HARRIS COUNTY UTILITY DISTRICT NO. 16

HARRIS COUNTY, TEXAS

ANNUAL AUDIT REPORT

SEPTEMBER 30, 2025

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January 9, 2026

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harris County Utility District No. 16
Harris County, Texas

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Harris County Utility District No. 16 as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Harris County Utility District No. 16's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Harris County Utility District No. 16, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows there of for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Harris County Utility District No. 16, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Harris County Utility District No. 16's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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. I 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 Harris County Utility District No. 16's internal control. Accordingly, no such opinion is expressed. I 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. I conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Harris County Utility District No. 16's ability to continue as a going concern for a reasonable period of time.

I am 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 I 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 information 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Harris County Utility District No. 16's basic financial statements. The supplementary information on Pages 23 to 44 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. Except for the portion marked "unaudited," the information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The supplementary information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it. The accompanying supplementary information includes financial data excerpted from prior year financial statements which were audited by my firm.



Management's Discussion and Analysis

Using this Annual Report

Within this section of the Harris County Utility District No. 16 (the "District") annual report, the District's Board of Directors provides narrative discussion and analysis of the financial activities of the District for the fiscal year ended September 30, 2025.

The annual report consists of a series of financial statements plus additional supplemental information to the financial statements as required by its state oversight agency, the Texas Commission on Environmental Quality. In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program. In the District's case, the single governmental program is provision of water and sewer services. Other activities, such as garbage collection and security service, 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 and liabilities owned by 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 total assets and total liabilities is labeled as *net position* and this difference is similar to the total owners' 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. 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 period.

Although the statement of activities looks different from a commercial enterprise's income statement, 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 fund financial statements consist of a balance sheet and statement of revenues, expenditures and change 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 and sewer 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 total assets and total liabilities 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 are different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in Note 3 of the notes to the financial statements that reconciles the total fund balances to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in Note 3 of the notes to the 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.

Financial Analysis of the District as a Whole

Financial Analysis of the District as a Whole begins with an understanding of how financial resources flow through the District's funds. Resources in the Capital Projects Fund are derived principally from proceeds of the sale of bonds, and expenditures from this fund are subject to the Rules of the Texas Commission on Environmental Quality. Resources in the Debt Service Fund are derived principally from the collection of property taxes and are used for the payment of tax collection costs and bond principal and interest. Resources in the General Fund are derived principally from property taxes and billings for water and sewer services and are used to operate and maintain the system and to pay costs of administration of the District.

Management has financial objectives for each of the District's funds. The financial objective for the Capital Projects Fund is to spend the funds as necessary in accordance with the Rules of the Texas Commission on Environmental Quality. The financial objective for the Debt Service Fund is to levy the taxes necessary to pay the fiscal year debt service requirements plus the cost of levying and collecting taxes, leaving the appropriate fund balance as recommended by the District's financial advisor. The financial objective for the General Fund is to keep the fund's expenditures as low as possible while ensuring that revenues are adequate to cover expenditures and maintaining the fund balance that Management believes is prudent. Management believes that these financial objectives were met during the fiscal year.

Management believes that the required method of accounting for certain elements of the government-wide financial statements makes the government-wide financial statements as a whole not useful for financial analysis. In the government-wide financial statements, capital assets and depreciation expense have been required to be recorded at historical cost. Management's policy is to maintain the District's capital assets in a condition greater than or equal to the condition required by regulatory authorities, and management does not believe that depreciation expense is relevant to the management of the District. In the government-wide financial statements, certain non-cash costs of long-term debt are capitalized and amortized over the life of the related debt. Management believes that this required method of accounting is not useful for financial analysis of the District and prefers to consider the required cash flows of the debt as reported in the fund statements and the notes to the financial statements. In the government-wide financial statements, property tax revenues are required to be recorded in the fiscal year for which the taxes are levied, regardless of the year of collection. Management believes that the cash basis method of accounting for property taxes in the funds provides more useful financial information.

The following required summaries of the District's overall financial position and operations for the past two years are based on the information included in the government-wide financial statements. For the reasons described in the preceding paragraph, a separate analysis of the summaries is not presented.

Summary of Net Position

	2025	2024	Change
Current and other assets	$ 5,644,909	$ 5,534,808	$ 110,101
Capital assets	15,378,258	15,646,541	(268,283)
Total assets	21,023,167	21,181,349	(158,182)
Long-term liabilities	24,027,925	24,793,046	(765,121)
Other liabilities	1,387,576	1,385,170	2,406
Total liabilities	25,415,501	26,178,216	(762,715)
Net position:			
Invested in capital assets, net of related debt	(8,291,957)	(8,786,995)	495,038
Restricted	1,762,410	1,806,246	(43,836)
Unrestricted	2,137,213	1,983,882	153,331
Total net position	$ (4,392,334)	$ (4,996,867)	$ 604,533

Summary of Changes in Net Position

	2025	2024	Change
Revenues:			
Property taxes, including related penalty and interest	$ 3,025,701	$ 3,006,157	$ 19,544
Charges for services	1,935,500	1,883,748	51,752
Other revenues	261,230	290,397	(29,167)
Total revenues	5,222,431	5,180,302	42,129
Expenses:			
Service operations	3,796,412	3,444,783	351,629
Debt service	821,486	855,026	(33,540)
Total expenses	4,617,898	4,299,809	318,089
Change in net position	604,533	880,493	(275,960)
Net position, beginning of year	(4,996,867)	(5,877,360)	880,493
Net position, end of year	$ (4,392,334)	$ (4,996,867)	$ 604,533

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 $5,018,015, an increase of $118,717 from the prior year.

The General Fund balance increased by $156,824, in accordance with the District's financial plan.

The Debt Service Fund balance decreased by $38,344, in accordance with the District's financial plan.

The Capital Projects Fund balance increased by $237, as interest revenues exceeded authorized expenditures.

General Fund Budgetary Highlights

The Board of Directors did not amend the budget during the fiscal year. The District's budget is primarily a planning tool. Accordingly, actual results varied from the budgeted amounts. A comparison of budget to actual amounts is presented on Page 22 of this report. The budgetary fund balance as of September 30, 2025, was expected to be $3,658,453 and the actual end of year fund balance was $3,236,272.

Capital Asset and Debt Administration

Capital Assets

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

	Capital Assets (Net of Accumulated Depreciation)		
	2025	2024	Change
Land	$ 3,454,977	$ 3,454,977	$ 0
Detention ponds	1,829,753	1,829,753	0
Construction in progress	23,692	28,078	(4,386)
Parks and recreational facilities	641,343	656,985	(15,642)
Water facilities	2,756,179	2,692,149	64,030
Sewer facilities	6,575,115	6,883,177	(308,062)
Drainage facilities	97,199	101,422	(4,223)
Totals	$ 15,378,258	$ 15,646,541	$ (268,283)

Changes to capital assets during the fiscal year ended September 30, 2025, are summarized as follows:

Additions:	
Water system improvements	$ 171,560
Decreases:	
Depreciation	(439,843)
Net change to capital assets	$ (268,283)

Debt

Subsequent to September 30, 2025, the District issued its $2,720,000 Series 2025 unlimited tax bonds on November 4, 2025.

Changes in the bonded debt position of the District during the fiscal year ended September 30, 2025, are summarized as follows:

Bonded debt payable, beginning of year	$ 24,465,000
Bonds paid	(725,000)
Bonded debt payable, end of year	$ 23,740,000

At September 30, 2025, the District had $3,955,000 of bonds authorized but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage system within the District.

The Series 2015 bonds and the Series 2015 refunding bonds have an underlying rating of A- by Standard & Poor's and the Series 2017, 2018, 2020 and 2021 bonds have an underlying rating of Baa1 by Moody's. The Series 2015, 2015 refunding, 2017, 2018 and 2021 bonds are insured by Assured Guaranty Municipal Corp. and the Series 2020 bonds are insured by Build America Mutual Assurance Company. Because of the insurance, the insured bonds are rated AA by Standard & Poor's. The Series 2017 and 2018 bonds are also rated A1 by Moody's. The underlying ratings were upgraded during the year ended September 30, 2025.

As further described in Note 5 of the notes to the financial statements, developers within the District have advanced funds for the operations of the District in the amount of $1,122,831. The District has agreed to reimburse the developers from the proceeds of sold and future bond issues subject to the approval of the Texas Commission on Environmental Quality.

RELEVANT FACTORS AND WATER SUPPLY ISSUES

Property Tax Base

The District's tax base increased approximately $9,300,000 for the 2024 tax year (approximately 2%), due the increase in the average value of taxable property within the District.

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston, the District must conform to a City of Houston ordinance consenting to the creation of the District. In addition, the District may be annexed by the City of Houston. If the District is annexed, the City will assume the District's assets and obligations (including the bonded indebtedness) and dissolve the District within ninety (90) days.

The District is authorized to enter into a strategic partnership agreement with the City of Houston to provide the terms and conditions under which services would be provided and funded by the parties and under which the District would continue to exist for an extended period if the land within the District would be annexed for limited purposes by the City. The terms of any such agreement would be determined by the City and the District.

The District is not aware of any plans regarding annexation or a strategic partnership with the City of Houston.

Water Supply Issues

The District is within the boundaries of the Harris-Galveston Subsidence District (the "Subsidence District") which regulates groundwater withdrawal. The District's authority to pump groundwater from its well is subject to annual permits issued by the Subsidence District. On April 14, 1999, the Subsidence District adopted a District Regulatory Plan (the "1999 Plan") to reduce groundwater withdrawal through conversion to surface water in areas within the Subsidence District's jurisdiction. Under the 1999 Plan, the District was required to submit to the Subsidence District by January 2003 a groundwater reduction plan and begin construction of surface water conversion infrastructure by January 2005, or pay a disincentive fee for any groundwater withdrawn in excess of 20% of the District's total water demand. This same disincentive fee will be imposed under the 1999 Plan if the District's groundwater withdrawal exceeds 70% of the District's total water demand beginning January 2010, exceeds 40% of the District's total water demand beginning January 2025, and exceeds 20% of the District's total water demand beginning January 2035. The issuance of additional bonds by the District in an undetermined amount may be necessary at some time in the future in order to develop surface water conversion infrastructure or to participate in a regional surface water conversion effort. In addition, if the District does not meet the Subsidence District's requirements as described above, the District may be required to pay the disincentive fees adopted by the Subsidence District.

Effective September 1, 2005, the Texas Legislature approved the creation of the Central Harris County Regional Water Authority (the "Central Authority") to provide for the conversion of water use by certain entities such as the District from groundwater to surface water, and to comply with the requirements of the Subsidence District. The District is one of 11 districts that are within the boundaries of the Authority. Prior to the creation of the Authority, the districts within the boundaries of the Central Authority were members of the Central Harris County Water Users Consortium (the "Consortium"). The Central Authority assumed the rights and obligations of the Consortium. The Consortium had negotiated and entered into a contract for the purchase of treated surface water from the City of Houston (the "City") to meet the surface water conversion requirements of the Subsidence District's 1999 Plan. The Consortium had also negotiated and entered into an agreement with the North Harris County Regional Water Authority (the "North Authority") for the joint financing, design, construction, operation and maintenance of a sixty inch (60") water transmission line to be constructed from the point of delivery of surface water to the North Authority from the Houston Area Water Corporation's Northeast Water Purification Plant and extending in a westerly direction along the Beltway 8 right-of-way, to the future T. C. Jester right-of-way in a northerly direction to the area of the Consortium members. Additionally, the Consortium had received approval of its Groundwater Reduction Plan by the Subsidence District. As of September 30, 2025, the Central Authority had assessed a ground water pumpage fee of $4.08 per 1,000 gallons of usage. The pumpage fee is expected to increase in the future. The issuance of additional bonds by the District in an undetermined amount may be necessary at some time in the future to develop surface water conversion infrastructure, including participating in the Cental Authority's prorata share of costs of the sixty inch (60") surface water transmission line.

HARRIS COUNTY UTILITY DISTRICT NO. 16

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

SEPTEMBER 30, 2025

	General	Debt Service	Capital Projects	Total	Adjustments (Note 3)	Statement of Net Position
ASSETS						
Cash, including interest-bearing accounts, Note 7	$ 251,587	$ 61,636	$	$ 313,223	$	$ 313,223
Certificates of deposit, at cost, Note 7	1,410,000	1,175,000		2,585,000		2,585,000
Temporary investments, at cost, Note 7	1,879,328	500,782	25,125	2,405,235		2,405,235
Receivables:						
Property taxes	23,772	29,909		53,681		53,681
Accrued penalty and interest on property taxes				0	20,192	20,192
Service accounts	173,703			173,703		173,703
Accrued interest	22,267	25,040		47,307		47,307
Prepaid expenditures	46,568			46,568		46,568
Due from other funds	1,969	18,521		20,490	(20,490)	0
Capital assets, net of accumulated depreciation, Note 4:						
Capital assets not being depreciated				0	5,308,422	5,308,422
Depreciable capital assets				0	10,069,836	10,069,836
Total assets	$3,809,194	$1,810,888	$ 25,125	$ 5,645,207	15,377,960	21,023,167
LIABILITIES						
Accounts payable	$ 315,844	$ 22,392	$	$ 338,236		338,236
Accrued interest payable				0	69,434	69,434
Customer and builder deposits	214,785			214,785		214,785
Due to other funds	18,521		1,969	20,490	(20,490)	0
Long-term liabilities, Note 5:						
Due within one year				0	765,121	765,121
Due in more than one year				0	24,027,925	24,027,925
Total liabilities	549,150	22,392	1,969	573,511	24,841,990	25,415,501
DEFERRED INFLOWS OF RESOURCES						
Property tax revenues	23,772	29,909	0	53,681	(53,681)	0
FUND BALANCES / NET POSITION						
Fund balances:						
Assigned to:						
Debt service		1,758,587		1,758,587	(1,758,587)	0
Capital projects			23,156	23,156	(23,156)	0
Unassigned	3,236,272			3,236,272	(3,236,272)	0
Total fund balances	3,236,272	1,758,587	23,156	5,018,015	(5,018,015)	0
Total liabilities, deferred inflows, and fund balances	$3,809,194	$1,810,888	$ 25,125	$ 5,645,207		
Net position:						
Invested in capital assets, net of related debt, Note 4					(8,291,957)	(8,291,957)
Restricted for debt service					1,739,254	1,739,254
Restricted for capital projects					23,156	23,156
Unrestricted, Note 5					2,137,213	2,137,213
Total net position					$ (4,392,334)	$ (4,392,334)

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

HARRIS COUNTY UTILITY DISTRICT NO. 16

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Note 3)	Statement of Activities
REVENUES						
Property taxes	$ 1,498,146	$ 1,499,483	$	$ 2,997,629	$ (9,650)	$ 2,987,979
Water service	604,214			604,214		604,214
Sewer service	527,704			527,704		527,704
Surface water fees, Note 9	612,521			612,521		612,521
Penalty and interest	107,558	39,262		146,820	(1,540)	145,280
Interest on deposits and investments	162,944	97,153	1,133	261,230		261,230
Tap connection and inspection fees	74,000			74,000		74,000
Other revenues	9,503			9,503		9,503
Total revenues	3,596,590	1,635,898	1,133	5,233,621	(11,190)	5,222,431
EXPENDITURES / EXPENSES						
Service operations:						
Professional fees	146,069	16,740		162,809		162,809
Contracted services	324,182	62,482	896	387,560		387,560
Utilities	97,004			97,004		97,004
Ground water pumpage fees, Note 9	640,094			640,094		640,094
Repairs, maintenance and other operating expenditures	1,321,551			1,321,551		1,321,551
Security service	86,870			86,870		86,870
Garbage disposal	448,952			448,952		448,952
Administrative expenditures	129,484	8,245		137,729		137,729
Depreciation				0	439,843	439,843
Capital outlay / non-capital outlay	245,560			245,560	(171,560)	74,000
Debt service:						
Principal retirement		725,000		725,000	(725,000)	0
Interest and fees		861,775		861,775	(40,289)	821,486
Total expenditures / expenses	3,439,766	1,674,242	896	5,114,904	(497,006)	4,617,898
Excess (deficiency) of revenues over expenditures	156,824	(38,344)	237	118,717	485,816	604,533
Net change in fund balances / net position	156,824	(38,344)	237	118,717	485,816	604,533
Beginning of year	3,079,448	1,796,931	22,919	4,899,298	(9,896,165)	(4,996,867)
End of year	$ 3,236,272	$ 1,758,587	$ 23,156	$ 5,018,015	$ (9,410,349)	$ (4,392,334)

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

HARRIS COUNTY UTILITY DISTRICT NO. 16

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 1: REPORTING ENTITY

Harris County Utility District No. 16 (the "District") was created by acts of the 62nd Legislature of the State of Texas, Regular Session, 1971 and operates in accordance with Texas Water Code Chapters 49 and 54. The District is a political subdivision of the State of Texas, governed by an elected five member Board of Directors. The Board of Directors held its first meeting on December 9, 1980, and the first bonds were sold on December 19, 1985. The District is subject to the continuing supervision of the Texas Commission on Environmental Quality.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water. The District may provide garbage disposal and collection services. In addition, the District is empowered, if approved by the electorate, the Texas Commission on Environmental Quality and other governmental entities having jurisdiction, to establish, operate and maintain a fire department, either independently or jointly with certain other districts.

In evaluating how to define the District for financial reporting purposes, the Board of Directors of the District has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no other entities which were included as a component unit in the District's financial statements.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board (the "GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board issued through November 30, 1989 (when applicable), that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

Basic Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and governmental fund financial statements (reporting the District's funds). Because the District is a single-program government as defined by the GASB, the District has combined the government-wide statements and the fund financial statements using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column on the face of the financial statements. An additional reconciliation between the fund and the government-wide financial data is presented in Note 3.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The government-wide statement of activities reports the components of the changes in net position during the reporting period.

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for in a separate set of self-balancing accounts that comprises its assets, liabilities, fund balances, revenues and expenditures and changes in fund balances. The District's fund balances are reported as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balances are either not in spendable form or are contractually required to remain intact. Restricted fund balances include amounts that can only be used for the specific purposes stipulated by constitutional provisions, external resource providers or enabling legislation. Committed fund balances include amounts that can only be used for the specific purposes determined by formal action of the District's Board of Directors. Assigned fund balances are intended for a specific purpose but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. The transactions of the District are accounted for in the following funds:

General Fund -- To account for all revenues and expenditures not required to be accounted for in other funds.

Debt Service Fund -- To account for the accumulation of financial resources for, and the payment of, bond principal and interest, paid principally from property taxes levied by the District.

Capital Projects Fund -- To account for financial resources designated to construct or acquire capital assets. Such resources are derived principally from proceeds of the sale of bonds.

Basis of Accounting

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting which recognizes all long-term assets and receivables as well as long-term debt and obligations. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem property taxes are recognized as revenues in the fiscal year for which they have been levied and related penalties and interest are recognized in the fiscal year in which they are imposed. An allowance for uncollectibles is estimated for delinquent property taxes and reported separately in the financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred except for principal and interest on bonds payable which are recorded only when payment is due.

Interfund Activity

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is reported as interfund receivables or payables, as appropriate, as are all other outstanding balances between funds. Operating transfers between funds represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Receivables

Service accounts receivable as reported are considered collectible. The District uses the direct write off method for uncollectible service accounts. Unbilled water and sewer revenues are not material and are not recorded at year end. The District considers service accounts revenues to be available if they are to be collected within 60 days after the end of the fiscal year.

In the fund financial statements, ad valorem taxes and penalties and interest are reported as revenues in the fiscal year in which they become available to finance expenditures of the fiscal year for which they have been levied. Property taxes which have been levied and are not yet collected (or have been collected in advance of the fiscal year for which they have been levied) are recorded as deferred inflow of resources. Property taxes collected after the end of the fiscal year are not included in revenues.

Capital Assets

Capital assets, which include property, plant, equipment, and immovable public domain or "infrastructure" assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $5,000 (including installation costs, if any, and associated professional fees) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed by the District. Donated capital assets are recorded at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset or increase the value of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

Plant and equipment	10-45 years
Underground lines	45 years

Long-term Liabilities

Long-term debt and other long-term obligations are reported in the government-wide financial statements. Bond premiums and discounts, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable premium or discount. If bonds are refunded and the carrying amount of the new debt is different than the net carrying amount of the old debt, the difference is netted against the new debt and amortized using the effective interest method over the shorter of the remaining life of the refunded debt or the life of the new debt issued.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, 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 expenditures of the fund from which they are paid.

NOTE 3: RECONCILIATION OF FUND TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

Reconciliation of year end fund balances to net position:

Total fund balances, end of year		$ 5,018,015
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Total capital assets, net		15,378,258
Some long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable	$ (23,740,000)	
Deferred charge on refunding (to be amortized as interest expense)	80,939	
Issuance (premium) net of discount (to be amortized as interest expense)	(11,154)	
Due to developer for operating advances	(1,122,831)	(24,793,046)
Some receivables that do not provide current financial resources are not reported as receivables in the funds:		
Accrued penalty and interest on property taxes receivable	20,192	
Uncollected property taxes	53,681	73,873
Some liabilities that do not require the use of current financial resources are not reported as liabilities in the funds:		
Accrued interest		(69,434)
Net position, end of year		$ (4,392,334)

Reconciliation of net change in fund balances to change in net position:

Total net change in fund balances		$ 118,717
The funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay	$ 171,560	
Depreciation	(439,843)	(268,283)
The issuance of long-term debt provides current financial resources to the funds, while the repayment of the principal of long-term debt consumes the current financial resources of the funds. Neither transaction, however, has any effect on net position. The effect of these differences in the treatment of long-term debt:		
Principal reduction		725,000
The funds report the effect of bond issuance premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of these items:		
Refunding charges	(21,224)	
Issuance discount, net of premium	59,545	38,321
Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the funds:		
Accrued penalty and interest on property taxes receivable	(1,540)	
Uncollected property taxes	(9,650)	(11,190)
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 funds:		
Accrued interest		1,968
Change in net position		$ 604,533

NOTE 4: CAPITAL ASSETS

At September 30, 2025, “Invested in capital assets, net of related debt” was $(8,291,957). This amount was negative primarily because not all expenditures from bond proceeds (such as bond issuance costs) were for the acquisition of capital assets. Within Harris County, the county government assumes the maintenance and other incidents of ownership of most storm sewer facilities constructed by the District. Accordingly, these assets are not recorded in the financial statements of the District. In addition, some expenditures from bond proceeds were for the acquisition of capital assets beneath the capitalization threshold of $5,000 (see Note 2) and some authorized expenditures were not for capital assets.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Capital asset activity for the fiscal year ended September 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 3,454,977	$	$	$ 3,454,977
Detention ponds	1,829,753			1,829,753
Construction in progress	28,078	171,560	175,946	23,692
Total capital assets not being depreciated	5,312,808	171,560	175,946	5,308,422
Depreciable capital assets:				
Parks and recreational	703,911			703,911
Water system	5,097,634	175,946		5,273,580
Sewer system	10,987,043			10,987,043
Drainage system	190,043			190,043
Total depreciable capital assets	16,978,631	175,946	0	17,154,577
Less accumulated depreciation for:				
Parks and recreational	(46,926)	(15,642)		(62,568)
Water system	(2,405,485)	(111,916)		(2,517,401)
Sewer system	(4,103,866)	(308,062)		(4,411,928)
Drainage system	(88,621)	(4,223)		(92,844)
Total accumulated depreciation	(6,644,898)	(439,843)	0	(7,084,741)
Total depreciable capital assets, net	10,333,733	(263,897)	0	10,069,836
Total capital assets, net	$ 15,646,541	$ (92,337)	$ 175,946	$ 15,378,258
Changes to capital assets:				
Capital outlay		$ 171,560	$	
Assets transferred to depreciable assets		175,946	175,946	
Less depreciation expense for the fiscal year		(439,843)		
Net increases / decreases to capital assets		$ (92,337)	$ 175,946	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 5: LONG-TERM LIABILITIES AND CONTINGENT LIABILITIES

Subsequent to September 30, 2025, the District issued its $2,720,000 Series 2025 unlimited tax bonds on November 4, 2025.

Long-term liability activity for the fiscal year ended September 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable	$ 24,465,000	$	$ 725,000	$ 23,740,000	$ 750,000
Less deferred amounts:					
For issuance (discounts) premiums	70,699		59,545	11,154	33,270
For refunding	(102,163)		(21,224)	(80,939)	(18,149)
Total bonds payable	24,433,536	0	763,321	23,670,215	765,121
Due to developers for advances (see below)	1,122,831	0	0	1,122,831	----------
Total long-term liabilities	$ 25,556,367	$ 0	$ 763,321	$ 24,793,046	$ 765,121

Developer Advances

A developer within the District has advanced funds to the District to cover initial operating deficits. At September 30, 2025, the cumulative amount of unreimbursed developer advances was $1,122,831. These amounts have been recorded in the government-wide financial statements and in the schedules in Notes 4 and 5. This amount has been recorded as a decrease in “Unrestricted net position” in the government-wide financial statements. Without this decrease, “Unrestricted net position” would have a balance of $3,260,044.

Bonds voted	$ 37,000,000.00
Bonds approved for sale and sold	33,045,000.00
Bonds voted and not issued	3,955,000.00
Refunding bonds voted	33,500,000.00
Refunding approved for sale and sold	1,111,792.99
Refunding bonds voted and not issued	32,388,207.01

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

As of September 30, 2025, the debt service requirements on the bonds payable were as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 750,000	$ 833,200	$ 1,583,200
2027	805,000	804,387	1,609,387
2028	830,000	772,987	1,602,987
2029	865,000	740,931	1,605,931
2030	895,000	709,675	1,604,675
2031 - 2035	4,915,000	3,033,289	7,948,289
2036 - 2040	4,880,000	2,163,290	7,043,290
2041 - 2045	6,150,000	1,192,094	7,342,094
2046 - 2048	3,650,000	186,506	3,836,506
	$ 23,740,000	$ 10,436,359	$ 34,176,359

The bond issues payable at September 30, 2025, were as follows:

	Refunding Series 2015	Series 2015	Series 2017
Amounts outstanding, September 30, 2025	$4,625,000	$4,350,000	$5,925,000
Interest rates	4.25%	3.625% to 5.00%	3.25% to 5.75%
Maturity dates, serially beginning/ending	September 1, 2026/2034	September 1, 2026/2043	September 1, 2026/2046
Interest payment dates	March 1/September 1	March 1/September 1	March 1/September 1
Callable dates	September 1, 2021*	September 1, 2022*	September 1, 2024*

	Refunding Series 2018	Series 2020	Refunding Series 2021
Amounts outstanding, September 30, 2025	$2,645,000	$3,750,000	$2,445,000
Interest rates	3.00% to 4.00%	2.125% to 2.45%	2.00% to 3.00%
Maturity dates, serially beginning/ending	September 1, 2026/2037	September 1, 2035/2048	September 1, 2026/2034
Interest payment dates	March 1/September 1	March 1/September 1	March 1/September 1
Callable dates	September 1, 2023*	September 1, 2025*	September 1, 2026*

*Or any date thereafter, in whole or in part, callable at par plus unpaid accrued interest to the date fixed for redemption.

NOTE 6: PROPERTY TAXES

The Harris County Appraisal District has the responsibility for appraising property for all taxing units within the county as of January 1 of each year, subject to review and change by the county Appraisal Review Board. The appraisal roll, as approved by the Appraisal Review Board, must be used by the District in establishing its tax roll and tax rate. The District's taxes are usually levied in the fall, are due when billed and become delinquent after January 31 of the following year or 30 days after the date billed, whichever is later. On January 1 of each year, a statutory tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property.

The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes.

At an election held April 7, 1984, the voters within the District authorized a maintenance tax not to exceed $0.50 per $100 valuation on all property subject to taxation within the District. This maintenance tax is being used by the General Fund to pay expenditures of operating the District.

On October 11, 2024, the District levied the following ad valorem taxes for the 2024 tax year on the adjusted taxable valuation of $471,648,720:

	Rate	Amount
Debt service	$ 0.3200	$ 1,509,276
Maintenance	0.3200	1,509,276
	$ 0.6400	$ 3,018,552

A reconciliation of the tax levy to property tax revenues on the Statement of Activities is as follows:

2024 tax year total property tax levy	$ 3,018,552
Appraisal district adjustments to prior year taxes	(30,573)
Statement of Activities property tax revenues	$ 2,987,979

NOTE 7: DEPOSITS AND TEMPORARY INVESTMENTS

The District complied with the requirements of the Public Funds Investment Act during the current fiscal year including the preparation of quarterly investment reports required by the Act.

State statutes authorize the District to invest and reinvest in direct or indirect obligations of the United States, the State of Texas, any county, city, school district, or other political subdivision of the state, or in local government investment pools authorized under the Public Funds Investment Act. Funds of the District may be placed in certificates of deposit of state or national banks or savings and loan associations within the state provided that they are secured in the manner provided for the security of the funds under the laws of the State of Texas. In accordance with the District's investment policies, during the current year the District's funds were invested in interest bearing accounts at authorized financial institutions, an authorized private sector investment pool. The private sector investment pool is rated AAAm by Standard & Poor's.

In accordance with state statutes and the District's investment policies, the District requires that insurance or security be provided by depositories for all funds held by them. At the balance sheet date, the District's deposits were covered by federal insurance.

At the balance sheet date the carrying value and market value of the investments in the authorized private sector investment pool was $2,405,235.

Deposits and temporary investments restricted by state statutes and the Bond Orders:

Debt Service Fund

For payment of debt principal and interest, paying agent fees and costs of assessing and collecting taxes:

Cash	$ 61,636
Certificates of deposit	1,175,000
Temporary investments	500,782
	$ 1,737,418

Capital Projects Fund

For construction of capital assets:

Temporary investments	$ 25,125

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; personal injuries and natural disasters. Significant losses are covered by insurance as described below. There were no significant reductions in insurance coverage from the prior fiscal year. There have been no settlements which have exceeded the insurance coverage for each of the past three fiscal years.

At September 30, 2025, the District had physical damage and boiler and machinery coverage of $13,170,000, comprehensive general liability coverage with a per occurrence limit of $1,000,000 and $3,000,000 general aggregate, worker's compensation coverage of $1,000,000, consultant's crime coverage of $100,000 and a tax assessor-collector bond of $10,000.

NOTE 9: REGIONAL WATER AUTHORITY FEES

Effective September 1, 2005, the Texas Legislature approved the creation of the Central Harris County Regional Water Authority (the "Central Authority") to provide for the conversion of water use by certain entities such as the District from groundwater to surface water, and to comply with the requirements of the Subsidence District. Prior to the creation of the Authority, effective December 13, 2002, the districts within the boundaries of the Central Authority were members of the Central Harris County Water Users Consortium (the "Consortium"). The Central Authority assumed the rights and obligations of the Consortium. The Consortium had negotiated and entered into a contract for the purchase of treated surface water from the City of Houston (the "City") to meet the surface water conversion requirements of the Subsidence District's 1999 Plan. The Consortium had also negotiated and entered into an agreement with the North Harris County Regional Water Authority (the "North Authority") for the joint financing, design, construction, operation and maintenance of a sixty inch (60") water transmission line to be constructed from the point of delivery of surface water to the North Authority from the Houston Area Water Corporation's Northeast Water Purification Plant and extending in a westerly direction along the Beltway 8 right-of-way, to the future T. C. Jester right-of-way in a northerly direction to the area of the Consortium members. Additionally, the Consortium had received approval of its Groundwater Reduction Plan by the Subsidence District. The issuance of additional bonds by the District in an undetermined amount may be necessary at some time in the future to develop surface water conversion infrastructure, including participating in the Cental Authority's prorata share of costs of the sixty inch (60") surface water transmission line.

As of September 30, 2025, the Central Authority had established a surface water pumpage fee of $4.08 per 1,000 gallons of water pumped from each of the member district's wells. The pumpage fee is expected to increase in the future. The District's well pumpage fees payable to the Central Authority for the fiscal year ended September 30, 2025, were $640,094. The District billed its customers $612,521 during the fiscal year to pay for a portion of the fees charged by the Central Authority.

HARRIS COUNTY UTILITY DISTRICT NO. 16

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL, GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	$ 1,507,652	$ 1,507,652	$ 1,498,146	$ (9,506)
Water service	599,900	599,900	604,214	4,314
Sewer service	522,800	522,800	527,704	4,904
Surface water fees	599,000	599,000	612,521	13,521
Penalty	124,100	124,100	107,558	(16,542)
Interest on deposits and investments	169,400	169,400	162,944	(6,456)
Tap connection and inspection fees	0	0	74,000	74,000
Other revenues	8,300	8,300	9,503	1,203
TOTAL REVENUES	3,531,152	3,531,152	3,596,590	65,438
EXPENDITURES				
Service operations:				
Professional fees	136,100	136,100	146,069	9,969
Contracted services	321,000	321,000	324,182	3,182
Utilities	99,500	99,500	97,004	(2,496)
Ground water pumpage fees	599,000	599,000	640,094	41,094
Repairs, maintenance and other operating expenditures	1,056,337	1,056,337	1,321,551	265,214
Security service	86,870	86,870	86,870	0
Garbage disposal	446,400	446,400	448,952	2,552
Administrative expenditures	200,900	200,900	129,484	(71,416)
Capital outlay	100,000	100,000	245,560	145,560
TOTAL EXPENDITURES	3,046,107	3,046,107	3,439,766	393,659
EXCESS REVENUES (EXPENDITURES)	485,045	485,045	156,824	(328,221)
OTHER FINANCING SOURCES (USES)				
Reimbursement from other fund	93,960	93,960	0	(93,960)
TOTAL OTHER FINANCIAL SOURCES (USES)	93,960	93,960	0	(93,960)
EXCESS SOURCES (USES)	579,005	579,005	156,824	(422,181)
FUND BALANCE, BEGINNING OF YEAR	3,079,448	3,079,448	3,079,448	0
FUND BALANCE, END OF YEAR	$ 3,658,453	$ 3,658,453	$ 3,236,272	$ (422,181)

The District's Board of Directors adopts an annual nonappropriated budget. This budget may be amended throughout the fiscal year and is prepared on a basis consistent with generally accepted accounting principles.

HARRIS COUNTY UTILITY DISTRICT NO. 16

SCHEDULE OF TEXAS SUPPLEMENTARY INFORMATION
REQUIRED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

SEPTEMBER 30, 2025

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

[X] TSI-1. Services and Rates

[X] TSI-2. General Fund Expenditures

[X] TSI-3. Certificates of Deposits

[X] TSI-4. Taxes Levied and Receivable

[X] TSI-5. Long-Term Debt Service Requirements by Year

[X] TSI-6. Changes in Long-Term Bonded Debt

[X] TSI-7. Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund - Five Year

[X] TSI-8. Board Members, Key Personnel and Consultants

HARRIS COUNTY UTILITY DISTRICT NO. 16

SCHEDULE OF SERVICES AND RATES

SEPTEMBER 30, 2025

1. Services Provided by the District during the Fiscal Year:

X Retail Water	__ Wholesale Water	X Drainage
X Retail Wastewater	__ Wholesale Wastewater	__ Irrigation
__ Parks/Recreation	__ Fire Protection	X Security
X 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):

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1000 Gallons Over Minimum	Usage Levels
WATER:	$18.00	3,000	N	$1.50	3,001 to 5,000
				1.75	5,001 to 10,000
				2.25	10,001 to 20,000
				2.75	Over 20,000
WASTEWATER:	$18.50	3,000	N	$1.00	Over 3,000

SURCHARGE: $4.28 per 1,000 gallons of water used. – CHCRWA surface water fees.

District employs winter averaging for wastewater usage: Yes __ No X

Total charges per 10,000 gallons usage: Water: $29.75 Wastewater: $25.50 Surcharge: $42.80

HARRIS COUNTY UTILITY DISTRICT NO. 16

SCHEDULE OF SERVICES AND RATES (Continued)

SEPTEMBER 30, 2025

b. Water and Wastewater Retail Connections (unaudited):

Meter Size	Total Connections	Active Connections	ESFC* Factor	Active ESFCs
Unmetered	0	0	1.0	0
< or = 3/4"	2,012	1,990	1.0	1,990
1"	12	12	2.5	30
1-1/2"	4	4	5.0	20
2"	24	24	8.0	192
3"	1	1	15.0	15
4"	0	0	25.0	0
6"	0	0	50.0	0
8"	1	1	80.0	80
10"	0	0	115.0	0
Total Water	2,054	2,032		2,327
Total Wastewater	2,022	2,000	1.0	2,000

*Single family equivalents

3. Total Water Consumption during the Fiscal Year (rounded to thousands):

Gallons pumped into system (unaudited): 161,709 *The District's operator reported that the well meter
Gallons billed to customers (unaudited): 164,760 under reported water pumped into system.

Water Accountability Ratio
(Gallons billed/ gallons pumped): 102%

4. Standby Fees (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes __ No X

If yes, date of the most recent Commission Order: _____

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

If yes, date of the most recent Commission Order: _____

HARRIS COUNTY UTILITY DISTRICT NO. 16

EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)
CURRENT				
Professional fees:				
Auditing	$ 13,950	$	$	$ 13,950
Legal	71,944	16,740		88,684
Engineering	60,175			60,175
	146,069	16,740	0	162,809
Contracted services:				
Bookkeeping	64,862		896	65,758
Operation and billing	259,320			259,320
Tax assessor-collector		40,623		40,623
Central appraisal district		21,859		21,859
	324,182	62,482	896	387,560
Utilities	97,004	0	0	97,004
Ground water pumpage fees	640,094	0	0	640,094
Repairs, maintenance and other operating expenditures:				
Repairs and maintenance	996,522			996,522
Sludge hauling	91,941			91,941
Chemicals	108,727			108,727
Generator lease	69,771			69,771
Laboratory costs	37,217			37,217
Sewer inspection costs	893			893
Reconnection costs	4,631			4,631
TCEQ assessment	5,635			5,635
Other	6,214			6,214
	1,321,551	0	0	1,321,551
Security service	86,870	0	0	86,870
Garbage disposal	448,952	0	0	448,952
Administrative expenditures:				
Director's fees	32,964			32,964
Office supplies and postage	7,850			7,850
Insurance	38,293	50		38,343
Permit fees	7,871			7,871
Communications	12,620			12,620
Other	29,886	8,195		38,081
	129,484	8,245	0	137,729

HARRIS COUNTY UTILITY DISTRICT NO. 16

EXPENDITURES (Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)
CAPITAL OUTLAY				
Authorized expenditures	$ 171,560	$	$	$ 171,560
Tap connection costs	74,000			74,000
	245,560	0	0	245,560
DEBT SERVICE				
Principal retirement	0	725,000	0	725,000
Interest and fees:				
Interest		856,825		856,825
Paying agent fees		4,950		4,950
	0	861,775	0	861,775
TOTAL EXPENDITURES	$ 3,439,766	$ 1,674,242	$ 896	$ 5,114,904

HARRIS COUNTY UTILITY DISTRICT NO. 16

ANALYSIS OF CHANGES IN DEPOSITS AND TEMPORARY INVESTMENTS
ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)
SOURCES OF DEPOSITS AND TEMPORARY INVESTMENTS				
Cash receipts from revenues excluding maintenance taxes	$ 2,048,331	$ 1,631,483	$ 1,133	$ 3,680,947
Maintenance tax receipts		1,498,146		1,498,146
Transfer of maintenance taxes	1,520,657			1,520,657
Increase in customer and builder deposits	5,000			5,000
Overpayments from taxpayers		11,290		11,290
TOTAL DEPOSITS AND TEMPORARY INVESTMENTS PROVIDED	3,573,988	3,140,919	1,133	6,716,040
APPLICATIONS OF DEPOSITS AND TEMPORARY INVESTMENTS				
Cash disbursements for:				
Current expenditures	3,159,132	89,564		3,248,696
Capital outlay	245,560			245,560
Debt service		1,586,775		1,586,775
Prepaid expenditures	46,568			46,568
Other fund	896			896
Transfer of maintenance taxes		1,520,657		1,520,657
Refund of taxpayer overpayments		11,095		11,095
TOTAL DEPOSITS AND TEMPORARY INVESTMENTS APPLIED	3,452,156	3,208,091	0	6,660,247
INCREASE (DECREASE) IN DEPOSITS AND TEMPORARY INVESTMENTS	121,832	(67,172)	1,133	55,793
DEPOSITS AND TEMPORARY INVESTMENTS BALANCES, BEGINNING OF YEAR	3,419,083	1,804,590	23,992	5,247,665
DEPOSITS AND TEMPORARY INVESTMENTS BALANCES, END OF YEAR	$ 3,540,915	$ 1,737,418	$ 25,125	$ 5,303,458

See accompanying independent auditor's report.

HARRIS COUNTY UTILITY DISTRICT NO. 16

SCHEDULE OF CERTIFICATES OF DEPOSIT AND TEMPORARY INVESTMENTS

SEPTEMBER 30, 2025

	Interest Rate	Maturity Date	Year End Balance	Accrued Interest Receivable
GENERAL FUND				
Certificates of Deposit				
No. 0531	4.18%	2/05/26	$ 235,000	$ 1,399
No. 0340	4.00%	10/30/25	235,000	3,863
No. 9081	4.27%	11/30/25	235,000	3,272
No. 1771	4.15%	3/14/26	235,000	5,344
No. 0523	4.15%	4/12/26	235,000	4,569
No. 3491	4.30%	2/15/26	235,000	3,820
			$ 1,410,000	$ 22,267
Texas CLASS				
No. TX-01-0405-0001	Market	On demand	$ 1,879,328	$ 0
DEBT SERVICE FUND				
Certificates of Deposit				
No. 8448	4.50%	2/11/26	235,000	6,692
No. 7700	4.15%	10/10/25	235,000	5,451
No. 7287	4.15%	2/13/26	235,000	6,119
No. 6164	4.25%	2/03/26	235,000	5,582
No. 8280	4.32%	2/18/26	235,000	1,196
			$ 1,175,000	$ 25,040
Texas CLASS				
No. TX-01-0405-0002	Market	On demand	$ 500,782	$ 0
CAPITAL PROJECTS FUND				
Texas CLASS				
No. TX-01-0405-0009	Market	On demand	$ 25,125	$ 0
Total – All Funds			$ 4,990,235	$ 47,307

See accompanying independent auditor's report.

HARRIS COUNTY UTILITY DISTRICT NO. 16

TAXES LEVIED AND RECEIVABLE

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Maintenance Taxes	Debt Service Taxes
RECEIVABLE, BEGINNING OF YEAR	$ 27,265	$ 36,066
Additions and corrections to prior year taxes	(14,623)	(15,950)
Adjusted receivable, beginning of year	12,642	20,116
2024 ADJUSTED TAX ROLL	1,509,276	1,509,276
Total to be accounted for	1,521,918	1,529,392
Tax collections: Current tax year	(1,496,224)	(1,496,224)
Prior tax years	(1,922)	(3,259)
RECEIVABLE, END OF YEAR	$ 23,772	$ 29,909
RECEIVABLE, BY TAX YEAR		
2016	$ 207	$ 475
2017	242	583
2018	2,510	5,298
2019	401	802
2020	928	1,719
2021	1,133	1,763
2022	1,905	2,823
2023	3,394	3,394
2024	13,052	13,052
RECEIVABLE, END OF YEAR	$ 23,772	$ 29,909

HARRIS COUNTY UTILITY DISTRICT NO. 16

TAXES LEVIED AND RECEIVABLE (Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2025

ADJUSTED PROPERTY VALUATIONS AS OF JANUARY 1 OF TAX YEAR	2024	2023	2022	2021
Land	$ 113,271,059	$ 111,422,439	$ 79,750,361	$ 76,780,443
Improvements	354,452,162	343,226,827	329,336,734	277,323,293
Personal property	49,483,458	50,936,472	42,379,206	40,013,629
Less exemptions	(45,557,959)	(43,235,578)	(39,104,304)	(17,292,875)
TOTAL PROPERTY VALUATIONS	$ 471,648,720	$ 462,350,160	$ 412,361,997	$ 376,824,490
TAX RATES PER $100 VALUATION				
Debt service tax rates	$ 0.32000	$ 0.32000	$ 0.40000	$ 0.42000
Maintenance tax rates*	0.32000	0.32000	0.27000	0.27000
TOTAL TAX RATES PER $100 VALUATION	$ 0.64000	$ 0.64000	$ 0.67000	$ 0.69000
TAX ROLLS	$ 3,018,552	$ 2,959,041	$ 2,762,825	$ 2,600,089
PERCENT OF TAXES COLLECTED TO TAXES LEVIED	99.1 %	99.8 %	99.8 %	99.9 %

*Maximum tax rate approved by voters on April 7, 1984: $0.50

HARRIS COUNTY UTILITY DISTRICT NO. 16

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS

SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	Series 2015 Refunding		
	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 410,000	$ 196,563	$ 606,563
2027	430,000	179,138	609,138
2028	450,000	160,862	610,862
2029	470,000	141,737	611,737
2030	500,000	121,762	621,762
2031	520,000	100,513	620,513
2032	570,000	78,412	648,412
2033	625,000	54,188	679,188
2034	650,000	27,625	677,625
TOTALS	$ 4,625,000	$ 1,060,800	$ 5,685,800

See accompanying independent auditor's report.

HARRIS COUNTY UTILITY DISTRICT NO. 16

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	Series 2015		
	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 25,000	$ 172,406	$ 197,406
2027	25,000	171,156	196,156
2028	25,000	169,906	194,906
2029	25,000	169,000	194,000
2030	25,000	168,094	193,094
2031	25,000	167,188	192,188
2032	25,000	166,282	191,282
2033	25,000	165,376	190,376
2034	25,000	164,438	189,438
2035	25,000	163,500	188,500
2036	25,000	162,562	187,562
2037	25,000	161,626	186,626
2038	525,000	160,688	685,688
2039	550,000	141,000	691,000
2040	675,000	119,000	794,000
2041	750,000	92,000	842,000
2042	750,000	62,000	812,000
2043	800,000	32,000	832,000
TOTALS	$ 4,350,000	$ 2,608,222	$ 6,958,222

HARRIS COUNTY UTILITY DISTRICT NO. 16

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	Series 2017		
	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 25,000	$ 214,125	$ 239,125
2027	50,000	212,687	262,687
2028	50,000	209,812	259,812
2029	50,000	206,938	256,938
2030	50,000	204,063	254,063
2031	50,000	201,188	251,188
2032	50,000	198,312	248,312
2033	50,000	196,687	246,687
2034	50,000	195,062	245,062
2035	50,000	193,438	243,438
2036	50,000	191,812	241,812
2037	50,000	190,187	240,187
2038	350,000	188,562	538,562
2039	375,000	177,188	552,188
2040	275,000	164,531	439,531
2041	275,000	155,250	430,250
2042	275,000	145,625	420,625
2043	275,000	136,000	411,000
2044	1,125,000	126,375	1,251,375
2045	1,175,000	87,000	1,262,000
2046	1,225,000	44,406	1,269,406
TOTALS	$ 5,925,000	$ 3,639,248	$ 9,564,248

HARRIS COUNTY UTILITY DISTRICT NO. 16

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	Series 2018		
	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 55,000	$ 104,150	$ 159,150
2027	55,000	102,500	157,500
2028	55,000	100,850	155,850
2029	55,000	99,200	154,200
2030	55,000	97,000	152,000
2031	55,000	94,800	149,800
2032	55,000	92,600	147,600
2033	55,000	90,400	145,400
2034	50,000	88,200	138,200
2035	675,000	86,200	761,200
2036	720,000	59,200	779,200
2037	760,000	30,400	790,400
TOTALS	$ 2,645,000	$ 1,045,500	$ 3,690,500

HARRIS COUNTY UTILITY DISTRICT NO. 16

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	Series 2020 Principal Due September 1	Series 2020 Interest Due March 1, September 1	Total
2026	$	$ 89,756	$ 89,756
2027		89,756	89,756
2028		89,757	89,757
2029		89,756	89,756
2030		89,756	89,756
2031		89,756	89,756
2032		89,756	89,756
2033		89,756	89,756
2034		89,756	89,756
2035	100,000	89,756	189,756
2036	100,000	87,632	187,632
2037	100,000	85,506	185,506
2038	100,000	83,382	183,382
2039	100,000	81,132	181,132
2040	100,000	78,882	178,882
2041	100,000	76,632	176,632
2042	100,000	74,256	174,256
2043	150,000	71,882	221,882
2044	150,000	68,318	218,318
2045	225,000	64,756	289,756
2046	225,000	59,412	284,412
2047	1,025,000	53,900	1,078,900
2048	1,175,000	28,788	1,203,788
TOTALS	$ 3,750,000	$ 1,812,039	$ 5,562,039

HARRIS COUNTY UTILITY DISTRICT NO. 16

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

	Series 2021		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 235,000	$ 56,200	$ 291,200
2027	245,000	49,150	294,150
2028	250,000	41,800	291,800
2029	265,000	34,300	299,300
2030	265,000	29,000	294,000
2031	285,000	23,700	308,700
2032	290,000	18,000	308,000
2033	300,000	12,200	312,200
2034	310,000	6,200	316,200
TOTALS	$ 2,445,000	$ 270,550	$ 2,715,550

See accompanying independent auditor's report.

HARRIS COUNTY UTILITY DISTRICT NO. 16

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	Annual Requirements for All Series		
	Total Principal Due	Total Interest Due	Total
2026	$ 750,000	$ 833,200	$ 1,583,200
2027	805,000	804,387	1,609,387
2028	830,000	772,987	1,602,987
2029	865,000	740,931	1,605,931
2030	895,000	709,675	1,604,675
2031	935,000	677,145	1,612,145
2032	990,000	643,362	1,633,362
2033	1,055,000	608,607	1,663,607
2034	1,085,000	571,281	1,656,281
2035	850,000	532,894	1,382,894
2036	895,000	501,206	1,396,206
2037	935,000	467,719	1,402,719
2038	975,000	432,632	1,407,632
2039	1,025,000	399,320	1,424,320
2040	1,050,000	362,413	1,412,413
2041	1,125,000	323,882	1,448,882
2042	1,125,000	281,881	1,406,881
2043	1,225,000	239,882	1,464,882
2044	1,275,000	194,693	1,469,693
2045	1,400,000	151,756	1,551,756
2046	1,450,000	103,818	1,553,818
2047	1,025,000	53,900	1,078,900
2048	1,175,000	28,788	1,203,788
TOTALS	$ 23,740,000	$ 10,436,359	$ 34,176,359

See accompanying independent auditor's report.

HARRIS COUNTY UTILITY DISTRICT NO. 16

ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	(1)	(2)	(3)
Bond Series:	2015R	2015	2017
Interest Rate:	4.25%	3.625% to 5.00%	3.25% to 5.75%
Dates Interest Payable:	March 1, September 1	March 1, September 1	March 1, September 1
Maturity Dates:	September 1, 2026/2034	September 1, 2026/2043	September 1, 2026/2046
Bonds Outstanding at Beginning of Current Year	$ 4,680,000	$ 4,375,000	$ 5,950,000
Less Retirements	(55,000)	(25,000)	(25,000)
Bonds Outstanding at End of Current Year	$ 4,625,000	$ 4,350,000	$ 5,925,000
Current Year Interest Paid:	$ 198,900	$ 173,656	$ 215,563

Bond Descriptions and Original Amount of Issue

(1) Harris County Utility District No. 16 Unlimited Tax Refunding Bonds, Series 2015 ($5,150,000)

(2) Harris County Utility District No. 16 Unlimited Tax Bonds, Series 2015 ($4,575,000)

(3) Harris County Utility District No. 16 Unlimited Tax Bonds, Series 2017 ($6,100,000)

Paying Agent/Registrar

(1) (2) (3) The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

Bond Authority	Tax Bonds	Other Bonds	Refunding Bonds
Amount Authorized by Voters:	$ 37,000,000.00	$ 0	$ 33,500,000.00
Amount Issued:	33,045,000.00		1,111,792.99
Remaining to be Issued:	3,955,000.00		32,388,207.01

HARRIS COUNTY UTILITY DISTRICT NO. 16

ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT (Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	(4)	(5)	(6)	Totals
Bond Series:	2018	2020	2021	
Interest Rate:	3.00% to 4.00%	2.125% to 2.45%	2.00% to 3.00%	
Dates Interest Payable:	March 1, September 1	March 1, September 1	March 1, September 1	
Maturity Dates:	September 1, 2026/2037	September 1, 2035/2048	September 1, 2026/2034	
Bonds Outstanding at Beginning of Current Year	$ 2,700,000	$ 3,750,000	$ 3,010,000	$ 24,465,000
Less Retirements	(55,000)	0	(565,000)	(725,000)
Bonds Outstanding at End of Current Year	$ 2,645,000	$ 3,750,000	$ 2,445,000	$ 23,740,000
Current Year Interest Paid:	$ 105,800	$ 89,756	$ 73,150	$ 856,825

Bond Descriptions and Original Amount of Issue

(4) Harris County Utility District No. 16 Unlimited Tax Refunding Bonds, Series 2018 ($2,920,000)

(5) Harris County Utility District No. 16 Unlimited Tax Bonds, Series 2020 ($3,750,000)

(6) Harris County Utility District No. 16 Unlimited Tax Refunding Bonds, Series 2021 ($4,145,000)

Paying Agent/Registrar

(4) (5) (6) The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

Net Debt Service Fund deposits balances as of September 30, 2025:	$1,758,587
Average annual debt service payment for remaining term of all debt:	1,485,929

HARRIS COUNTY UTILITY DISTRICT NO. 16

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES,
GENERAL FUND

FOR YEARS ENDED SEPTEMBER 30

	AMOUNT					PERCENT OF TOTAL REVENUES				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
REVENUES										
Property taxes	$ 1,498,146	$ 1,476,641	$ 1,101,543	$ 1,014,709	$ 926,357	41.6 %	41.8 %	36.5 %	36.9 %	35.2 %
Water service	604,214	603,214	596,971	576,470	557,312	16.8	17.1	19.7	21.0	21.2
Sewer service	527,704	528,278	518,220	500,480	492,654	14.7	15.0	17.1	18.2	18.8
Surface water fees	612,521	619,904	579,572	514,732	486,074	17.0	17.5	19.2	18.7	18.5
Tap connection and inspection fees	74,000	0	103,241	23,459	57,362	2.1	0.0	3.4	0.9	2.2
Interest earnings, penalty and other revenues	280,005	300,207	123,103	119,298	107,453	7.8	8.6	4.1	4.3	4.1
TOTAL REVENUES	3,596,590	3,528,244	3,022,650	2,749,148	2,627,212	100.0	100.0	100.0	100.0	100.0
EXPENDITURES										
Service operations:										
Professional fees	146,069	124,349	135,396	113,726	154,760	4.1	3.5	4.5	4.1	5.9
Contracted services	324,182	312,690	289,005	251,543	233,453	9.0	8.9	9.6	9.1	8.9
Utilities	97,004	97,029	102,294	96,065	91,026	2.7	2.8	3.4	3.5	3.5
Ground water pumpage fees	640,094	566,804	532,539	510,586	443,665	17.8	16.1	17.6	18.6	16.9
Repairs, maintenance and other operating expenditures	1,321,551	1,132,497	1,301,373	996,396	871,290	36.7	32.1	42.9	36.3	33.1
Security service	86,870	81,480	77,600	74,369	73,610	2.4	2.3	2.6	2.7	2.8
Garbage disposal	448,952	425,027	398,095	368,314	340,030	12.5	12.0	13.2	13.4	12.9
Administrative expenditures	129,484	152,018	144,988	98,507	79,450	3.6	4.3	4.8	3.6	3.0
Capital outlay	245,560	183,807	86,797	55,000	862,559	6.8	5.2	2.9	2.0	32.9
TOTAL EXPENDITURES	3,439,766	3,075,701	3,068,087	2,564,506	3,149,843	95.6	87.2	101.5	93.3	119.9
EXCESS REVENUES (EXPENDITURES)	$ 156,824	$ 452,543	$ (45,437)	$ 184,642	$ (522,631)	4.4 %	12.8 %	(1.5) %	6.7 %	(19.9) %
TOTAL ACTIVE RETAIL WATER CONNECTIONS	2,032	2,032	2,036	2,034	2,024					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	2,000	2,000	2,004	2,002	1,992					

See accompanying independent auditor's report.

HARRIS COUNTY UTILITY DISTRICT NO. 16

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES,
DEBT SERVICE FUND

FOR YEARS ENDED SEPTEMBER 30

	AMOUNT					PERCENT OF TOTAL REVENUES				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
REVENUES										
Property taxes	$ 1,499,483	$ 1,476,833	$ 1,629,674	$ 1,577,498	$ 1,714,722	91.7 %	90.9 %	93.2 %	96.5 %	97.5 %
Penalty and interest	39,262	27,436	22,577	35,449	20,921	2.4	1.7	1.3	2.2	1.2
Accrued interest on bonds received at date of sale	0	0	0	0	10,243	0.0	0.0	0.0	0.0	0.6
Interest on deposits and investments	97,153	121,045	96,779	20,821	11,878	5.9	7.4	5.5	1.3	0.7
TOTAL REVENUES	1,635,898	1,625,314	1,749,030	1,633,768	1,757,764	100.0	100.0	100.0	100.0	100.0
EXPENDITURES										
Current:										
Professional fees	16,740	8,685	9,301	5,768	9,139	1.0	0.5	0.5	0.4	0.5
Contracted services	62,482	63,136	57,524	56,977	57,178	3.8	3.9	3.3	3.5	3.3
Other expenditures	8,245	11,321	10,235	10,724	8,651	0.5	0.7	0.6	0.7	0.5
Debt service:										
Principal retirement	725,000	715,000	670,000	655,000	660,000	44.3	44.0	38.3	40.1	37.5
Interest and fees	861,775	885,163	906,750	927,588	924,980	52.7	54.5	51.9	56.7	52.6
TOTAL EXPENDITURES	1,674,242	1,683,305	1,653,810	1,656,057	1,659,948	102.3	103.6	94.6	101.4	94.4
EXCESS REVENUES (EXPENDITURES)	$ (38,344)	$ (57,991)	$ 95,220	$ (22,289)	$ 97,816	(2.3) %	(3.6) %	5.4 %	(1.4) %	5.6 %

See accompanying independent auditor's report.

HARRIS COUNTY UTILITY DISTRICT NO. 16

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS

SEPTEMBER 30, 2025

Complete District Mailing Address:	Harris County Utility District No. 16 c/o Marks Richardson PC 3700 Buffalo Speedway, Suite 830 Houston, Texas 77098
District Business Telephone No.:	713-942-9922

Submission date of the most recent District Registration Form: May 29, 2025

Limit on Fees of Office that a Director may receive during a fiscal year: $7,200

BOARD MEMBERS

Name and Address	Term of Office (Elected/ Appointed)	Fees of Office Paid	Expense Reimb.	Title at Year End
Patricia Ann Tope c/o Marks Richardson PC 3700 Buffalo Sp., Ste. 830 Houston, Texas 77098	Elected 11/08/22- 11/10/26	$ 7,200	$ 3,363	President
Susan Wescott c/o Marks Richardson PC 3700 Buffalo Sp., Ste. 830 Houston, Texas 77098	Elected 11/08/22- 11/10/26	5,525	833	Vice President
Michele Z. Womack c/o Marks Richardson PC 3700 Buffalo Sp., Ste. 830 Houston, Texas 77098	Elected 11/05/24- 11/07/28	6,188	1,330	Secretary
Manny Mones c/o Marks Richardson PC 3700 Buffalo Sp., Ste. 830 Houston, Texas 77098	Elected 11/05/24- 11/07/28	6,851	1,993	Director
Marilyn Daniel c/o Marks Richardson PC 3700 Buffalo Sp., Ste. 830 Houston, Texas 77098	Elected 11/05/24- 11/07/28	7,200	2,352	Treasurer

HARRIS COUNTY UTILITY DISTRICT NO. 16

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (Continued)

SEPTEMBER 30, 2025

CONSULTANTS

Name and Address	Date Hired	Fees and Expense Reimbursements	Title at Year End
Marks Richardson PC 3700 Buffalo Speedway, Suite 830 Houston, Texas 77098	1/10/03	$ 76,344	Attorney
Ted A. Cox, P.C. 3855 Mangum Road, Suite 100 Houston, Texas 77092	Prior to 10/01/00	16,740	Delinquent Tax Attorney
Municipal Accounts & Consulting, L.P. 1300 Post Oak Blvd., Suite 1600 Houston, Texas 77056	4/11/03	69,564	Bookkeeper
Mark M. Burton/ Ghia Lewis 1300 Post Oak Blvd., Suite 1600 Houston, Texas 77056	2/13/04 7/10/09	0	Investment Officer
Inframark, LLC 2002 Grand Parkway North, Suite 100 Katy, Texas 77449	4/24/84	1,399,096	Operator
Burke Engineering, LLC 10590 Westoffice Drive, #125 Houston, Texas 77042	3/10/23	81,735	Engineer
B & A Municipal Tax Service, LLC 13333 Northwest Freeway, Suite 505 Houston, Texas 77040	9/09/11	52,295	Tax Assessor-Collector
Harris County Appraisal District P.O. Box 900275 Houston, Texas 77292	Legislative Action	21,859	Central Appraisal District
Rathmann & Associates, L.P. 8584 Katy Freeway, Suite 250 Houston, Texas 77024	4/11/03	0	Financial Advisor
Mark C. Eyring, CPA, PLLC 12702 Century Drive, Suite C2 Stafford, Texas 77477	Prior to 10/01/91	13,950	Independent Auditor