



**Nottingham Country Municipal
Utility District
Harris County, Texas**

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

September 30, 2025



Nottingham Country Municipal Utility District
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September 30, 2025

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Independent Auditor's Report

Board of Directors
Nottingham Country Municipal Utility District
Harris County, Texas

Opinions

We have audited the financial statements of the governmental activities and the general fund of Nottingham Country Municipal Utility District (District), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District, as of September 30, 2025, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedules required by the Texas Commission on Environmental Quality listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Forvis Mazars, LLP

**Houston, Texas
February 10, 2026**

**Nottingham Country Municipal Utility District
Management's Discussion and Analysis
Year Ended September 30, 2025**

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 recreational 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 a 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.

**Nottingham Country Municipal Utility District
Management’s Discussion and Analysis
Year Ended September 30, 2025**

Governmental Funds

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

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

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

Notes to Financial Statements

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

Financial Analysis of the District as a Whole

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

Summary of Net Position

	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 20,984,752	\$ 19,121,323
Capital assets	<u>20,723,409</u>	<u>19,258,495</u>
Total assets	<u>\$ 41,708,161</u>	<u>\$ 38,379,818</u>
Other liabilities	<u>\$ 632,571</u>	<u>\$ 535,509</u>
Net position		
Investment in capital assets	20,439,068	19,017,538
Unrestricted	<u>20,636,522</u>	<u>18,826,771</u>
Total net position	<u>\$ 41,075,590</u>	<u>\$ 37,844,309</u>

The total net position of the District increased by \$3,231,281, or about 9%. The majority of the increase in net position is related to property taxes and charges for services revenues exceeding services expenses.

**Nottingham Country Municipal Utility District
Management's Discussion and Analysis
Year Ended September 30, 2025**

Summary of Changes in Net Position

	<u>2025</u>	<u>2024</u>
Revenues		
Property taxes	\$ 3,331,751	\$ 3,350,561
Charges for services	3,002,333	2,921,202
Other revenues	<u>1,069,048</u>	<u>1,053,845</u>
Total revenues	<u>7,403,132</u>	<u>7,325,608</u>
Expenses		
Services	3,078,810	3,222,003
Depreciation	<u>1,093,041</u>	<u>976,849</u>
Total expenses	<u>4,171,851</u>	<u>4,198,852</u>
Change in net position	3,231,281	3,126,756
Net position, beginning of year	<u>37,844,309</u>	<u>34,717,553</u>
Net position, end of year	<u><u>\$ 41,075,590</u></u>	<u><u>\$ 37,844,309</u></u>

Financial Analysis of the District's Fund

The general fund's fund balance increased by \$1,750,740 primarily due to property taxes and services revenues and investment income exceeding service operations and 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 contracted services and recreational facilities expenditures being greater than anticipated, as well as property tax revenues and regional water authority, repairs and maintenance, and capital outlay expenditures being less than anticipated. In addition, insurance reimbursement proceeds received were not included in the budget. The fund balance as of September 30, 2025 was expected to be \$12,713,234, and the actual end-of-year fund balance was \$20,239,511.

Capital Assets and Related Debt

Capital Assets

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

Capital Assets (Net of Accumulated Depreciation)

	<u>2025</u>	<u>2024</u>
Land and improvements	\$ 422,593	\$ 422,593
Construction in progress	2,622,884	2,847,656
Water facilities	6,283,392	6,708,813
Wastewater facilities	7,017,110	4,895,190
Parks and recreation	<u>4,377,430</u>	<u>4,384,243</u>
Total capital assets	<u><u>\$ 20,723,409</u></u>	<u><u>\$ 19,258,495</u></u>

**Nottingham Country Municipal Utility District
Management’s Discussion and Analysis
Year Ended September 30, 2025**

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

Construction in progress related to water well No. 2 electrical facilities replacement; water well No. 3 flood mitigation improvements; sanitary sewer large diameter rehabilitation; water plant valve replacements; wastewater treatment plant driveway and gate addition; and pavillion and playground amenity enhancements	\$ 2,344,666
Drinking fountain replacement	19,494
New water well motor	73,898
Harvey mitigation of wastewater treatment plant motor control center	<u>119,897</u>
Total additions to capital assets	<u><u>\$ 2,557,955</u></u>

Debt

At September 30, 2025, the District had \$50,000,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing, and improving the water, sanitary sewer, and drainage systems within the District.

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 City complies with the requirements of Chapter 43, Texas Local Government Code, as amended, which includes voter approval. 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.

**Nottingham Country Municipal Utility District
Statement of Net Position and Governmental Fund Balance Sheet
September 30, 2025**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets			
Cash	\$ 407,908	\$ -	\$ 407,908
Certificates of deposit	1,880,000	-	1,880,000
Short-term investments	18,340,034	-	18,340,034
Receivables			
Property taxes	69,290	-	69,290
Service accounts	213,632	-	213,632
Accrued penalty and interest	-	43,380	43,380
Accrued interest	21,855	-	21,855
Prepaid expenditures	8,653	-	8,653
Capital assets (net of accumulated depreciation)			
Land and improvements	-	422,593	422,593
Construction in progress	-	2,622,884	2,622,884
Infrastructure	-	13,300,502	13,300,502
Parks and recreation	-	4,377,430	4,377,430
Total Assets	<u>\$ 20,941,372</u>	<u>\$ 20,766,789</u>	<u>\$ 41,708,161</u>

**Nottingham Country Municipal Utility District
Statement of Net Position and Governmental Fund Balance Sheet
September 30, 2025**

(Continued)

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Liabilities			
Accounts payable	\$ 401,620	\$ -	\$ 401,620
Retainage payable	213,765	-	213,765
Customer deposits	4,500	-	4,500
Due to others	12,686	-	12,686
Total Liabilities	<u>632,571</u>	<u>-</u>	<u>632,571</u>
Deferred Inflows of Resources			
Deferred property tax revenues	69,290	(69,290)	-
Fund Balance/Net Position			
Fund balance			
Nonspendable, prepaid expenditures	8,653	(8,653)	-
Assigned, future expenditures	4,872,628	(4,872,628)	-
Unassigned	15,358,230	(15,358,230)	-
Total fund balance	<u>20,239,511</u>	<u>(20,239,511)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 20,941,372</u>		
Net position			
Investment in capital assets		20,439,068	20,439,068
Unrestricted		20,636,522	20,636,522
Total net position		<u>\$ 41,075,590</u>	<u>\$ 41,075,590</u>

**Nottingham Country Municipal Utility District
Statement of Activities and Governmental Fund Revenues,
Expenditures, and Changes in Fund Balance
Year Ended September 30, 2025**

	General Fund	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 3,322,974	\$ 8,777	\$ 3,331,751
Water service	830,440	-	830,440
Sewer service	474,000	-	474,000
Regional water fee	1,697,893	-	1,697,893
Penalty and interest	51,094	6,850	57,944
Tap connection and inspection fees	4,154	-	4,154
Investment income	926,898	-	926,898
Other income	433	79,619	80,052
Total Revenues	7,307,886	95,246	7,403,132
Expenditures/Expenses			
Service operations			
Purchased services	2,180	-	2,180
Regional water authority	841,030	-	841,030
Professional fees	237,022	-	237,022
Contracted services	269,637	9,770	279,407
Utilities	321,572	-	321,572
Recreational facilities	285,777	22,048	307,825
Repairs and maintenance	745,973	107,936	853,909
Other expenditures	235,865	-	235,865
Capital outlay	2,697,709	(2,697,709)	-
Depreciation	-	1,093,041	1,093,041
Total Expenditures/Expenses	5,636,765	(1,464,914)	4,171,851
Excess of Revenues Over Expenditures	1,671,121	1,560,160	
Other Financing Sources			
Insurance reimbursement	79,619	(79,619)	
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,750,740	(1,750,740)	
Change in Net Position		3,231,281	3,231,281
Fund Balance/Net Position			
Beginning of year	18,488,771	-	37,844,309
End of year	<u>\$ 20,239,511</u>	<u>\$ -</u>	<u>\$ 41,075,590</u>

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

Nottingham Country Municipal Utility District (District) was created by an order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (Commission), effective February 24, 1981, in accordance with the Texas Water Code, Article XVI, Chapter 59. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code, as amended, and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own, and operate waterworks, wastewater, and drainage facilities and to provide such facilities and services to the customers of the District.

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

Reporting Entity

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

Government-Wide and Fund Financial Statements

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

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

The fund financial statements provide information about the District's governmental fund. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental fund:

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.

Fund Balance – Governmental Fund

The fund balance for the District's governmental fund can be displayed in up to five components:

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

**Nottingham Country Municipal Utility District
Notes to Financial Statements
September 30, 2025**

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 fund revenues, expenditures, and changes in fund balance 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 fund 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.

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 fund, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended September 30, 2025 include collections during the current period or within 60 days of fiscal year-end related to the 2024 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended September 30, 2025, the 2024 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

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

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

**Nottingham Country Municipal Utility District
Notes to Financial Statements
September 30, 2025**

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
Park improvements	5-45 years

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 Balance

Fund balance 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 balance in the governmental fund balance sheet are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the fund.	\$ 20,723,409
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	69,290
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the fund.	<u>43,380</u>
Adjustment to fund balance to arrive at net position.	<u><u>\$ 20,836,079</u></u>

**Nottingham Country Municipal Utility District
Notes to Financial Statements
September 30, 2025**

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

Change in fund balance.	\$ 1,750,740
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The governmental fund reports capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded noncapitalized costs and depreciation expense in the current period.	1,464,914
---	-----------

Revenues that do not provide current financial resources are not reported as revenues for the fund but are reported as revenues in the statement of activities.	<u>15,627</u>
---	---------------

Change in net position of governmental activities.	<u><u>\$ 3,231,281</u></u>
--	----------------------------

Note 2. Deposits, Investments, and Investment Income

Deposits

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

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

At September 30, 2025, none of the District’s bank balances were exposed to custodial credit risk.

Investments

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

The District’s investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas CLASS, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Trustees, elected by the participants, has oversight of Texas CLASS. The District’s investments may be redeemed at any time. Texas CLASS attempts to minimize its exposure to market

Nottingham Country Municipal Utility District
Notes to Financial Statements
September 30, 2025

and credit risk through the use of various strategies and credit monitoring techniques and limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. The District's investments in Texas CLASS are reported at net asset value.

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

Type	Maturities in Years				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
Texas CLASS	\$ 18,340,034	\$ 18,340,034	\$ -	\$ -	\$ -

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

Credit Risk. Credit Risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2025, the District's investments in Texas CLASS were rated "AAAm" by Standard and Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet at September 30, 2025 as follows:

Carrying value	
Deposits	\$ 2,287,908
Investments	<u>18,340,034</u>
Total	<u>\$ 20,627,942</u>

Included in the following statement of net position captions:

Cash	\$ 407,908
Certificates of deposit	1,880,000
Short-term investments	<u>18,340,034</u>
Total	<u>\$ 20,627,942</u>

Investment Income

Investment income of \$926,898 for the year ended September 30, 2025 consisted of interest income.

Fair Value Measurements

The District has the following recurring fair value measurements as of September 30, 2025:

- Pooled investments of \$18,340,034 are valued at fair value per share of the pool's underlying portfolio.

Nottingham Country Municipal Utility District
Notes to Financial Statements
September 30, 2025

Note 3. Capital Assets

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

<u>Governmental Activities</u>	<u>Balances, Beginning of Year</u>	<u>Additions</u>	<u>Reclassi- fications</u>	<u>Balances, End of Year</u>
Capital assets, non-depreciable				
Land and improvements	\$ 422,593	\$ -	\$ -	\$ 422,593
Parks and recreation	3,642,008	-	-	3,642,008
Construction in progress	<u>2,847,656</u>	<u>2,344,666</u>	<u>(2,569,438)</u>	<u>2,622,884</u>
Total capital assets, non-depreciable	<u>6,912,257</u>	<u>2,344,666</u>	<u>(2,569,438)</u>	<u>6,687,485</u>
Capital assets, depreciable				
Water production and distribution facilities	17,070,082	73,898	-	17,143,980
Wastewater collection and treatment facilities	12,047,370	119,897	2,520,389	14,687,656
Parks and recreation	<u>1,054,651</u>	<u>19,494</u>	<u>49,049</u>	<u>1,123,194</u>
Total capital assets, depreciable	<u>30,172,103</u>	<u>213,289</u>	<u>2,569,438</u>	<u>32,954,830</u>
Less accumulated depreciation				
Water production and distribution facilities	(10,361,269)	(499,319)	-	(10,860,588)
Wastewater collection and treatment facilities	(7,152,180)	(518,366)	-	(7,670,546)
Parks and recreation	<u>(312,416)</u>	<u>(75,356)</u>	<u>-</u>	<u>(387,772)</u>
Total accumulated depreciation	<u>(17,825,865)</u>	<u>(1,093,041)</u>	<u>-</u>	<u>(18,918,906)</u>
Total governmental activities, net	<u>\$ 19,258,495</u>	<u>\$ 1,464,914</u>	<u>\$ -</u>	<u>\$ 20,723,409</u>

Note 4. Long-Term Liabilities

Bonds voted	\$ 79,250,000
Bonds sold	29,250,000
Refunding bonds voted	5,000,000
Refunding bond authorization used	1,925,000

Note 5. Maintenance Taxes

At an election held May 6, 2017, voters authorized a maintenance tax not to exceed \$0.50 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended September 30, 2025, the District levied an ad valorem maintenance tax at the rate of \$0.2600 per \$100 of assessed valuation, which resulted in a tax levy of \$3,339,990 on the taxable valuation of \$1,284,611,363 for the 2024 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 6. 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 September 30, 2025, the Authority was billing the District \$3.95 per 1,000 gallons of water pumped from its wells. The District is billing each user of District water for any purpose \$4.35 per 1,000 gallons of water. The amount charged by the Authority is subject to future adjustments.

Note 7. 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.

Required Supplementary Information

**Nottingham Country Municipal Utility District
 Budgetary Comparison Schedule – General Fund
 Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property taxes	\$ 3,470,529	\$ 3,322,974	\$ (147,555)
Water service	853,300	830,440	(22,860)
Sewer service	480,300	474,000	(6,300)
Regional water fee	1,712,400	1,697,893	(14,507)
Penalty and interest	35,900	51,094	15,194
Tap connection and inspection fees	4,900	4,154	(746)
Investment income	926,200	926,898	698
Other income	-	433	433
Total Revenues	<u>7,483,529</u>	<u>7,307,886</u>	<u>(175,643)</u>
Expenditures			
Service operations			
Purchased services	1,500	2,180	(680)
Regional water authority	1,013,300	841,030	172,270
Professional fees	242,500	237,022	5,478
Contracted services	209,700	269,637	(59,937)
Utilities	341,309	321,572	19,737
Recreational facilities	187,185	285,777	(98,592)
Repairs and maintenance	1,038,991	745,973	293,018
Other expenditures	226,474	235,865	(9,391)
Capital outlay	9,998,107	2,697,709	7,300,398
Total Expenditures	<u>13,259,066</u>	<u>5,636,765</u>	<u>7,622,301</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,775,537)	1,671,121	7,446,658
Other Financing Sources			
Insurance reimbursement	-	79,619	79,619
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(5,775,537)	1,750,740	7,526,277
Fund Balance, Beginning of Year	<u>18,488,771</u>	<u>18,488,771</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 12,713,234</u>	<u>\$ 20,239,511</u>	<u>\$ 7,526,277</u>

Budgets and Budgetary Accounting

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

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

Supplementary Information

**Nottingham Country Municipal Utility District
Other Schedules Included Within This Report
September 30, 2025**

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

- Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 10–17
- Schedule of Services and Rates
- Schedule of General Fund Expenditures
- Schedule of Temporary Investments
- Analysis of Taxes Levied and Receivable
- Schedule of Long-Term Debt Service Requirements by Years – Not Applicable
- Changes in Long-Term Bonded Debt – Not Applicable
- Comparative Schedules of Revenues and Expenditures – General Fund and Debt Service Fund –
Five Years
- Board Members, Key Personnel, and Consultants

**Nottingham Country Municipal Utility District
 Schedule of Services and Rates
 Year Ended September 30, 2025**

1. Services provided by the District

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

2. Retail service providers

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

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate Per 1,000 Gallons Over Minimum</u>	<u>Usage Levels</u>	
Water:	\$ 16.00	8,000	N	\$ 1.60	8,001 to	20,000
				\$ 1.90	20,001 to	No Limit
Wastewater:	\$ 16.00	-	Y			
Regional water fee:	\$ 4.35	1	N	\$ 4.35	1,001 to	No Limit
Does the District employ winter averaging for wastewater usage?					Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Total charges per 10,000 gallons usage (including fees):				Water \$ 62.70	Wastewater	\$ 16.00

b. Water and wastewater retail connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFC*</u>
Unmetered	-	-	x1.0	-
≤ 3/4"	1,559	1,547	x1.0	1,547
1"	634	633	x2.5	1,583
1 1/2"	116	116	x5.0	580
2"	44	44	x8.0	352
3"	1	1	x15.0	15
4"	1	1	x25.0	25
6"	-	-	x50.0	-
8"	1	1	x80.0	80
10"	-	-	x115.0	-
Total water	2,356	2,343		4,182
Total wastewater	2,239	2,228	x1.0	2,228

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

Gallons pumped into the system:	436,304
Gallons billed to customers:	404,001
Water accountability ratio (gallons billed/gallons pumped):	92.60%

*"ESFC" means equivalent single-family connections

**Nottingham Country Municipal Utility District
Schedule of General Fund Expenditures
Year Ended September 30, 2025**

Personnel (including benefits)		\$	-
Professional Fees			
Auditing	\$ 24,700		
Legal	127,880		
Engineering	77,442		
Financial advisor	<u>7,000</u>		237,022
Purchased Services for Resale			
Bulk water and wastewater service purchases			2,180
Regional Water Authority			841,030
Contracted Services			
Bookkeeping	55,306		
General manager	-		
Appraisal district	23,892		
Tax collector	41,928		
Security	-		
Other contracted services	<u>135,644</u>		256,770
Utilities			321,572
Repairs and Maintenance			745,973
Administrative Expenditures			
Directors' fees	14,365		
Office supplies	31,878		
Insurance	69,270		
Other administrative expenditures	<u>120,352</u>		235,865
Capital Outlay			
Capitalized assets	2,557,955		
Expenditures not capitalized	<u>139,754</u>		2,697,709
Tap Connection Expenditures			-
Solid Waste Disposal			12,867
Fire Fighting			-
Parks and Recreation			285,777
Lease Expenditures			-
Other Expenditures			<u>-</u>
Total Expenditures		\$	<u><u>5,636,765</u></u>

**Nottingham Country Municipal Utility District
Schedule of Temporary Investments
September 30, 2025**

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Face Amount</u>	<u>Accrued Interest Receivable</u>
General Fund				
Certificates of Deposit				
No. 91300012327525	4.50%	04/21/26	\$ 235,000	\$ 4,752
No. 4207569	4.00%	03/24/26	235,000	4,893
No. 2000000357	4.18%	11/19/25	235,000	3,499
No. 4400068470	4.00%	03/15/26	235,000	386
No. 108972	4.07%	05/19/26	235,000	3,511
No. 6000060951	4.15%	08/09/26	235,000	1,389
No. 1001100451	4.05%	07/22/26	235,000	913
No. 6550127777	4.15%	06/28/26	235,000	2,512
Texas CLASS	4.26%	Demand	<u>18,340,034</u>	<u>-</u>
			<u>\$ 20,220,034</u>	<u>\$ 21,855</u>

**Nottingham Country Municipal Utility District
 Analysis of Taxes Levied and Receivable
 Year Ended September 30, 2025**

	<u>Maintenance Taxes</u>	<u>Debt Service Taxes</u>
Receivable, Beginning of Year	\$ 52,996	\$ 7,517
Additions and corrections to prior years' taxes	<u>(7,930)</u>	<u>(309)</u>
Adjusted Receivable, Beginning of Year	<u>45,066</u>	<u>7,208</u>
2024 Original Tax Levy	3,232,082	-
Additions and corrections	<u>107,908</u>	<u>-</u>
Adjusted tax levy	<u>3,339,990</u>	<u>-</u>
Total to Be Accounted for	3,385,056	7,208
Tax collections:		
Current year	(3,318,809)	-
Prior years	<u>(4,165)</u>	<u>-</u>
Receivable, End of Year	<u>\$ 62,082</u>	<u>\$ 7,208</u>
Receivable, by Years		
2024	\$ 21,181	\$ -
2023	12,820	-
2022	6,596	-
2021	5,042	-
2020	2,644	813
2019	2,414	869
2018	2,158	777
2017	1,201	433
2016	1,201	433
2015	1,102	419
2014	985	492
2013 and prior	<u>4,738</u>	<u>2,972</u>
Receivable, End of Year	<u>\$ 62,082</u>	<u>\$ 7,208</u>

**Nottingham Country Municipal Utility District
Analysis of Taxes Levied and Receivable
Year Ended September 30, 2025**

(Continued)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Property Valuations				
Land	\$ 321,662,924	\$ 321,331,818	\$ 268,476,050	\$ 247,616,213
Improvements	1,061,534,210	996,189,555	938,146,188	835,068,090
Personal property	18,661,007	18,043,193	18,712,571	13,604,285
Exemptions	<u>(117,246,778)</u>	<u>(114,123,013)</u>	<u>(108,703,776)</u>	<u>(96,963,686)</u>
Total Property Valuations	<u>\$ 1,284,611,363</u>	<u>\$ 1,221,441,553</u>	<u>\$ 1,116,631,033</u>	<u>\$ 999,324,902</u>
Tax Rates per \$100 Valuation				
Debt service tax rates	\$ -	\$ -	\$ -	\$ -
Maintenance tax rates*	<u>0.2600</u>	<u>0.2750</u>	<u>0.2750</u>	<u>0.3000</u>
Total Tax Rates per \$100 Valuation	<u>\$ 0.2600</u>	<u>\$ 0.2750</u>	<u>\$ 0.2750</u>	<u>\$ 0.3000</u>
Tax Levy	<u>\$ 3,339,990</u>	<u>\$ 3,358,965</u>	<u>\$ 3,070,736</u>	<u>\$ 2,997,975</u>
Percent of Taxes Collected to Taxes Levied**	<u>99%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>

*Maximum tax rate approved by voters: \$0.50 on May 6, 2017

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

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 230,239,873	\$ 228,293,938	\$ 226,822,311	\$ 226,148,076	\$ 225,994,519	\$ 204,067,953
804,592,571	808,579,502	793,370,424	818,781,008	816,697,127	750,719,976
14,132,764	13,794,145	12,852,498	12,021,445	12,355,775	12,166,944
(92,587,550)	(89,634,411)	(88,214,768)	(84,174,934)	(82,976,248)	(69,007,051)
<u>\$ 956,377,658</u>	<u>\$ 961,033,174</u>	<u>\$ 944,830,465</u>	<u>\$ 972,775,595</u>	<u>\$ 972,071,173</u>	<u>\$ 897,947,822</u>
\$ 0.0800	\$ 0.0900	\$ 0.0900	\$ 0.0900	\$ 0.0900	\$ 0.0950
<u>0.2600</u>	<u>0.2500</u>	<u>0.2500</u>	<u>0.2500</u>	<u>0.2500</u>	<u>0.2500</u>
<u>\$ 0.3400</u>	<u>\$ 0.3450</u>				
<u>\$ 3,251,684</u>	<u>\$ 3,267,513</u>	<u>\$ 3,212,424</u>	<u>\$ 3,307,437</u>	<u>\$ 3,305,042</u>	<u>\$ 3,097,917</u>
<u>99%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>

**Nottingham Country Municipal Utility District
 Analysis of Taxes Levied and Receivable
 Year Ended September 30, 2025**

(Continued)

Tax rate for any other special districts which (a) encompass less than a county; (b) provide water, wastewater collection, drainage, or roads to property in the District; and (c) tax property in the District.

<u>Name of Special District(s)</u>	<u>Service Provided</u>	<u>Tax Rate</u>
N/A	N/A	\$ N/A
Total rate(s) of special district(s)		\$ N/A

Tax rate for all overlapping jurisdictions. Include any taxing entities which overlap 10% or more of the District.

<u>Tax Jurisdiction</u>	<u>Tax Rate</u>
a. County <u>Harris (and related entities)</u>	\$ 0.6086890
b. City _____	-
c. School district <u>Katy Independent School District</u>	1.1171000
d. Special districts not included above:	
<u>Harris County Emergency Services District No. 48</u>	0.0995620
_____	-
_____	-
e. Total special district (from top of this page)	-
f. Total District tax rate (from previous page)	<u>0.2600000</u>
g. Total overlapping tax rate (sum of a.-f.)	<u>\$ 2.0853510</u>

**Nottingham Country Municipal Utility District
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended September 30,**

	Amounts				
	2025	2024	2023	2022	2021
General Fund					
Revenues					
Property taxes	\$ 3,322,974	\$ 3,361,244	\$ 3,069,328	\$ 2,977,309	\$ 2,496,231
Water service	830,440	808,247	868,698	846,944	760,719
Sewer service	474,000	474,735	473,763	471,820	467,534
Regional water fee	1,697,893	1,638,220	1,774,139	1,614,508	1,319,727
Penalty and interest	51,094	75,116	60,740	43,220	19,308
Tap connection and inspection fees	4,154	8,400	15,900	3,375	4,150
Investment income	926,898	958,556	729,834	98,252	20,516
Other income	433	19,755	34,790	34	-
Total Revenues	<u>7,307,886</u>	<u>7,344,273</u>	<u>7,027,192</u>	<u>6,055,462</u>	<u>5,088,185</u>
Expenditures					
Service operations					
Purchased services	2,180	1,052	1,007	20,353	1,161
Regional water authority	841,030	977,678	1,192,125	860,521	1,150,286
Professional fees	237,022	206,650	228,548	199,388	163,966
Contracted services	269,637	269,740	253,348	231,431	162,165
Utilities	321,572	313,907	304,270	207,303	168,799
Recreational facilities	285,777	188,215	234,141	170,776	146,909
Repairs and maintenance	745,973	982,991	892,618	854,787	732,172
Other expenditures	235,865	229,377	183,224	172,300	161,932
Tap connections	-	3,714	3,750	-	4,232
Capital outlay	2,697,709	1,614,291	1,498,605	853,092	2,270,848
Total Expenditures	<u>5,636,765</u>	<u>4,787,615</u>	<u>4,791,636</u>	<u>3,569,951</u>	<u>4,962,470</u>
Excess of Revenues Over Expenditures	<u>1,671,121</u>	<u>2,556,658</u>	<u>2,235,556</u>	<u>2,485,511</u>	<u>125,715</u>
Other Financing Sources (Uses)					
Insurance reimbursement	79,619	-	-	-	-
Interfund transfers in (out)	-	-	-	65,884	(2,168,043)
Total Other Financing Sources (Uses)	<u>79,619</u>	<u>-</u>	<u>-</u>	<u>65,884</u>	<u>(2,168,043)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>1,750,740</u>	<u>2,556,658</u>	<u>2,235,556</u>	<u>2,551,395</u>	<u>(2,042,328)</u>
Fund Balance, Beginning of Year	<u>18,488,771</u>	<u>15,932,113</u>	<u>13,696,557</u>	<u>11,145,162</u>	<u>13,187,490</u>
Fund Balance, End of Year	<u>\$ 20,239,511</u>	<u>\$ 18,488,771</u>	<u>\$ 15,932,113</u>	<u>\$ 13,696,557</u>	<u>\$ 11,145,162</u>
Total Active Retail Water Connections	<u>2,343</u>	<u>2,349</u>	<u>2,346</u>	<u>2,340</u>	<u>2,343</u>
Total Active Retail Wastewater Connections	<u>2,228</u>	<u>2,232</u>	<u>2,230</u>	<u>2,226</u>	<u>2,228</u>

Percent of Fund Total Revenues

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
45.5 %	45.8 %	43.7 %	49.2 %	49.0 %
11.3	11.0	12.4	14.0	15.0
6.5	6.5	6.7	7.8	9.2
23.2	22.3	25.2	26.6	25.9
0.7	1.0	0.9	0.7	0.4
0.1	0.1	0.2	0.1	0.1
12.7	13.0	10.4	1.6	0.4
0.0	0.3	0.5	0.0	-
100.0	100.0	100.0	100.0	100.0
0.0	0.0	0.0	0.3	0.0
11.5	13.3	17.0	14.2	22.6
3.3	2.8	3.3	3.3	3.2
3.7	3.7	3.6	3.8	3.2
4.4	4.3	4.3	3.4	3.3
3.9	2.5	3.3	2.8	2.9
10.2	13.4	12.7	14.2	14.4
3.2	3.1	2.6	2.8	3.2
-	0.1	0.1	-	0.1
36.9	22.0	21.3	14.1	44.6
77.1	65.2	68.2	58.9	97.5
22.9 %	34.8 %	31.8 %	41.1 %	2.5 %

**Nottingham Country Municipal Utility District
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Five Years Ended September 30,**

	Amounts				
	2025	2024	2023	2022	2021
Debt Service Fund					
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 769,279
Penalty and interest	-	-	-	-	34,086
Investment income	-	-	-	15	722
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>804,087</u>
Expenditures					
Current					
Professional fees	-	-	-	-	9,765
Contracted services	-	-	-	-	58,692
Other expenditures	-	-	-	-	7,243
Debt service					
Principal retirement	-	-	-	-	3,065,000
Interest and fees	-	-	-	-	65,105
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,205,805</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	15	(2,401,718)
Other Financing Sources (Uses)					
Interfund transfers in (out)	-	-	-	(65,884)	2,168,043
Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	-	-	(65,869)	(233,675)
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,869</u>	<u>299,544</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,869</u>

Percent of Fund Total Revenues				
2025	2024	2023	2022	2021
- %	- %	- %	- %	95.7 %
-	-	-	-	4.2
-	-	-	100.0	0.1
-	-	-	100.0	100.0
-	-	-	-	1.2
-	-	-	-	7.3
-	-	-	-	0.9
-	-	-	-	381.2
-	-	-	-	8.1
-	-	-	-	398.7
<u>- %</u>	<u>- %</u>	<u>- %</u>	<u>100.0 %</u>	<u>(298.7) %</u>

**Nottingham Country Municipal Utility District
Board Members, Key Personnel, and Consultants
Year Ended September 30, 2025**

Complete District mailing address:	Nottingham Country Municipal Utility District c/o Allen Boone Humphries Robinson LLP 3200 Southwest Freeway, Suite 2600 Houston, TX 77027
District business telephone number:	713.860.6400
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	May 19, 2025
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

<u>Board Members</u>	<u>Term of Office Elected & Expires</u>	<u>Fees*</u>	<u>Expense Reimbursements</u>	<u>Title at Year-End</u>
Vaughan Brown	Elected 05/24– 05/28	\$ 4,420	\$ 2,862	President
Alan Wiggins	Elected 05/22– 05/26	4,199	3,237	Vice President
Stanley Motyka	Appointed 06/24– 05/26	2,210	336	Secretary
Wade K. Skelton	Elected 05/22– 05/26	1,547	172	Assistant Vice President
Adriana B. Diesen	Appointed 04/25– 05/28	884	121	Assistant Secretary
Ronald E. Hudson	Elected 05/24– 02/25	1,105	107	Resigned

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

**Nottingham Country Municipal Utility District
Board Members, Key Personnel, and Consultants
Year Ended September 30, 2025**

(Continued)

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Allen Boone Humphries Robinson LLP	07/28/03	\$ 133,481	General Counsel
Forvis Mazars, LLP	09/21/98	24,700	Auditor
Harris Central Appraisal District	Legislative Action	23,892	Appraiser
IDS Engineering Group	09/15/03	293,261	Engineer
KGA/DeForest Design, LLC	01/05/06	41,669	Landscape Architect
Masterson Advisors LLC	05/21/18	7,000	Financial Advisor
Municipal Accounts & Consulting, L.P.	05/18/20	59,934	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/16/92	4,268	Delinquent Tax Attorney
Si Environmental LLC	05/15/12	852,050	Operator
Tax Tech, Inc.	01/01/08	50,027	Tax Assessor/ Collector
Investment Officers			
Mark M. Burton and Ghia Lewis	06/15/20	N/A	Bookkeepers