



West Harris County Municipal Utility District No. 17

Harris County, Texas

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

March 31, 2026



West Harris County Municipal Utility District No. 17
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March 31, 2026

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Independent Auditor's Report

Board of Directors
West Harris County Municipal Utility District No. 17
Harris County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of West Harris County Municipal Utility District No. 17 (District), as of and for the year ended March 31, 2026, 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 March 31, 2026, 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
August 3, 2026

West Harris County Municipal Utility District No. 17
Management's Discussion and Analysis
Year Ended March 31, 2026

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.

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.

West Harris County Municipal Utility District No. 17
Management's Discussion and Analysis
Year Ended March 31, 2026

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>2026</u>	<u>2025</u>
Current and other assets	\$ 11,049,636	\$ 9,476,430
Capital assets	5,436,329	5,590,791
Total assets	16,485,965	15,067,221
Deferred outflows of resources	75,029	85,238
Total assets and deferred outflows of resources	<u>\$ 16,560,994</u>	<u>\$ 15,152,459</u>
Long-term liabilities	\$ 3,172,638	\$ 3,571,842
Other liabilities	523,892	201,796
Total liabilities	3,696,530	3,773,638
Net position		
Net investment in capital assets	2,913,209	2,688,636
Restricted	1,331,799	1,324,044
Unrestricted	8,619,456	7,366,141
Total net position	<u>\$ 12,864,464</u>	<u>\$ 11,378,821</u>

West Harris County Municipal Utility District No. 17
Management's Discussion and Analysis
Year Ended March 31, 2026

The total net position of the District increased by \$1,485,643, or about 13%. 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>2026</u>	<u>2025</u>
Revenues		
Property taxes	\$ 1,973,750	\$ 1,969,446
Charges for services	893,666	893,600
Other revenues	439,314	491,116
	<u>3,306,730</u>	<u>3,354,162</u>
Total revenues		
Expenses		
Services	1,466,107	1,319,453
Depreciation	255,125	254,551
Debt service	99,855	112,062
	<u>1,821,087</u>	<u>1,686,066</u>
Total expenses		
Change in net position	1,485,643	1,668,096
Net position, beginning of year	<u>11,378,821</u>	<u>9,710,725</u>
Net position, end of year	<u><u>\$ 12,864,464</u></u>	<u><u>\$ 11,378,821</u></u>

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended March 31, 2026 were \$10,406,052, an increase of \$1,256,510 from the prior year.

The general fund's fund balance increased by \$1,239,469 due to property taxes and service revenues and investment income being greater than service operations and capital outlay expenditures.

The debt service fund's fund balance decreased by \$17,565 because bond principal and interest requirements, professional fees, and contracted services expenditures were greater than property taxes and penalty and interest revenues and investment income.

The capital projects fund's fund balance increased by \$34,606 due to investment income exceeding capital outlay expenditures.

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 property taxes revenues, regional water fee revenues, investment income, and purchased services and repairs and maintenance expenditures being higher than anticipated and water service revenues and capital outlay expenditures being lower than anticipated. The fund balance as of March 31, 2026 was expected to be \$8,083,785, and the actual end-of-year fund balance was \$8,547,112.

West Harris County Municipal Utility District No. 17
Management's Discussion and Analysis
Year Ended March 31, 2026

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>2026</u>	<u>2025</u>
Land and improvements	\$ 1,336,354	\$ 1,336,354
Construction in progress	53,152	3,774
Water facilities	1,025,838	1,108,529
Wastewater facilities	<u>3,020,985</u>	<u>3,142,134</u>
Total capital assets	<u><u>\$ 5,436,329</u></u>	<u><u>\$ 5,590,791</u></u>

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

Construction in progress related to engineering fees for water plant hydropneumatic tank No. 2 and water plant design and improvements	\$ 49,378
Wastewater treatment plant magnesium hydroxide tank	35,564
Replace lift pump No. 2	<u>15,721</u>
Total additions to capital assets	<u><u>\$ 100,663</u></u>

Debt

The changes in the debt position of the District during the fiscal year ended March 31, 2026 are summarized as follows:

Long-term debt payable, beginning of year	\$ 3,571,842
Decreases in long-term debt	<u>(399,204)</u>
Long-term debt payable, end of year	<u><u>\$ 3,172,638</u></u>

At March 31, 2026, the District had \$3,370,000 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 and for the refunding of bonds issued for such purposes.

The District's Series 2019 refunding bonds do not carry an underlying rating and carry a "AA" rating from Standard & Poor's and an "A1" rating from Moody's Investors Service, Inc. 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 without the District's consent. If the District is annexed, the City must assume the District's assets and obligations (including the bonded indebtedness) and abolish the District within 90 days.

West Harris County Municipal Utility District No. 17
Statement of Net Position and Governmental Funds Balance Sheet
March 31, 2026

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 399,576	\$ 135,009	\$ 17,304	\$ 551,889	\$ -	\$ 551,889
Certificates of deposit	919,715	-	-	919,715	-	919,715
Short-term investments	7,629,785	597,303	1,116,697	9,343,785	-	9,343,785
Receivables						
Property taxes	72,344	30,537	-	102,881	-	102,881
Service accounts	97,233	-	-	97,233	-	97,233
Accrued interest	9,559	-	-	9,559	-	9,559
Accrued penalty and interest	-	-	-	-	24,574	24,574
Interfund receivables	-	1,548	-	1,548	(1,548)	-
Capital assets (net of accumulated depreciation)						
Land	-	-	-	-	1,336,354	1,336,354
Construction in progress	-	-	-	-	53,152	53,152
Infrastructure	-	-	-	-	4,046,823	4,046,823
Total Assets	9,128,212	764,397	1,134,001	11,026,610	5,459,355	16,485,965
Deferred Outflows of Resources						
Deferred amount on debt refundings	-	-	-	-	75,029	75,029
Total Assets and Deferred Outflows of Resources	\$ 9,128,212	\$ 764,397	\$ 1,134,001	\$ 11,026,610	\$ 5,534,384	\$ 16,560,994

West Harris County Municipal Utility District No. 17
Statement of Net Position and Governmental Funds Balance Sheet
March 31, 2026

(Continued)

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	\$ 348,800	\$ 8,921	\$ -	\$ 357,721	\$ -	\$ 357,721
Accrued interest payable	-	-	-	-	7,763	7,763
Customer deposits	121,675	-	-	121,675	-	121,675
Due to developer	883	-	-	883	-	883
Unearned tap connection fees	35,850	-	-	35,850	-	35,850
Interfund payables	1,548	-	-	1,548	(1,548)	-
Long-term liabilities						
Due within one year	-	-	-	-	405,000	405,000
Due after one year	-	-	-	-	2,767,638	2,767,638
Total Liabilities	508,756	8,921	-	517,677	3,178,853	3,696,530
Deferred Inflows of Resources						
Deferred property tax revenues	72,344	30,537	-	102,881	(102,881)	-
Fund Balances/Net Position						
Fund balances						
Restricted						
Unlimited tax bonds	-	724,939	-	724,939	(724,939)	-
Water, sewer, and drainage	-	-	1,134,001	1,134,001	(1,134,001)	-
Unassigned	8,547,112	-	-	8,547,112	(8,547,112)	-
Total fund balances	8,547,112	724,939	1,134,001	10,406,052	(10,406,052)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,128,212	\$ 764,397	\$ 1,134,001	\$ 11,026,610		
Net position						
Net investment in capital assets					2,913,209	2,913,209
Restricted for debt service					772,287	772,287
Restricted for capital projects					559,512	559,512
Unrestricted					8,619,456	8,619,456
Total net position					<u>\$ 12,864,464</u>	<u>\$ 12,864,464</u>

West Harris County Municipal Utility District No. 17
Statement of Activities and Governmental Funds Revenues,
Expenditures, and Changes in Fund Balances
Year Ended March 31, 2026

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	\$ 1,464,990	\$ 490,799	\$ -	\$ 1,955,789	\$ 17,961	\$ 1,973,750
Water service	316,547	-	-	316,547	-	316,547
Sewer service	276,249	-	-	276,249	-	276,249
Regional water fee	300,870	-	-	300,870	-	300,870
Penalty and interest	30,242	53,159	-	83,401	(24,336)	59,065
Investment income	299,712	19,009	44,566	363,287	-	363,287
Security fees	1,150	-	-	1,150	-	1,150
Other income	14,537	1,275	-	15,812	-	15,812
Total Revenues	2,704,297	564,242	44,566	3,313,105	(6,375)	3,306,730
Expenditures/Expenses						
Service operations						
Purchased services	365,289	-	-	365,289	-	365,289
Professional fees	187,346	56,464	-	243,810	-	243,810
Contracted services	200,378	31,242	-	231,620	-	231,620
Utilities	61,566	-	-	61,566	-	61,566
Repairs and maintenance	468,766	-	-	468,766	-	468,766
Other expenditures	90,780	4,276	-	95,056	-	95,056
Capital outlay	90,703	-	9,960	100,663	(100,663)	-
Depreciation	-	-	-	-	255,125	255,125
Debt service						
Principal retirement	-	390,000	-	390,000	(390,000)	-
Interest and fees	-	99,825	-	99,825	30	99,855
Total Expenditures/Expenses	1,464,828	581,807	9,960	2,056,595	(235,508)	1,821,087
Excess (Deficiency) of Revenues Over Expenditures	1,239,469	(17,565)	34,606	1,256,510	(1,256,510)	
Change in Net Position					1,485,643	1,485,643
Fund Balances/Net Position						
Beginning of year	7,307,643	742,504	1,099,395	9,149,542	-	11,378,821
End of year	\$ 8,547,112	\$ 724,939	\$ 1,134,001	\$ 10,406,052	\$ -	\$ 12,864,464

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

West Harris County Municipal Utility District No. 17 (District) was created by an order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (Commission), effective May 21, 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 that 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.

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.

West Harris County Municipal Utility District No. 17
Notes to Financial Statements
March 31, 2026

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.

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

West Harris County Municipal Utility District No. 17
Notes to Financial Statements
March 31, 2026

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.

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 March 31, 2026 include collections during the current period or within 60 days of year-end related to the 2025 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 March 31, 2026, the 2025 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 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.

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 of the following items.

West Harris County Municipal Utility District No. 17
Notes to Financial Statements
March 31, 2026

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	\$ 5,436,329
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Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	102,881
--	---------

Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.	24,574
--	--------

Deferred amount on debt refundings for governmental activities is not considered financial resources and is not reported in the funds.	75,029
--	--------

Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	(7,763)
---	---------

Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	<u>(3,172,638)</u>
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Adjustment to fund balances to arrive at net position.	<u><u>\$ 2,458,412</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.	\$ 1,256,510
--------------------------	--------------

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 exceeded capital outlay expenditures in the current period.	(154,462)
--	-----------

Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.	390,000
---	---------

Revenues collected in the current year, which have previously been reported in the statement of activities, are reported as revenues in the governmental funds.	(6,375)
---	---------

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>(30)</u>
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Change in net position of governmental activities.	<u><u>\$ 1,485,643</u></u>
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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 March 31, 2026, 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 March 31, 2026, 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	\$ 9,343,785	\$ 9,343,785	\$ -	\$ -	\$ -

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 March 31, 2026, 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 March 31, 2026 as follows.

West Harris County Municipal Utility District No. 17
Notes to Financial Statements
March 31, 2026

Carrying value	
Deposits	\$ 1,471,604
Investments	<u>9,343,785</u>
Total	<u>\$ 10,815,389</u>

Included in the following statement of net position captions:

Cash	\$ 551,889
Certificates of deposit	919,715
Short-term investments	<u>9,343,785</u>
Total	<u>\$ 10,815,389</u>

Investment Income

Investment income of \$363,287 for the year ended March 31, 2026 consisted of interest income.

Note 3. Capital Assets

A summary of changes in capital assets for the year ended March 31, 2026 is presented as follows:

Governmental Activities	Balances, Beginning of Year	Additions	Balances, End of Year
Capital assets, non-depreciable			
Land and improvements	\$ 1,336,354	\$ -	\$ 1,336,354
Construction in progress	<u>3,774</u>	<u>49,378</u>	<u>53,152</u>
Total capital assets, non-depreciable	<u>1,340,128</u>	<u>49,378</u>	<u>1,389,506</u>
Capital assets, depreciable			
Water production and distribution facilities	2,875,819	-	2,875,819
Wastewater collection and treatment facilities	<u>5,839,902</u>	<u>51,285</u>	<u>5,891,187</u>
Total capital assets, depreciable	<u>8,715,721</u>	<u>51,285</u>	<u>8,767,006</u>
Less accumulated depreciation			
Water production and distribution facilities	(1,767,290)	(82,691)	(1,849,981)
Wastewater collection and treatment facilities	<u>(2,697,768)</u>	<u>(172,434)</u>	<u>(2,870,202)</u>
Total accumulated depreciation	<u>(4,465,058)</u>	<u>(255,125)</u>	<u>(4,720,183)</u>
Total governmental activities, net	<u>\$ 5,590,791</u>	<u>\$ (154,462)</u>	<u>\$ 5,436,329</u>

Note 4. Long-Term Liabilities

Changes in long-term liabilities for the year ended March 31, 2026 were as follows.

West Harris County Municipal Utility District No. 17
Notes to Financial Statements
March 31, 2026

Governmental Activities	Balances, Beginning of Year	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable				
General obligation bonds	\$ 3,495,000	\$ 390,000	\$ 3,105,000	\$ 405,000
Add premiums on bonds	76,842	9,204	67,638	-
Total governmental activities long-term liabilities	<u>\$ 3,571,842</u>	<u>\$ 399,204</u>	<u>\$ 3,172,638</u>	<u>\$ 405,000</u>

General Obligation Bonds

	Refunding Series 2019
Amount outstanding, March 31, 2026	\$3,105,000
Interest rate	3.00%
Maturity dates, serially beginning/ending	September 1, 2026/2032
Interest payment dates	September 1/March 1
Callable date*	September 1, 2024

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

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at March 31, 2026:

Year	Principal	Interest	Total
2027	\$ 405,000	\$ 87,075	\$ 492,075
2028	415,000	74,775	489,775
2029	430,000	62,100	492,100
2030	445,000	48,975	493,975
2031	455,000	35,475	490,475
2032–2033	955,000	28,875	983,875
Total	<u>\$ 3,105,000</u>	<u>\$ 337,275</u>	<u>\$ 3,442,275</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, and are further payable from and secured by a lien on and a pledge of the net revenues to be received from the operation of the District's waterworks and sanitary sewer system.

West Harris County Municipal Utility District No. 17
Notes to Financial Statements
March 31, 2026

Bonds voted	\$	17,000,000
Bonds sold		13,630,000

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 interest and principal on bonds when due. During the year ended March 31, 2026, the District levied an ad valorem debt service tax at the rate of \$0.2050 per \$100 of assessed valuation, which resulted in a tax levy of \$497,808 on the taxable valuation of \$242,833,190 for the 2025 tax year. The interest and principal requirements to be paid from the tax revenues and available resources are \$498,150, of which \$46,575 has been paid and \$451,575 is due September 1, 2026.

Note 6. Maintenance Taxes

At an election held August 9, 1980, voters authorized a maintenance tax not to exceed \$0.95 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended March 31, 2026, the District levied an ad valorem maintenance tax at the rate of \$0.6100 per \$100 of assessed valuation, which resulted in a tax levy of \$1,481,283 on the taxable valuation of \$242,833,190 for the 2025 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 West 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 March 31, 2026, the Authority was billing the District \$4.35 per 1,000 gallons of surface water purchased from the Authority. This amount is subject to future adjustments.

Note 8. Risk Management

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

Note 9. Emergency Water Supply Agreement

On February 15, 2005, the District entered into an Emergency Water Supply Contract with Ricewood Municipal Utility District (Ricewood). During the current year, the District was supplied water from Ricewood for a total cost of \$237,180.

Required Supplementary Information

West Harris County Municipal Utility District No. 17
Budgetary Comparison Schedule – General Fund
Year Ended March 31, 2026

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 1,426,142	\$ 1,464,990	\$ 38,848
Water service	382,000	316,547	(65,453)
Sewer service	285,000	276,249	(8,751)
Regional water fee	268,000	300,870	32,870
Penalty and interest	25,000	30,242	5,242
Investment income	100,000	299,712	199,712
Security fees	20,000	1,150	(18,850)
Other income	-	14,537	14,537
Total Revenues	2,506,142	2,704,297	198,155
Expenditures			
Service operations			
Purchased services	268,000	365,289	(97,289)
Professional fees	200,700	187,346	13,354
Contracted services	199,400	200,378	(978)
Utilities	60,000	61,566	(1,566)
Repairs and maintenance	417,000	468,766	(51,766)
Other expenditures	84,900	90,780	(5,880)
Capital outlay	500,000	90,703	409,297
Total Expenditures	1,730,000	1,464,828	265,172
Excess of Revenues Over Expenditures	776,142	1,239,469	463,327
Fund Balance, Beginning of Year	7,307,643	7,307,643	-
Fund Balance, End of Year	\$ 8,083,785	\$ 8,547,112	\$ 463,327

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 2026.

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

West Harris County Municipal Utility District No. 17
Other Schedules Included Within This Report
March 31, 2026

(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 10–18
- [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

West Harris County Municipal Utility District No. 17
Schedule of Services and Rates
Year Ended March 31, 2026

1. Services provided by the District

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

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:	\$ 19.50	5,000	N	\$ 1.50	5,001 to	10,000
				\$ 2.00	10,001 to	15,000
				\$ 3.50	15,001 to	20,000
				\$ 4.00	20,001 to	No Limit
Wastewater:	\$ 20.00	50,000	N	\$ 1.00	50,001 to	No Limit
Regional water fee:	\$ 4.35	1	N	\$ 4.35	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 \$ 70.50

Wastewater \$ 20.00

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"	818	811	x1.0	811
1"	3	3	x2.5	8
1 1/2"	2	2	x5.0	10
2"	2	2	x8.0	16
3"	-	-	x15.0	-
4"	1	1	x25.0	25
6"	-	-	x50.0	-
8"	1	1	x80.0	80
10"	-	-	x115.0	-
Total water	827	820		950
Total wastewater	819	813	x1.0	813

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

Gallons pumped into the system:

71,065

Gallons billed to customers:

63,528

Water accountability ratio (gallons billed/gallons pumped):

89.39%

**"ESFC" means equivalent single-family connections

West Harris County Municipal Utility District No. 17
Schedule of General Fund Expenditures
Year Ended March 31, 2026

Personnel (including benefits)		\$ -
Professional Fees		
Auditing	\$ 21,100	
Legal	107,429	
Engineering	58,817	
Financial advisor	-	187,346
Purchased Services for Resale		
Bulk water and wastewater service purchases		365,289
Regional Water Authority		-
Contracted Services		
Bookkeeping	30,150	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	81,100	
Other contracted services	89,128	200,378
Utilities		61,566
Repairs and Maintenance		468,766
Administrative Expenditures		
Directors' fees	14,807	
Office supplies	23,197	
Insurance	29,710	
Other administrative expenditures	18,779	86,493
Capital Outlay		
Capitalized assets	90,703	
Expenditures not capitalized	-	90,703
Debt Service		-
Tap Connection Expenditures		-
Solid Waste Disposal		-
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		4,287
Total Expenditures		<u>\$ 1,464,828</u>

West Harris County Municipal Utility District No. 17
Schedule of Temporary Investments
March 31, 2026

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Certificates of Deposit				
No. 6000073343	3.95%	05/05/26	\$ 245,032	\$ 3,871
No. 3102225	4.05%	05/16/26	204,461	3,063
No. 51209184	3.80%	08/04/26	240,222	1,376
No. 65900012409030	3.67%	08/05/26	230,000	1,249
TexPool	3.68%	Demand	7,629,785	-
			8,549,500	9,559
Debt Service Fund				
TexPool	3.68%	Demand	597,303	-
Capital Projects Fund				
TexPool	3.68%	Demand	1,116,697	-
Totals			<u>\$ 10,263,500</u>	<u>\$ 9,559</u>

West Harris County Municipal Utility District No. 17
Analysis of Taxes Levied and Receivable
Year Ended March 31, 2026

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year	\$ 310,513	\$ 113,181
Additions and corrections to prior years' taxes	(254,462)	(89,653)
Adjusted Receivable, Beginning of Year	<u>56,051</u>	<u>23,528</u>
 2025 Original Tax Levy	 1,468,670	 493,569
Additions and corrections	12,613	4,239
Adjusted tax levy	<u>1,481,283</u>	<u>497,808</u>
Total to Be Accounted For	1,537,334	521,336
Tax collections: Current year	(1,436,828)	(482,869)
Prior years	(28,162)	(7,930)
Receivable, End of Year	<u><u>\$ 72,344</u></u>	<u><u>\$ 30,537</u></u>
 Receivable, by Year		
2025	\$ 44,455	\$ 14,939
2024	10,634	3,661
2023	6,560	2,548
2022	4,228	2,265
2021	2,378	1,911
2020	1,331	1,318
2019	1,331	1,373
2018	975	1,605
2017	452	916
Receivable, End of Year	<u><u>\$ 72,344</u></u>	<u><u>\$ 30,536</u></u>

West Harris County Municipal Utility District No. 17
Analysis of Taxes Levied and Receivable
Year Ended March 31, 2026

(Continued)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Property Valuations				
Land	\$ 44,521,810	\$ 44,548,844	\$ 43,990,234	\$ 35,976,969
Improvements	208,005,988	219,357,682	215,349,710	157,688,575
Personal property	3,653,913	3,274,111	2,299,669	2,652,473
Exemptions	<u>(13,348,521)</u>	<u>(26,032,169)</u>	<u>(43,946,611)</u>	<u>(25,841,053)</u>
Total Property Valuations	<u><u>\$ 242,833,190</u></u>	<u><u>\$ 241,148,468</u></u>	<u><u>\$ 217,693,002</u></u>	<u><u>\$ 170,476,964</u></u>
Tax Rates per \$100 Valuation				
Debt service tax rates	\$ 0.2050	\$ 0.2100	\$ 0.2350	\$ 0.3000
Maintenance tax rates*	<u>0.6100</u>	<u>0.6100</u>	<u>0.6050</u>	<u>0.5600</u>
Total Tax Rates per \$100 Valuation	<u><u>\$ 0.8150</u></u>	<u><u>\$ 0.8200</u></u>	<u><u>\$ 0.8400</u></u>	<u><u>\$ 0.8600</u></u>
Tax Levy	<u><u>\$ 1,979,091</u></u>	<u><u>\$ 1,977,418</u></u>	<u><u>\$ 1,828,621</u></u>	<u><u>\$ 1,466,102</u></u>
Percent of Taxes Collected to Taxes Levied**	<u><u>97%</u></u>	<u><u>99%</u></u>	<u><u>99%</u></u>	<u><u>99%</u></u>

*Maximum tax rate approved by voters: \$0.95 on August 9, 1980

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

West Harris County Municipal Utility District No. 17
Schedule of Long-Term Debt Service Requirements by Years
March 31, 2026

Due During Fiscal Years Ending March 31	Refunding Series 2019		Total
	Principal Due September 1	Interest Due September 1, March 1	
2027	\$ 405,000	\$ 87,075	\$ 492,075
2028	415,000	74,775	489,775
2029	430,000	62,100	492,100
2030	445,000	48,975	493,975
2031	455,000	35,475	490,475
2032	470,000	21,600	491,600
2033	485,000	7,275	492,275
Totals	<u>\$ 3,105,000</u>	<u>\$ 337,275</u>	<u>\$ 3,442,275</u>

West Harris County Municipal Utility District No. 17
Changes in Long-Term Bonded Debt
Year Ended March 31, 2026

	Bond Issue Refunding Series 2019		
Interest rate	3.00%		
Dates interest payable	September 1/ March 1		
Maturity dates	September 1, 2026/2032		
Bonds outstanding, beginning of current year	\$	3,495,000	
Retirements, principal		<u>390,000</u>	
Bonds outstanding, end of current year	\$	<u>3,105,000</u>	
Interest paid during current year	\$	<u>99,000</u>	
Paying agent's name and address	Series 2019 – The Bank of New York Mellon Trust Company, N.A., Houston, Texas		
Bond authority	Tax Bonds	Other Bonds	Refunding Bonds
Amount authorized by voters	\$ 17,000,000	\$ -	\$ -
Amount issued	\$ 13,630,000	\$ -	\$ -
Remaining to be issued	\$ 3,370,000	\$ -	\$ -
Debt service fund cash and temporary investment balances as of March 31, 2026:			\$ 732,312
Average annual debt service payment (principal and interest) for remaining term of all debt:			\$ 491,754

West Harris County Municipal Utility District No. 17
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended March 31,

	Amounts				
	2026	2025	2024	2023	2022
General Fund					
Revenues					
Property taxes	\$ 1,464,990	\$ 1,454,571	\$ 1,326,266	\$ 926,620	\$ 761,413
Water service	316,547	319,677	326,730	255,044	235,201
Sewer service	276,249	302,793	297,835	210,549	206,122
Regional water fee	300,870	271,130	258,208	236,636	192,252
Penalty and interest	30,242	30,564	18,744	18,863	19,466
Tap connection and inspection fees	-	-	10,560	147,200	-
Investment income	299,712	292,770	240,639	100,515	1,931
Security fees	1,150	18,835	18,993	19,734	18,322
Other income	14,537	17,874	15,494	11,513	5,895
Total Revenues	2,704,297	2,708,214	2,513,469	1,926,674	1,440,602
Expenditures					
Service operations					
Purchased services	365,289	307,510	-	-	-
Regional water authority	-	12,121	296,866	255,699	214,228
Professional fees	187,346	193,669	203,619	196,350	209,219
Contracted services	200,378	191,356	194,349	186,053	183,425
Utilities	61,566	57,026	48,219	67,955	80,649
Repairs and maintenance	468,766	415,951	320,719	234,163	226,795
Other expenditures	90,780	77,028	73,299	61,766	65,114
Tap connections	-	-	-	49,200	-
Capital outlay	90,703	53,542	-	-	14,000
Total Expenditures	1,464,828	1,308,203	1,137,071	1,051,186	993,430
Excess of Revenues Over Expenditures	1,239,469	1,400,011	1,376,398	875,488	447,172
Fund Balance, Beginning of Year	7,307,643	5,907,632	4,531,234	3,655,746	3,208,574
Fund Balance, End of Year	\$ 8,547,112	\$ 7,307,643	\$ 5,907,632	\$ 4,531,234	\$ 3,655,746
Total Active Retail Water Connections	820	821	820	824	824
Total Active Retail Wastewater Connections	813	814	813	817	817

Percent of Fund Total Revenues				
2026	2025	2024	2023	2022
54.2 %	53.7 %	52.8 %	48.1 %	52.9 %
11.7	11.8	13.0	13.2	16.3
10.2	11.2	11.8	10.9	14.3
11.1	10.0	10.3	12.3	13.3
1.1	1.1	0.7	1.0	1.4
-	-	0.4	7.7	-
11.1	10.8	9.6	5.2	0.1
0.0	0.7	0.8	1.0	1.3
0.6	0.7	0.6	0.6	0.4
100.0	100.0	100.0	100.0	100.0
13.5	11.4	-	-	-
-	0.4	11.8	13.3	14.9
6.9	7.1	8.1	10.2	14.5
7.4	7.1	7.7	9.7	12.7
2.3	2.1	1.9	3.5	5.6
17.3	15.4	12.8	12.2	15.7
3.4	2.8	2.9	3.2	4.5
-	-	-	2.5	-
3.4	2.0	-	-	1.0
54.2	48.3	45.2	54.6	68.9
45.8 %	51.7 %	54.8 %	45.4 %	31.1 %

West Harris County Municipal Utility District No. 17
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Five Years Ended March 31,

	Amounts				
	2026	2025	2024	2023	2022
Debt Service Fund					
Revenues					
Property taxes	\$ 490,799	\$ 501,989	\$ 520,118	\$ 507,050	\$ 614,419
Penalty and interest	53,159	17,974	19,535	19,200	9,242
Investment income	19,009	25,114	26,685	13,087	255
Other income	1,275	749	-	10	-
Total Revenues	564,242	545,826	566,338	539,347	623,916
Expenditures					
Current					
Professional fees	56,464	20,657	28,615	19,354	11,650
Contracted services	31,242	30,404	27,605	25,711	22,681
Other expenditures	4,276	4,677	5,436	4,038	5,546
Debt service					
Principal retirement	390,000	375,000	360,000	480,000	370,000
Interest and fees	99,825	112,025	123,075	135,600	258,200
Total Expenditures	581,807	542,763	544,731	664,703	668,077
Excess (Deficiency) of Revenues Over Expenditures	(17,565)	3,063	21,607	(125,356)	(44,161)
Fund Balance, Beginning of Year	742,504	739,441	717,834	843,190	887,351
Fund Balance, End of Year	\$ 724,939	\$ 742,504	\$ 739,441	\$ 717,834	\$ 843,190

Percent of Fund Total Revenues				
2026	2025	2024	2023	2022
87.0 %	92.0 %	91.8 %	94.0 %	98.5 %
9.4	3.3	3.5	3.6	1.5
3.4	4.6	4.7	2.4	0.0
0.2	0.1	-	0.0	-
100.0	100.0	100.0	100.0	100.0
10.0	3.8	5.0	3.6	1.9
5.5	5.6	4.9	4.8	3.6
0.8	0.8	1.0	0.7	0.9
69.1	68.7	63.6	89.0	59.3
17.7	20.5	21.7	25.1	41.4
103.1	99.4	96.2	123.2	107.1
(3.1) %	0.6 %	3.8 %	(23.2) %	(7.1) %

West Harris County Municipal Utility District No. 17
Board Members, Key Personnel, and Consultants
Year Ended March 31, 2026

Complete District mailing address:	West Harris County Municipal Utility District No. 17 c/o Young & Brooks 10000 Memorial Drive, Suite 260 Houston, TX 77024
District business telephone number:	713.951.0800
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	December 12, 2022
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-End
Sharlene Rhea	Elected 05/22– 05/26	\$ 3,978	\$ 1,982	President
Ronald Perkins	Appointed 05/22– 05/26	2,652	305	Vice President
Bryant Gaudette	Elected 05/24– 05/28	2,431	280	Secretary
TJ Covino	Elected 05/24– 05/28	3,094	938	Assistant Secretary
Karen Wilson	Appointed 11/22– 05/26	2,652	333	Director

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

**West Harris County Municipal Utility District No. 17
Board Members, Key Personnel, and Consultants
Year Ended March 31, 2026**

(Continued)

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Forvis Mazars, LLP	04/10/86	\$ 21,100	Auditor
Harris Central Appraisal District	Legislative Action	15,551	Appraiser
IDS Engineering Group	01/03/14	114,012	Engineer
Inframark, LLC	12/01/11	549,464	Operator
Bob Leared Interests	06/02/80	19,510	Tax Assessor/ Collector
Masterson Advisors LLC	07/11/18	-	Financial Advisor
Myrtle Cruz, Inc.	11/03/83	32,788	Bookkeeper
Young & Brooks	06/02/80	163,893	General Counsel
Investment Officer			
Sharlene Rhea	10/10/22	N/A	Director