciable			
Land and improvements	<u>\$ 1,091,824</u>	<u>\$ -</u>	<u>\$ 1,091,824</u>
Capital assets, depreciable			
Water production and distribution facilities	6,397,464	442,710	6,840,174
Wastewater collection and treatment facilities	7,662,698	21,600	7,684,298
Equipment	<u>751,646</u>	<u>-</u>	<u>751,646</u>
Total capital assets, depreciable	<u>14,811,808</u>	<u>464,310</u>	<u>15,276,118</u>

**Northwest Harris County Municipal Utility District No. 9**  
**Notes to Financial Statements**  
**September 30, 2025**

<b>Governmental Activities (Continued)</b>	<b>Balances, Beginning of Year</b>	<b>Additions</b>	<b>Balances, End of Year</b>
Less accumulated depreciation			
Water production and distribution facilities	\$ (4,176,554)	\$ (187,903)	\$ (4,364,457)
Wastewater collection and treatment facilities	(4,638,321)	(211,284)	(4,849,605)
Equipment	(406,607)	(24,224)	(430,831)
Total accumulated depreciation	(9,221,482)	(423,411)	(9,644,893)
Total governmental activities, net	<u>\$ 6,682,150</u>	<u>\$ 40,899</u>	<u>\$ 6,723,049</u>

**Note 4. Long-Term Liabilities**

Changes in long-term liabilities for the year ended September 30, 2025 were as follows:

<b>Governmental Activities</b>	<b>Balances, Beginning of Year</b>	<b>Decreases</b>	<b>Balances, End of Year</b>	<b>Amounts Due in One Year</b>
Bonds payable				
General obligation bonds	\$ 3,270,000	\$ 185,000	\$ 3,085,000	\$ 190,000
Less discounts on bonds	22,601	1,378	21,223	-
	3,247,399	183,622	3,063,777	190,000
Due to developer	156,804	-	156,804	-
Total governmental activities long-term liabilities	<u>\$ 3,404,203</u>	<u>\$ 183,622</u>	<u>\$ 3,220,581</u>	<u>\$ 190,000</u>

**General Obligation Bonds**

	<b>Refunding Series 2016</b>
Amount outstanding, September 30, 2025	\$3,085,000
Interest rates	2.00% to 3.00%
Maturity dates, serially beginning/ending	March 1, 2026/2038
Interest payment dates	March 1/ September 1
Callable date*	March 1, 2021

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

**Northwest Harris County Municipal Utility District No. 9**  
**Notes to Financial Statements**  
**September 30, 2025**

**Annual Debt Service Requirements**

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at September 30, 2025:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 190,000	\$ 76,988	\$ 266,988
2027	195,000	73,137	268,137
2028	200,000	69,188	269,188
2029	205,000	65,009	270,009
2030	215,000	60,413	275,413
2031–2035	1,215,000	216,071	1,431,071
2036–2038	865,000	39,825	904,825
Total	<u>\$ 3,085,000</u>	<u>\$ 600,631</u>	<u>\$ 3,685,631</u>

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	\$ 47,700,000
Bonds sold	22,700,000
Refunding bonds voted	22,700,000
Refunding bond authorization used	17,654,263

**Due to Developer**

A developer of the District has constructed facilities on behalf of the District. The District has agreed to reimburse the developer for these construction costs and interest to the extent approved by the Commission. At September 30, 2025, a liability for developer-constructed capital assets of \$156,804 was recorded in the government-wide financial statements.

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

The Bond Order requires that the District levy and collect an ad valorem debt service tax sufficient to pay principal and interest on bonds when due. During the year ended September 30, 2025, the District levied an ad valorem debt service tax at the rate of \$0.0350 per \$100 of assessed valuation, which resulted in a tax levy of \$199,308 on the taxable valuation of \$569,451,040 for the 2024 tax year. The principal and interest requirements paid from the tax revenues and available resources were \$265,737.

**Note 6. Maintenance Taxes**

At an election held May 6, 2017, voters authorized a maintenance tax not to exceed \$0.50 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended September 30, 2025, the District levied an ad valorem maintenance tax at the rate of \$0.2750 per \$100 of assessed valuation, which resulted in a tax levy of \$1,565,990 on the taxable valuation of \$569,451,040 for the 2024 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

**Note 7. Strategic Partnership Agreement**

Effective April 3, 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 City 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 revenues of \$241,681 related to the Agreement.

**Note 8. 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 September 30, 2025, the Authority was billing the District \$2.60 per 1,000 gallons of water pumped from its wells and \$3.05 per 1,000 gallons of surface water purchased. These amounts are subject to future adjustments.

**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 which exceeded coverage amounts in the past three fiscal years.

***Required Supplementary Information***

**Northwest Harris County Municipal Utility District No. 9**  
**Budgetary Comparison Schedule – General Fund**  
**Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Property taxes	\$ 1,520,000	\$ 1,516,664	\$ (3,336)
Sales tax rebates	250,000	220,575	(29,425)
Water service	700,000	776,237	76,237
Sewer service	500,000	571,962	71,962
Regional water fee	990,000	867,904	(122,096)
Penalty and interest	12,000	17,056	5,056
Tap connection and inspection fees	118,000	260,600	142,600
Investment income	410,000	425,007	15,007
Other income	-	26,000	26,000
<b>Total Revenues</b>	<u>4,500,000</u>	<u>4,682,005</u>	<u>182,005</u>
<b>Expenditures</b>			
Service operations			
Purchased services	-	102,547	(102,547)
Regional water authority	1,110,000	618,314	491,686
Professional fees	205,500	317,942	(112,442)
Contracted services	233,000	232,972	28
Utilities	185,000	152,761	32,239
Repairs and maintenance	1,533,000	1,591,246	(58,246)
Other expenditures	171,800	188,482	(16,682)
Tap connections	25,000	121,450	(96,450)
Capital outlay	400,000	464,310	(64,310)
<b>Total Expenditures</b>	<u>3,863,300</u>	<u>3,790,024</u>	<u>73,276</u>
<b>Excess of Revenues Over Expenditures</b>	636,700	891,981	255,281
<b>Fund Balance, Beginning of Year</b>	<u>9,182,569</u>	<u>9,182,569</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 9,819,269</u>	<u>\$ 10,074,550</u>	<u>\$ 255,281</u>

**Northwest Harris County Municipal Utility District No. 9**  
**Notes to Required Supplementary Information**  
**September 30, 2025**

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***Budgets and Budgetary Accounting***

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was not amended during fiscal 2025.

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

***Supplementary Information***

**Northwest Harris County Municipal Utility District No. 9**  
**Other Schedules Included Within This Report**  
**September 30, 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 11–20
- [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

**Northwest Harris County Municipal Utility District No. 9  
 Schedule of Services and Rates  
 Year Ended September 30, 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 type="checkbox"/> Parks/Recreation   | <input type="checkbox"/> Fire Protection      | <input type="checkbox"/> Security            |
| <input checked="" type="checkbox"/> Solid Waste/Garbage   | <input type="checkbox"/> Flood Control        | <input type="checkbox"/> Roads               |
| <input type="checkbox"/> Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect) |   |  |
| <input type="checkbox"/> Other _____  |   |  |

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:	\$ 15.25	5,000	N	\$ 1.60 \$ 2.10	5,001 to 10,001	10,000 No limit
Wastewater:	\$ 11.00	15,000	N	\$ 0.40 \$ 0.75	15,001 to 50,001	50,000 No limit
Regional water fee:	\$ 3.36	1	N	\$ 3.36	1 to	No Limit
Does the District employ winter averaging for wastewater usage?					Yes _____	No <u>X</u>
Total charges per 10,000 gallons usage (including fees):			Water	\$ 56.85	Wastewater	\$ 11.00

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"	1,192	1,179	x1.0	1,179
1"	27	27	x2.5	68
1 1/2"	4	4	x5.0	20
2"	71	71	x8.0	568
3"	1	1	x15.0	15
4"	6	6	x25.0	150
6"	8	8	x50.0	400
8"	4	4	x80.0	320
10"	-	-	x115.0	-
Total water	1,313	1,300		2,720
Total wastewater	1,259	1,246	x1.0	1,246

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

Gallons pumped into the system:	308,123
Gallons billed to customers:	272,586
Water accountability ratio (gallons billed/gallons pumped):	88.47%

\*"ESFC" means equivalent single-family connections

**Northwest Harris County Municipal Utility District No. 9**  
**Schedule of General Fund Expenditures**  
**Year Ended September 30, 2025**

<b>Personnel (including benefits)</b>		\$	-
<b>Professional Fees</b>			
Auditing	\$ 25,500		
Legal	135,617		
Engineering	156,825		
Financial advisor	<u>-</u>		317,942
<b>Purchased Services for Resale</b>			
Bulk water and wastewater service purchases			102,547
<b>Regional Water Authority</b>			618,314
<b>Contracted Services</b>			
Bookkeeping	30,627		
General manager	-		
Appraisal district	-		
Tax collector	-		
Security	-		
Other contracted services	<u>184,423</u>		215,050
<b>Utilities</b>			152,761
<b>Repairs and Maintenance</b>			1,591,246
<b>Administrative Expenditures</b>			
Directors' fees	33,848		
Office supplies	48,215		
Insurance	37,476		
Other administrative expenditures	<u>68,943</u>		188,482
<b>Capital Outlay</b>			
Capitalized assets	464,310		
Expenditures not capitalized	<u>-</u>		464,310
<b>Tap Connection Expenditures</b>			121,450
<b>Solid Waste Disposal</b>			17,922
<b>Fire Fighting</b>			-
<b>Parks and Recreation</b>			-
<b>Other Expenditures</b>			<u>-</u>
<b>Total Expenditures</b>			<u><u>\$ 3,790,024</u></u>

**Northwest Harris County Municipal Utility District No. 9**  
**Schedule of Temporary Investments**  
**September 30, 2025**

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Face Amount</u>	<u>Accrued Interest Receivable</u>
<b>General Fund</b>				
Certificate of Deposit				
No. 3300041537	3.95%	08/10/26	\$ 105,878	\$ 620
TexPool	4.18%	Demand	<u>9,833,612</u>	<u>-</u>
			<u>9,939,490</u>	<u>620</u>
<b>Debt Service Fund</b>				
Certificates of Deposit				
No. 4011896	2.25%	12/23/25	81,453	481
No. 4011888	2.25%	12/23/25	92,313	579
No. 4011870	2.25%	12/23/25	92,313	579
TexPool	4.18%	Demand	<u>772,637</u>	<u>-</u>
			<u>1,038,716</u>	<u>1,639</u>
Totals			<u>\$ 10,978,206</u>	<u>\$ 2,259</u>

**Northwest Harris County Municipal Utility District No. 9  
 Analysis of Taxes Levied and Receivable  
 Year Ended September 30, 2025**

	<u>Maintenance Taxes</u>	<u>Debt Service Taxes</u>
<b>Receivable, Beginning of Year</b>	\$ 54,468	\$ 20,742
Additions and corrections to prior years' taxes	<u>(48,686)</u>	<u>(5,986)</u>
<b>Adjusted Receivable, Beginning of Year</b>	<u>5,782</u>	<u>14,756</u>
<b>2024 Original Tax Levy</b>	1,456,700	185,398
Additions and corrections	<u>109,290</u>	<u>13,910</u>
Adjusted tax levy	<u>1,565,990</u>	<u>199,308</u>
<b>Total to Be Accounted For</b>	1,571,772	214,064
Tax (collections) repayments:    Current year	(1,547,408)	(196,943)
Prior years	<u>30,744</u>	<u>3,284</u>
<b>Receivable, End of Year</b>	<u>\$ 55,108</u>	<u>\$ 20,405</u>
<b>Receivable, by Years</b>		
2024	\$ 18,582	\$ 2,365
2023	7,782	956
2022	7,492	1,022
2021	3,423	506
2020	3,793	542
2019	3,497	534
2018	2,651	419
2017	2,464	411
2016	1,056	1,504
2015	491	774
2014	504	844
2013	477	931
2012 and prior	<u>2,896</u>	<u>9,597</u>
<b>Receivable, End of Year</b>	<u>\$ 55,108</u>	<u>\$ 20,405</u>

**Northwest Harris County Municipal Utility District No. 9  
 Analysis of Taxes Levied and Receivable  
 Year Ended September 30, 2025**

**(Continued)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Property Valuations</b>				
Land	\$ 143,300,371	\$ 140,745,401	\$ 124,352,152	\$ 114,502,886
Improvements	504,130,688	534,286,362	468,082,990	387,640,591
Personal property	29,087,330	22,710,407	22,210,899	19,657,287
Exemptions	<u>(107,067,349)</u>	<u>(123,873,948)</u>	<u>(106,207,879)</u>	<u>(75,438,359)</u>
<b>Total Property Valuations</b>	<u>\$ 569,451,040</u>	<u>\$ 573,868,222</u>	<u>\$ 508,438,162</u>	<u>\$ 446,362,405</u>
<b>Tax Rates per \$100 Valuation</b>				
Debt service tax rates	\$ 0.0350	\$ 0.0350	\$ 0.0420	\$ 0.0480
Maintenance tax rates*	<u>0.2750</u>	<u>0.2850</u>	<u>0.3080</u>	<u>0.3245</u>
<b>Total Tax Rates per \$100 Valuation</b>	<u>\$ 0.3100</u>	<u>\$ 0.3200</u>	<u>\$ 0.3500</u>	<u>\$ 0.3725</u>
<b>Tax Levy</b>	<u>\$ 1,765,298</u>	<u>\$ 1,836,378</u>	<u>\$ 1,779,534</u>	<u>\$ 1,662,700</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: \$0.50 on May 6, 2017

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

**Northwest Harris County Municipal Utility District No. 9  
 Schedule of Long-Term Debt Service Requirements by Years  
 September 30, 2025**

<b>Due During Fiscal Years Ending September 30</b>	<b>Refunding Series 2016</b>		
	<b>Principal Due March 1</b>	<b>Interest Due March 1, September 1</b>	<b>Total</b>
2026	\$ 190,000	\$ 76,988	\$ 266,988
2027	195,000	73,137	268,137
2028	200,000	69,188	269,188
2029	205,000	65,009	270,009
2030	215,000	60,413	275,413
2031	225,000	55,322	280,322
2032	235,000	49,712	284,712
2033	240,000	43,775	283,775
2034	250,000	37,337	287,337
2035	265,000	29,925	294,925
2036	275,000	21,825	296,825
2037	285,000	13,425	298,425
2038	305,000	4,575	309,575
Totals	<u>\$ 3,085,000</u>	<u>\$ 600,631</u>	<u>\$ 3,685,631</u>

**Northwest Harris County Municipal Utility District No. 9  
 Changes in Long-Term Bonded Debt  
 Year Ended September 30, 2025**

	<u>Bond Issue</u>
	<u>Refunding Series 2016</u>
Interest rates	2.00% to 3.00%
Dates interest payable	March 1/ September 1
Maturity dates	March 1, 2026/2038
Bonds outstanding, beginning of current year	\$ 3,270,000
Retirements, principal	<u>185,000</u>
Bonds outstanding, end of current year	<u>\$ 3,085,000</u>
Interest paid during current year	<u>\$ 80,737</u>
Paying agent's name and address	

**Refunding Series 2016** – Amegy Bank, a division of ZB, N.A., Houston, Texas

Bond authority	<u>Tax Bonds</u>	<u>Other Bonds</u>	<u>Refunding Bonds</u>
Amount authorized by voters	\$ 47,700,000	\$ -	\$ 22,700,000
Amount of authorization issued	<u>\$ 22,700,000</u>	<u>\$ -</u>	<u>\$ 17,654,263</u>
Remaining authorization to be issued	<u>\$ 25,000,000</u>	<u>\$ -</u>	<u>\$ 5,045,737</u>
Debt service fund cash and temporary investment balances as of September 30, 2025:			<u>\$ 1,122,884</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:			<u>\$ 283,510</u>

**Northwest Harris County Municipal Utility District No. 9**  
**Comparative Schedule of Revenues and Expenditures – General Fund**  
**Five Years Ended September 30,**

	Amounts				
	2025	2024	2023	2022	2021
<b>General Fund</b>					
<b>Revenues</b>					
Property taxes	\$ 1,516,664	\$ 1,621,688	\$ 1,554,071	\$ 1,421,456	\$ 1,496,193
Sales tax rebates	220,575	279,632	253,374	310,935	246,907
Water service	776,237	786,789	775,145	641,188	590,290
Sewer service	571,962	576,054	551,266	348,734	337,295
Regional water fee	867,904	960,207	1,227,932	1,279,877	1,112,096
Penalty and interest	17,056	27,484	34,855	15,837	18,512
Tap connection and inspection fees	260,600	31,620	18,800	708,403	147,821
Investment income	425,007	451,307	315,684	44,800	3,215
Other income	26,000	25,420	21,356	46,175	10,216
<b>Total Revenues</b>	<b>4,682,005</b>	<b>4,760,201</b>	<b>4,752,483</b>	<b>4,817,405</b>	<b>3,962,545</b>
<b>Expenditures</b>					
Service operations					
Purchased services	102,547	-	-	22,848	-
Regional water authority	618,314	1,014,376	1,207,666	1,271,868	1,170,620
Professional fees	317,942	254,376	214,047	192,013	169,251
Contracted services	232,972	215,767	186,039	191,639	144,112
Utilities	152,761	182,691	160,801	146,799	141,852
Repairs and maintenance	1,591,246	1,421,889	1,145,043	1,820,986	801,766
Other expenditures	188,482	167,240	202,931	126,966	118,556
Tap connections	121,450	4,650	-	77,290	52,676
Capital outlay	464,310	61,391	234,983	742,444	750,137
<b>Total Expenditures</b>	<b>3,790,024</b>	<b>3,322,380</b>	<b>3,351,510</b>	<b>4,592,853</b>	<b>3,348,970</b>
<b>Excess of Revenues Over Expenditures</b>	<b>891,981</b>	<b>1,437,821</b>	<b>1,400,973</b>	<b>224,552</b>	<b>613,575</b>
<b>Other Financing Sources</b>					
Interfund transfers in	-	141,336	-	-	-
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>891,981</b>	<b>1,579,157</b>	<b>1,400,973</b>	<b>224,552</b>	<b>613,575</b>
<b>Fund Balance, Beginning of Year</b>	<b>9,182,569</b>	<b>7,603,412</b>	<b>6,202,439</b>	<b>5,977,887</b>	<b>5,364,312</b>
<b>Fund Balance, End of Year</b>	<b>\$ 10,074,550</b>	<b>\$ 9,182,569</b>	<b>\$ 7,603,412</b>	<b>\$ 6,202,439</b>	<b>\$ 5,977,887</b>
<b>Total Active Retail Water Connections</b>	<b>1,300</b>	<b>1,303</b>	<b>1,298</b>	<b>1,298</b>	<b>1,297</b>
<b>Total Active Retail Wastewater Connections</b>	<b>1,246</b>	<b>1,252</b>	<b>1,247</b>	<b>1,247</b>	<b>1,247</b>

**Percent of Fund Total Revenues**

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
32.4 %	34.1 %	32.7 %	29.5 %	37.7 %
4.7	5.9	5.3	6.5	6.2
16.6	16.5	16.3	13.3	14.9
12.3	12.1	11.6	7.2	8.5
18.5	20.2	25.9	26.6	28.1
0.4	0.6	0.7	0.3	0.5
5.5	0.6	0.4	14.7	3.7
9.1	9.5	6.6	0.9	0.1
<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>1.0</u>	<u>0.3</u>
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
2.2	-	-	0.5	-
13.2	21.3	25.4	26.4	29.6
6.8	5.4	4.5	4.0	4.3
5.0	4.5	3.9	4.0	3.6
3.3	3.8	3.4	3.1	3.6
33.9	29.9	24.1	37.8	20.2
4.0	3.5	4.3	2.6	3.0
2.6	0.1	-	1.6	1.3
<u>9.9</u>	<u>1.3</u>	<u>4.9</u>	<u>15.4</u>	<u>18.9</u>
<u>80.9</u>	<u>69.8</u>	<u>70.5</u>	<u>95.4</u>	<u>84.5</u>
<u><u>19.1 %</u></u>	<u><u>30.2 %</u></u>	<u><u>29.5 %</u></u>	<u><u>4.6 %</u></u>	<u><u>15.5 %</u></u>

**Northwest Harris County Municipal Utility District No. 9  
Comparative Schedule of Revenues and Expenditures – Debt Service Fund  
Five Years Ended September 30,**

	Amounts				
	2025	2024	2023	2022	2021
<b>Debt Service Fund</b>					
<b>Revenues</b>					
Property taxes	\$ 193,659	\$ 200,123	\$ 213,736	\$ 212,383	\$ 212,536
Penalty and interest	23,529	28,778	25,290	20,656	16,925
Investment income	42,924	52,213	46,375	6,830	628
Other income	4,247	179	-	-	-
<b>Total Revenues</b>	<u>264,359</u>	<u>281,293</u>	<u>285,401</u>	<u>239,869</u>	<u>230,089</u>
<b>Expenditures</b>					
Current					
Professional fees	8,561	8,349	6,544	5,139	3,683
Contracted services	39,441	43,516	39,783	37,337	39,597
Other expenditures	21,507	14,670	12,289	12,803	7,832
Debt service					
Principal retirement	185,000	175,000	170,000	165,000	160,000
Interest and fees	81,238	84,837	88,287	91,638	94,888
<b>Total Expenditures</b>	<u>335,747</u>	<u>326,372</u>	<u>316,903</u>	<u>311,917</u>	<u>306,000</u>
<b>Deficiency of Revenues Over Expenditures</b>	(71,388)	(45,079)	(31,502)	(72,048)	(75,911)
<b>Fund Balance, Beginning of Year</b>	<u>1,196,499</u>	<u>1,241,578</u>	<u>1,273,080</u>	<u>1,345,128</u>	<u>1,421,039</u>
<b>Fund Balance, End of Year</b>	<u>\$ 1,125,111</u>	<u>\$ 1,196,499</u>	<u>\$ 1,241,578</u>	<u>\$ 1,273,080</u>	<u>\$ 1,345,128</u>



**Percent of Fund Total Revenues**

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
73.3 %	71.1 %	74.9 %	88.5 %	92.4 %
8.9	10.3	8.9	8.6	7.3
16.2	18.5	16.2	2.9	0.3
<u>1.6</u>	<u>0.1</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
3.2	3.0	2.3	2.1	1.6
14.9	15.5	13.9	15.6	17.2
8.1	5.2	4.3	5.3	3.4
70.0	62.2	59.6	68.8	69.6
<u>30.7</u>	<u>30.1</u>	<u>30.9</u>	<u>38.2</u>	<u>41.2</u>
<u>126.9</u>	<u>116.0</u>	<u>111.0</u>	<u>130.0</u>	<u>133.0</u>
<u><u>(26.9) %</u></u>	<u><u>(16.0) %</u></u>	<u><u>(11.0) %</u></u>	<u><u>(30.0) %</u></u>	<u><u>(33.0) %</u></u>

**Northwest Harris County Municipal Utility District No. 9  
Board Members, Key Personnel, and Consultants  
Year Ended September 30, 2025**

Complete District mailing address:	Northwest Harris County Municipal Utility District No. 9 c/o Smith, Murdaugh, Little & Bonham, L.L.P. 2727 Allen Parkway, Suite 1100 Houston, TX 77019
District business telephone number:	713.652.6500
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	May 22, 2024
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

<u>Board Members</u>	<u>Term of Office Elected &amp; Expires</u>	<u>Fees*</u>	<u>Expense Reimbursements</u>	<u>Title at Year-End</u>
G. Ronald Mitchell	Elected 05/22– 05/26	\$ 7,200	\$ 73	President
Donald L. Sheriff	Elected 05/22– 05/26	7,072	-	Vice President
Coy L. Baskin, Sr.	Elected 05/24– 05/28	7,200	-	Secretary
Frank Ferraro	Elected 05/24– 05/28	6,851	1,674	Director
James Michael O'Hair	Appointed 01/25– 05/26	5,525	-	Director
Mike Rogers	Elected 05/22– 01/25	-	-	Resigned

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

**Northwest Harris County Municipal Utility District No. 9  
Board Members, Key Personnel, and Consultants  
Year Ended September 30, 2025**

**(Continued)**

<b>Consultants</b>	<b>Date Hired</b>	<b>Fees and Expense Reimbursements</b>	<b>Title</b>
Bob Leared Interests	1979	\$ 47,417	Tax Assessor/ Collector
Forvis Mazars, LLP	11/01/89	25,500	Auditor
The GMS Group, L.L.C.	02/03/99	-	Financial Advisor
Harris Central Appraisal District	Legislative Action	12,654	Appraiser
Koehn & Associates Engineers, Inc.	01/11/83	156,825	Engineer
M. Marlon Ivy & Associates, Inc.	01/01/19	1,167,021	Operator
Municipal Business Services, Inc.	1980	30,627	Bookkeeper
Smith, Murdaugh, Little & Bonham, L.L.P.	09/12/77	144,178	General Counsel
<b>Investment Officer</b>			
Bob Ideus	1980	N/A	Bookkeeper