

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116

FORT BEND COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2025

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McCall Gibson Swedlund Barfoot Ellis PLLC

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fort Bend County Municipal
Utility District No. 116
Fort Bend County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 116 (the "District") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2025, and the respective changes in financial position 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. 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 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 the District'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

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 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, 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 the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund 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 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 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.

Board of Directors
Fort Bend County Municipal Utility District No. 116

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 supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is 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. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot Ellis PLLC

McCall Gibson Swedlund Barfoot Ellis PLLC
Certified Public Accountants
Houston, Texas

April 7, 2026

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Management’s discussion and analysis of Fort Bend County Municipal Utility District No. 116’s (the “District”) financial performance provides an overview of the District’s financial activities for the fiscal year ended December 31, 2025. Please read it in conjunction with the District’s financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. This report also includes required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District’s annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District’s overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes all of the District’s assets, liabilities and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District’s net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025**

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") and other supplementary information. A budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$27,925,707 as of December 31, 2025.

A portion of the District's net position reflects its net investment in capital assets (e.g. land and land improvements, construction in progress, buildings and other assets, and water, wastewater and drainage facilities, less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide water and wastewater services.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following is a comparative analysis of government-wide changes in net position:

	Summary of Changes in the Statement of Net Position		
	2025	2024	Change Positive (Negative)
Current and Other Assets	\$ 23,067,295	\$ 22,046,511	\$ 1,020,784
Capital Assets (Net of Accumulated Depreciation)	22,287,901	21,764,383	523,518
Total Assets	\$ 45,355,196	\$ 43,810,894	\$ 1,544,302
Deferred Outflows of Resources	\$ 174,529	\$ 203,352	\$ (28,823)
Bonds Payable	\$ 10,825,125	\$ 12,672,766	\$ 1,847,641
Other Liabilities	1,253,161	910,183	(342,978)
Total Liabilities	\$ 12,078,286	\$ 13,582,949	\$ 1,504,663
Deferred Inflows of Resources	\$ 5,525,732	\$ 5,575,253	\$ 49,521
Net Position:			
Net Investment in Capital Assets	\$ 11,876,152	\$ 9,692,789	\$ 2,183,363
Restricted	980,621	1,077,893	(97,272)
Unrestricted	15,068,934	14,085,362	983,572
Total Net Position	\$ 27,925,707	\$ 24,856,044	\$ 3,069,663

The following table provides a summary of the District's operations for the years ended December 31, 2025, and December 31, 2024. The District's net position increased by \$3,069,663.

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 5,279,373	\$ 5,352,257	\$ (72,884)
Charges for Services	2,555,402	2,363,161	192,241
Other Revenues	1,235,373	1,369,219	(133,846)
Total Revenues	\$ 9,070,148	\$ 9,084,637	\$ (14,489)
Expenses for Services	6,000,485	5,387,301	(613,184)
Change in Net Position	\$ 3,069,663	\$ 3,697,336	\$ (627,673)
Net Position, Beginning of Year	24,856,044	21,158,708	3,697,336
Net Position, End of Year	\$ 27,925,707	\$ 24,856,044	\$ 3,069,663

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT’S GOVERNMENTAL FUNDS

The District’s combined fund balances as of the fiscal year ended December 31, 2025, were \$16,214,752, an increase of \$702,030 from the prior year.

The General Fund fund balance increased by \$983,612 primarily due to property tax and service revenues exceeding operating expenditures and capital outlay.

The Debt Service Fund fund balance decreased by \$122,609 due to the structure of the District’s outstanding debt.

The Capital Projects Fund fund balance decreased by \$158,973 primarily due to the Board approved use of surplus funds from previously issued bonds for emergency Lift Station No. 2 repairs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors annually adopts an unappropriated budget for the General Fund. The Board of Directors adopted the original budget on December 3, 2024, and did not amend the budget during the year. Actual revenues were \$81,564 more than budgeted revenues, and actual expenditures were \$368,620 more than budgeted expenditures. Overall, General Fund fund balance increased by \$983,612, which was \$287,056 less than budget.

CAPITAL ASSETS

The District’s capital assets as of December 31, 2025, totaled \$22,287,901 (net of accumulated depreciation) and included land and land improvements, construction in progress, buildings and equipment as well as the water, wastewater and drainage systems. Additional information on the District’s capital assets can be found in Note 6 of this report.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 1,608,565	\$ 1,608,565	\$
Construction in Progress	1,115,707	116,582	999,125
Capital Assets, Net of Accumulated Depreciation:			
Buildings	773	1,097	(324)
Water System	4,198,834	4,192,145	6,689
Wastewater System	7,671,294	7,843,862	(172,568)
Drainage System	7,692,728	8,002,132	(309,404)
Total Net Capital Assets	\$ 22,287,901	\$ 21,764,383	\$ 523,518

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025**

LONG-TERM DEBT ACTIVITY

At the end of the current fiscal year, the District had total bond debt payable of \$10,325,000. The changes in the debt position of the District during the fiscal year ended December 31, 2025, are summarized as follows:

Bond Debt Payable, January 1, 2025	\$ 12,100,000
Less: Bond Principal Paid	<u>1,775,000</u>
Bond Debt Payable, December 31, 2025	<u>\$ 10,325,000</u>

The District’s Series 2016, Series 2016A Refunding, Series 2017, Series 2019 Refunding and Series 2020 Bonds carry an underlying rating of “A1” from Moody’s and an insured rating by Standard & Poor’s of “AA” by virtue of bond insurance issued by Build America Mutual Assurance Company. Credit enhanced ratings provided through bond insurance policies are subject to change based on the rating of the bond insurance company. The above ratings are as of December 31, 2025 and reflect all rating changes of the bond insurers through the fiscal year end.

In May 2021, voters of the District approved additional bonding capacity for utility and park and recreation bonds in the amounts of \$48,000,000 and \$7,500,000, respectively. As of December 31, 2025, the District had authorized but unissued bonds in the amount of \$49,940,000 for utility facilities, \$7,500,000 for park and recreation facilities and \$29,485,000 for refunding purposes.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The adopted budget for fiscal year 2026 projects an increase of \$878,289 in General Fund fund balance. Fiscal year 2026 revenues are budgeted to be \$7,110,409 and there is a budgeted transfer in from the Capital Projects Fund of \$15,855,000, while expenditures are budgeted to be \$22,087,120. The District anticipates issuing bonds in fiscal year 2026 to fund District capital improvements in conjunction with the budgeted transfer noted above.

CONTACTING THE DISTRICT’S MANAGEMENT

This financial report is designed to provide a general overview of the District’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Fort Bend County Municipal Utility District No. 116, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, TX 77027.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2025

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 296,497	\$ 441,182
Investments	15,483,852	1,096,143
Receivables:		
Property Taxes	2,898,096	2,007,353
Penalty and Interest on Delinquent Taxes		
Service Accounts (Net of Allowance for Uncollectible Accounts of \$0)	285,179	
Accrued Interest	54,858	11,590
Due from Other Funds	368,794	
Prepaid Costs		
Capital Assets (Net of Accumulated Depreciation):		
Land and Land Improvements		
Construction in Progress		
Water, Wastewater, and Drainage Systems and Other Depreciable Assets		
TOTAL ASSETS	\$ 19,387,276	\$ 3,556,268
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	\$ -0-	\$ -0-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 19,387,276	\$ 3,556,268

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

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 230	\$ 737,909	\$	\$ 737,909
413,571	16,993,566		16,993,566
	4,905,449		4,905,449
		52,502	52,502
	285,179		285,179
	66,448		66,448
	368,794	(368,794)	
		26,242	26,242
		1,608,565	1,608,565
		1,115,707	1,115,707
		<u>19,563,629</u>	<u>19,563,629</u>
<u>\$ 413,801</u>	<u>\$ 23,357,345</u>	<u>\$ 21,997,851</u>	<u>\$ 45,355,196</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 174,529</u>	<u>\$ 174,529</u>
<u>\$ 413,801</u>	<u>\$ 23,357,345</u>	<u>\$ 22,172,380</u>	<u>\$ 45,529,725</u>

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2025

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	\$ 943,957	\$
Accrued Interest Payable		
Due to Other Funds		193,840
Due to Taxpayers		78,624
Security Deposits	117,221	
Long-Term Liabilities:		
Due Within One Year		
Due After One Year		
TOTAL LIABILITIES	\$ 1,061,178	\$ 272,464
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 3,331,001	\$ 2,302,996
FUND BALANCES		
Restricted for Authorized Construction	\$	\$
Restricted for Debt Service		980,808
Unassigned	14,995,097	
TOTAL FUND BALANCES	\$ 14,995,097	\$ 980,808
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 19,387,276	\$ 3,556,268
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$	\$ 943,957	\$	\$ 943,957
		113,359	113,359
174,954	368,794	(368,794)	78,624
	78,624		117,221
	117,221		
		1,805,000	1,805,000
		9,020,125	9,020,125
<u>\$ 174,954</u>	<u>\$ 1,508,596</u>	<u>\$ 10,569,690</u>	<u>\$ 12,078,286</u>
<u>\$ -0-</u>	<u>\$ 5,633,997</u>	<u>\$ (108,265)</u>	<u>\$ 5,525,732</u>
\$ 238,847	\$ 238,847	\$ (238,847)	\$
	980,808	(980,808)	
	14,995,097	(14,995,097)	
<u>\$ 238,847</u>	<u>\$ 16,214,752</u>	<u>\$ (16,214,752)</u>	<u>\$ - 0 -</u>
<u>\$ 413,801</u>	<u>\$ 23,357,345</u>		
		\$ 11,876,152	\$ 11,876,152
		980,621	980,621
		15,068,934	15,068,934
		<u>\$ 27,925,707</u>	<u>\$ 27,925,707</u>

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

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025**

Total Fund Balances - Governmental Funds \$ 16,214,752

Amounts reported for governmental activities in the Statement of Net Position are different because:

Prepaid bond insurance in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 26,242

Interest paid in advance as part of a refunding bond sale is recorded as a deferred outflow in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. 174,529

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 22,287,901

Deferred inflows of resources related to property tax revenues and uncollected penalty and interest on delinquent taxes for the 2024 and prior tax levies became part of recognized revenue in the governmental activities of the District. 160,767

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Accrued Interest Payable	\$ (113,359)	
Bonds Payable Within One Year	(1,805,000)	
Bonds Payable After One Year	<u>(9,020,125)</u>	<u>(10,938,484)</u>
Total Net Position - Governmental Activities		<u>\$ 27,925,707</u>

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 3,227,641	\$ 2,046,704
Water Service	580,509	
Wastewater Service	520,100	
GRP Revenues	786,191	
Penalty and Interest	52,271	61,565
Tap Connection and Inspection Fees	53,325	
Investment Revenues	692,076	88,138
Fire Contract Revenues	495,530	
City of Richmond-SPA Revenues	388,327	
Miscellaneous Revenues	11,397	37,776
TOTAL REVENUES	\$ 6,807,367	\$ 2,234,183
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 414,155	\$ 41,617
Contracted Services	607,120	115,367
Purchased Wastewater Service	321,495	
Utilities	134,437	
GRP Assessment	967,907	
Repairs and Maintenance	1,210,009	
Fire Contract Costs	494,163	
Depreciation		
Other	349,781	31,158
Capital Outlay	1,273,563	
Debt Service:		
Bond Issuance Costs	51,125	
Bond Principal		1,775,000
Bond Interest		393,650
TOTAL EXPENDITURES/EXPENSES	\$ 5,823,755	\$ 2,356,792
NET CHANGE IN FUND BALANCES	\$ 983,612	\$ (122,609)
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JANUARY 1, 2025	14,011,485	1,103,417
FUND BALANCES/NET POSITION - DECEMBER 31, 2025	\$ 14,995,097	\$ 980,808

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 5,274,345	\$ 5,028	\$ 5,279,373
	580,509		580,509
	520,100		520,100
	786,191		786,191
	113,836	5,911	119,747
	53,325		53,325
17,659	797,873		797,873
	495,530		495,530
	388,327		388,327
	49,173		49,173
\$ 17,659	\$ 9,059,209	\$ 10,939	\$ 9,070,148
\$ 1,037	\$ 456,809	\$	\$ 456,809
556	723,043		723,043
	321,495		321,495
	134,437		134,437
	967,907		967,907
	1,210,009		1,210,009
	494,163		494,163
		924,999	924,999
85	381,024		381,024
174,954	1,448,517	(1,448,517)	
	51,125		51,125
	1,775,000	(1,775,000)	
	393,650	(58,176)	335,474
\$ 176,632	\$ 8,357,179	\$ (2,356,694)	\$ 6,000,485
\$ (158,973)	\$ 702,030	\$ (702,030)	\$
		3,069,663	3,069,663
397,820	15,512,722	9,343,322	24,856,044
\$ 238,847	\$ 16,214,752	\$ 11,710,955	\$ 27,925,707

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

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025**

Net Change in Fund Balances - Governmental Funds	\$	702,030
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		5,028
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.		5,911
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(924,999)
Governmental funds report capital expenditures, net of reclassifications, as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		1,448,517
Governmental funds report bond insurance costs as expenditures and deferred charges on refunding bonds, bond premiums and bond discounts as other financing sources in the year paid and received. However, in the Statement of Net Position, bond insurance costs, deferred charges on refunding bonds, bond premiums and bond discounts are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.		39,663
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.		1,775,000
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		<u>18,513</u>
Change in Net Position - Governmental Activities	\$	<u><u>3,069,663</u></u>

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1. CREATION OF DISTRICT

Fort Bend County Municipal Utility District No. 116 of Fort Bend County, Texas (the “District”) was created effective March 18, 1998 by an Order of the Texas Commission on Environmental Quality (the “Commission”). The formation of the District was confirmed by an election held August 8, 1998. Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and parks and recreational facilities for the residents of the District. The District is also empowered to contract for or employ its own peace officers with powers to make arrests and to establish, operate and maintain a fire department to perform all fire-fighting activities within the District. The Board of Directors held its first meeting on March 18, 1998, and sold its first bonds on June 27, 2000.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (the “GASB”). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected board. The GASB has established criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

The District has three governmental funds and considers each to be a major fund.

General Fund - To account for resources not required to be accounted for in another fund, customer service revenues, operating costs and general expenditures.

Debt Service Fund - To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Capital Projects Fund - To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectible within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include 2024 taxes collected during the period October 1, 2024 to December 31, 2025. In addition, taxes collected from January 1, 2025 to December 31, 2025 for the 2023 and prior tax levies are included in revenue. The 2025 tax levy has been fully deferred to meet the obligations of the District in the 2026 fiscal year.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of December 31, 2025, the District’s Debt Service Fund owed the General Fund \$193,840 for maintenance tax collections, and the Capital Projects Fund owed the General Fund \$174,954 pertaining to the use of surplus bond monies approved by the Board of Directors to fund emergency Lift Station No. 2 repairs (see Note 17).

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their acquisition value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Buildings	40
Water System	10-45
Wastewater System	10-45
Drainage System	10-45
All Other Equipment	3-20

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District’s Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and amended budget amounts, if amended, compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Directors are considered to be wages subject to federal income tax withholding for payroll purposes only.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3. LONG-TERM DEBT

The following is a summary of transactions regarding long-term liabilities for the year ended December 31, 2025:

	January 1, 2025	Additions	Retirements	December 31, 2025
Bonds Payable	\$ 12,100,000	\$	\$ (1,775,000)	\$ 10,325,000
Unamortized Premiums	572,766		(72,641)	500,125
Bonds Payable, Net	\$ 12,672,766	\$ -0-	\$ (1,847,641)	\$ 10,825,125
			Amount Due Within One Year	\$ 1,805,000
			Amount Due After One Year	9,020,125
			Bonds Payable, Net	\$ 10,825,125

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 3. LONG-TERM DEBT (Continued)

The District's bonds payable at December 31, 2025, consists of the following unlimited tax bonds:

	Series 2016	Series 2016A Refunding	Series 2017
Amount Outstanding – December 31, 2025	\$1,275,000	\$3,980,000	\$1,480,000
Interest Rates	2.25% - 3.25%	4.00%	2.375% - 3.25%
Maturity Dates – Serially Beginning/Ending	September 1, 2026/2034	September 1, 2026/2034	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, 2024*	September 1, 2024*
	Series 2019 Refunding	Series 2020	
Amount Outstanding – December 31, 2025	\$2,440,000	\$1,150,000	
Interest Rates	3.00%	2.00% - 2.25%	
Maturity Dates – Serially Beginning/Ending	September 1, 2026/2030	September 1, 2026/2034	
Interest Payment Dates	March 1/ September 1	March 1/ September 1	
Callable Dates	September 1, 2024*	September 1, 2025*	

* Or any date thereafter, at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Series 2016 term bonds maturing September 1, 2030, September 1, 2032, and September 1, 2034 are subject to mandatory redemption beginning September 1, 2029, September 1, 2031, and September 1, 2033, respectively. Series 2017 term bonds maturing September 1, 2030, September 1, 2032, and September 1, 2034 are subject to mandatory redemption beginning September 1, 2029, September 1, 2031, and September 1, 2033, respectively. Series 2020 term bonds maturing September 1, 2030, September 1, 2032, and September 1, 2034 are subject to mandatory redemption beginning September 1, 2029, September 1, 2031, and September 1, 2033, respectively.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 3. LONG-TERM DEBT (Continued)

As of December 31, 2025, the debt service requirements on the bond outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 1,805,000	\$ 338,387	\$ 2,143,387
2027	1,855,000	281,769	2,136,769
2028	1,170,000	222,981	1,392,981
2029	1,180,000	184,426	1,364,426
2030	1,175,000	144,563	1,319,563
2031-2034	3,140,000	241,678	3,381,678
	\$ 10,325,000	\$ 1,413,804	\$ 11,738,804

In May 2021, voters of the District approved additional bonding capacity for utility, park and recreation, and recreation refunding bonds in the amounts of \$48,000,000, \$7,500,000 and \$5,000,000, respectively. As of December 31, 2025, the District has \$49,940,000 in utility bonds, \$7,500,000 in park and recreation bonds, and \$29,485,000 in refunding bonds authorized by voters but remaining to be issued. 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.

During the year ended December 31, 2025, the District levied an ad valorem debt service tax rate of \$0.28 per \$100 of assessed valuation, which resulted in a tax levy of \$2,242,326 on the adjusted taxable valuation of \$800,831,945 for the 2025 tax year. The bond resolutions require the District to 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. See Note 8 for the maintenance tax levy.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

The bond resolutions state that the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data with respect to the District to the state information depository. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

For the bond issues, the District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds, within the meaning of Section 148(f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on the five-year anniversary of each issue.

The bond resolutions state that so long as any of the bonds are outstanding, the District covenants to maintain insurance on such parts of the system as are usually insured by municipal corporations and political subdivisions in Texas operating like properties in similar locations under the same circumstances with a responsible insurance company or companies against risk, accidents or casualties against which and to the extent insurance is usually carried by such municipal corporations and political subdivisions; provided, however, that at any time while any contractor engaged in construction work shall be fully responsible therefore, the District shall not be required to carry such insurance.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$3,557,909 and the bank balance was \$3,685,817. Of the bank balance, \$3,347,033 was covered by federal depository insurance and the remaining balance was covered by collateral pledged in the name of the District and held in a third party depository.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at December 31, 2025, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 296,497	\$ 2,115,000	\$ 2,411,497
DEBT SERVICE FUND	441,182	705,000	1,146,182
CAPITAL PROJECTS FUND	230		230
TOTAL DEPOSITS	\$ 737,909	\$ 2,820,000	\$ 3,557,909

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest District funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually.

The District invests in Texas CLASS, an external investment pool that is not SEC-registered. Texas CLASS invests only in securities allowed by the Public Funds Investment Act and is governed by a board of trustees, elected annually by its participants. Public Trust Advisors, LLC serves as the pool’s administrator and investment advisor and UMB Bank serves as custodian for the pool. Texas CLASS measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in Texas CLASS at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from Texas CLASS.

The District records its investment in certificates of deposit at acquisition cost.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of December 31, 2025, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
<u>GENERAL FUND</u>					
Texas CLASS	\$ 13,368,852	\$ 13,368,852	\$	\$	\$
Certificates of Deposit	2,115,000	2,115,000			
<u>DEBT SERVICE FUND</u>					
Texas CLASS	391,143	391,143			
Certificates of Deposit	705,000	705,000			
<u>CAPITAL PROJECTS FUND</u>					
Texas CLASS	413,571	413,571			
TOTAL INVESTMENTS	<u>\$ 16,993,566</u>	<u>\$ 16,993,566</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. As of December 31, 2025, the District's investments in Texas CLASS were rated AAAM by Standard and Poor's Rating Agency. The District also manages credit risk by typically investing in certificates of deposit with balances below FDIC coverage.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers its investments in Texas CLASS to have maturities of less than one year due to the fact that the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value. The District also manages interest rate risk by investing in certificates of deposit with maturities of less than one year.

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025:

	January 1, 2025	Increases	Decreases	December 31, 2025
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 1,608,565	\$	\$	\$ 1,608,565
Construction in Progress	<u>116,582</u>	<u>999,125</u>	<u></u>	<u>1,115,707</u>
Total Capital Assets Not Being Depreciated	<u>\$ 1,725,147</u>	<u>\$ 999,125</u>	<u>\$ - 0 -</u>	<u>\$ 2,724,272</u>
Capital Assets Subject to Depreciation				
Buildings	\$ 8,094	\$	\$	\$ 8,094
Water System	7,281,276	178,170		7,459,446
Wastewater System	15,001,384	271,222		15,272,606
Drainage System	13,945,577			13,945,577
Other	<u>50,000</u>	<u></u>	<u></u>	<u>50,000</u>
Total Capital Assets Subject to Depreciation	<u>\$ 36,286,331</u>	<u>\$ 449,392</u>	<u>\$ - 0 -</u>	<u>\$ 36,735,723</u>
Less Accumulated Depreciation				
Buildings	\$ 6,997	\$ 324	\$	\$ 7,321
Water System	3,089,131	171,481		3,260,612
Wastewater System	7,157,522	443,790		7,601,312
Drainage System	5,943,445	309,404		6,252,849
Other	<u>50,000</u>	<u></u>	<u></u>	<u>50,000</u>
Total Accumulated Depreciation	<u>\$ 16,247,095</u>	<u>\$ 924,999</u>	<u>\$ - 0 -</u>	<u>\$ 17,172,094</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 20,039,236</u>	<u>\$ (475,607)</u>	<u>\$ - 0 -</u>	<u>\$ 19,563,629</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 21,764,383</u>	<u>\$ 523,518</u>	<u>\$ - 0 -</u>	<u>\$ 22,287,901</u>

NOTE 7. DEFERRED OUTFLOWS OF RESOURCES

The following is a summary of changes in the deferred outflows of resources for the year ended December 31, 2025:

	January 1, 2025	Additions	Retirements	December 31, 2025
Deferred charges on refunding bonds	<u>\$ 203,352</u>	<u>\$ -0-</u>	<u>\$ 28,823</u>	<u>\$ 174,529</u>

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 8. MAINTENANCE TAX

On August 8, 1998, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$1.50 per \$100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and sanitary sewer system. During the year ended December 31, 2025, the District levied an ad valorem maintenance tax rate of \$0.41 per \$100 of assessed valuation, which resulted in a tax levy of \$3,283,406 on the taxable valuation of \$800,831,945 for the 2025 tax year.

NOTE 9. UNREIMBURSED COSTS

The District has entered into development financing agreements with Developers within the District. The agreements call for the Developers to fund costs associated with water and sewer facilities and utilities construction. Such costs may be reimbursable to the Developers by the District from proceeds of future District bond issues, subject to approval by the Commission, or from operations. As of December 31, 2025, the District had authorized but unissued bonds in the amount of \$49,940,000 for utility facilities, the proceeds of which may be used to reimburse the Developers and purchase additional infrastructure. In addition, as of December 31, 2025, the District had authorized but unissued bonds in the amount of \$7,500,000 for park and recreation facilities. As of December 31, 2025, the District has no liability recorded in the Statement of Net Position for amounts due to the Developers.

NOTE 10. 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 from which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 11. EMERGENCY WATER SUPPLY CONTRACTS

On October 22, 2007, the District entered into an Emergency Water Supply Contract with the City of Richmond, Texas (the “City”). The District will design and construct, at its sole cost, two water lines to be connected to the City’s water line. The Williams Way interconnect has been constructed and conveyed to the City and the City will be responsible for its operation and maintenance. A second interconnect may be constructed in the future, and if so, will be operated and maintained by the District. Each party is authorized to take water in an emergency only after providing notice to the supplying party, except for when the emergency is a fire. If the emergency is a fire, notice must be given to the supplying party at the earliest practicable time. The rate billed for water used in an emergency is calculated at the then current per 1,000 gallons rate charged by the City to schools in its ordinance, plus any fees (including any penalty fee) related to compliance with a groundwater reduction plan or surface water contract. The term of this agreement is for a period of 40 years from November 1, 2007, the effective date of the agreement, and shall automatically renew for consecutive one-year terms unless terminated as provided in the agreement; however, upon the annexation of the District, this contract shall automatically terminate.

Effective September 17, 2019, the District entered into an Emergency Water Supply Contract with the City of Sugar Land, Texas (“Sugar Land”). Sugar Land owns and maintains an interconnect waterline from the District’s system to Sugar Land’s system. Each party is authorized to take water in an emergency only after providing verbal notice to the supplying party, except for when the emergency is a fire. If the emergency is a fire, notice must be given to the supplying party at the earliest practicable time. The rate billed for water used in an emergency is calculated at the then lowest retail water service rate per 1,000 gallons charged by Sugar Land to its residential customers in its ordinance, plus any fees related to compliance with a groundwater reduction plan or surface water contract. The term of this agreement is for a period of 20 years from the effective date of the agreement and shall automatically renew for successive ten-year periods unless terminated as provided in the agreement.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 12. FIRE PROTECTION AGREEMENT

On June 11, 2001, the District entered into a Fire Protection Agreement with the City which provides that the City will provide fire protection to persons, buildings and property located within the District within the City's extraterritorial jurisdiction. This agreement became effective on March 1, 2002, after the Board had declared the favorable results of the voter election to approve the fire plan on February 5, 2002.

Under the terms of the agreement, the District was required to make monthly payments of (1) \$9.62 for each residential unit in the District that is connected to the public water supply system; and (2) \$9.62 per 2,000 square feet or part thereof of building floor area for every improved non-residential property. The monthly charges became effective in August 2003. These monthly charges remained in effect until October 1, 2008, and thereafter were adjusted annually for 100% of the increase or decrease, if any, between the most recently published Consumer Price Index (CPI) and the CPI for the preceding calendar year. Effective October 1, 2013, the First Amendment to Fire Protection Agreement was approved through October 1, 2018. The agreement was automatically renewed and remained in effect at December 31, 2025. Effective October 2025, the City adjusted the monthly fee charged to \$17.86.

The District was required to pay the City a \$100,000 cash contribution toward the capital cost of the new fire station. During a prior fiscal year, a Developer within the District made a \$50,000 non-reimbursable cash contribution toward the District's required \$100,000 cash contribution.

During April 2004, the City opened substation no. 2 to serve the District's fire protection needs. At that time, the City ceased applying \$3.62 of each \$9.62 monthly fee toward the required cash contribution. To date, the City has collected \$74,215 of the required cash contribution, including the \$50,000 funded by the Developer. The City, in the future, will receive bids to build a new permanent fire station. At that point in time, the City may invoice the District for any remaining amount that may be due in accordance with the agreement.

The term of the agreement is 15 years and is automatically renewed for successive one-year terms. The agreement terminates upon the date the District is dissolved by reason of annexation by the City.

Under the District's rate order, in effect as of December 31, 2025, each equivalent residential connection was charged \$17.86 per month and each commercial connection was billed \$17.86 per 2,000 square feet or part thereof of building floor area. During the current fiscal year, the District recorded fire protection service expenditures of \$494,163.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 13. STRATEGIC PARTNERSHIP AGREEMENT

Effective October 22, 2007, the District entered into a Strategic Partnership Agreement with the City. The agreement provides that in accordance with Subchapter F of Chapter 43 of the Local Government Code and Act, the City shall annex a commercial tract of land defined as the “Limited-Purpose Tract” for limited purposes and a commercial tract of land defined as the “Full-Purpose Tract” for full purposes. The City has annexed the Full-Purpose Tract and the Limited-Purpose Tract. In accordance with the agreement, the District is authorized to exercise all powers and functions of a municipal utility district provided by law, including, without limiting the foregoing, the power to incur additional debts, liabilities, or obligations, to construct additional utility facilities, or to contract with others for the provision and operation thereof, or sell or otherwise transfer property without prior approval of the City.

The District shall not be liable for any present or future debts of the City, and current and future ad valorem taxes levied by the City will not be levied on taxable property within the District, other than within the Full-Purpose Tract.

The City shall impose a Sales and Use Tax within the boundaries of both the Full-Purpose Tract and the Limited-Purpose Tract. The Sales and Use Tax shall be imposed on the receipts from the sale and use at retail of taxable items at the rate provided within the City. The City agrees to pay the District an amount equal to one-half of all Sales and Use Tax revenues generated within the boundaries of the Full-Purpose Tract and the Limited-Purpose Tract. The City agrees to deliver to the District its share of the sales tax receipts within 30 days of the City receiving the funds from the State Comptroller’s office.

The term of this agreement is 50 years from the effective date, unless terminated on an earlier date pursuant to other provisions or by express written agreement executed by the City and the District. Upon expiration of the initial term, the agreement will automatically be extended for successive one-year periods, unless either the City or the District gives notice to the other of its intent to terminate prior to any extension. The District recorded revenues of \$388,327 in relation to this agreement during the current fiscal year.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 14. REGIONAL WASTEWATER TREATMENT PLANT AGREEMENT

On September 4, 2007, the District entered into a Regional Wastewater Treatment Plant Agreement with the City. On April 20, 2009, the District entered into the Amended Regional Wastewater Treatment Plant Agreement with the City. The District and the City have determined to construct and operate a regional wastewater treatment plant (the “plant”) with ultimate capacity to treat approximately 5 million gallons per day, on a site owned by the City. The plant is expected to be constructed in three phases. Phases 1, 2 and 3 will be constructed with capacities of 0.95 mgd, 2.05 mgd and 2.0 mgd, respectively. The first phase was completed during a prior fiscal year. It is anticipated that the District will only participate in the cost of Phase I and it will not acquire additional capacity in Phases 2 or 3.

The City will be legal owner of the plant; however, the parties have beneficial ownership according to their ownership shares.

The District agrees to reimburse the City for the acquisition cost of the site on which the plant will be located. The District will reimburse the City its pro rata share of these costs based upon its pro rata share of the ultimate number of equivalent single family residential connections (“ESFRC”) to be served by the plant, as follows:

ULTIMATE PLANT CAPACITY		
	ESFRCs	%
District	2,800	17.6%
City	13,071	82.4
TOTAL	15,871	100.0%

The allocation of construction costs for each phase of the plant will be allocated between the parties based upon each party’s pro rata share of the projected number of ESFRC’s to be served by the phase of the plant under construction. These are projected as follows:

	PHASE 1		PHASE 2		FINAL PHASE		ULTIMATE CAPACITY	
	ESFRCs	%	ESFRCs	%	ESFRCs	%	ESFRCs	%
District	2,800	100.0%	-0-	0%	-0-	0%	2,800	17.6%
City	-0-	0.0	6,722	100	6,349	100	13,071	82.4
TOTAL	2,800	100.0%	6,722	100%	6,349	100%	15,871	100.0%

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 14. REGIONAL WASTEWATER TREATMENT PLANT AGREEMENT
(Continued)

The City will operate the plant for the benefit of all parties. Each month, the City will allocate the operating costs between the parties based upon each party’s ownership shares in the particular phase of the plant then in operation. The estimated ownership shares are as follows:

	PHASE 1		PHASE 1 + PHASE 2		PHASE 1 + PHASE 2 + FINAL PHASE	
	ESFRCs	%	ESFRCs	%	ESFRCs	%
District	2,800	100.0%	2,800	29.4%	2,800	17.6%
City	<u>-0-</u>	<u>0.0</u>	<u>6,722</u>	<u>70.6</u>	<u>13,071</u>	<u>82.4</u>
TOTAL	<u><u>2,800</u></u>	<u><u>100.0%</u></u>	<u><u>9,522</u></u>	<u><u>100.0%</u></u>	<u><u>15,871</u></u>	<u><u>100.0%</u></u>

The agreement will continue until the District is dissolved and annexed for full purposes by the City, unless terminated on an earlier date by express written agreement executed by the City and the District. During the current fiscal year, the District recorded expenditures of \$321,495 in relation to this agreement.

NOTE 15. COST SHARING AGREEMENT – LEVEE AND PUMP STATION

On November 4, 2008 the District executed a Cost Sharing Agreement for Levee and Pump Station Costs (the “Agreement”) with Fort Bend County Levee Improvement District No. 11 (“District No. 11”). District No. 11 owns a continuous levee system to provide flood protection and a storm water pumping facility. Previously, the District had been paying a pro-rata share of the operating costs of the levee and pump station pursuant to a drainage agreement entered into by the developers of the District dated December 15, 1987. Under the terms of the Agreement, District No. 11 owns and operates the levee system, but the parties agree to share the costs of operating, maintaining, and repairing the levee and pump station according to their respective properties protected by the levee. The District agrees to pay 22% of the costs and District No. 11 agrees to pay 78% of the costs. During the year ended December 31, 2025, the District recorded expenditures, net of refunds from District No. 11, of \$139,088 related to this agreement to fund general operating and maintenance costs.

The term of the Agreement is 40 years through 2048, unless sooner terminated pursuant to the terms of the Agreement. At the end of the term in 2048, the agreement will renew year-to-year, unless sooner terminated pursuant to the terms of the Agreement.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 16. GROUNDWATER REDUCTION PLAN WITH THE CITY OF RICHMOND

On June 15, 2009, the District entered into a Groundwater Reduction Plan Participation Agreement with the City. The agreement was amended effective October 1, 2009. To comply with Fort Bend Subsidence District (“Subsidence District”) requirements, the District has contracted with the City to participate in the City’s Groundwater Reduction Plan (“GRP”). The City has developed a GRP that was filed with the Subsidence District in September 2010. The City has included the District in the GRP and included the pumpage from permitted wells owned by the District in the City’s request for the Subsidence District’s certification of the GRP. The City has also entered into similar agreements with other entities for participation in the City’s GRP.

To ensure compliance with the regulatory plan the City will determine if and when the District must convert to the use of a non-groundwater supply in whole or in part. If the District is required to convert to a non-groundwater supply, the City will contract for or acquire the non-groundwater supply to meet the District’s conversion amount and pay all costs related to same. The City will pay all costs required to secure any necessary real property interests, and to acquire, design, and construct all facilities and improvements necessary to bring in the non-groundwater supply line source to the District’s point of delivery. The City will own, operate and maintain the non-groundwater infrastructure and measuring equipment.

If the District voluntarily converts to a non-groundwater supply, the District may not reduce the amount of surface water that the District is obligated to take or pay from the City. The District will construct and maintain all facilities and pay all costs incurred in a voluntary conversion project.

Whether the conversion is voluntary or mandatory the City will receive any Subsidence District credits generated by the conversion and will apply the credits for the benefit of all GRP participants.

The City may adopt a surcharge in an amount determined necessary to achieve the groundwater reduction requirements of the Subsidence District or to encourage the use of surface water to be purchased from the City. The City may adopt and require participants to pay a reasonable surcharge if the participant pumps or uses more water than its planned water use.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 16. GROUNDWATER REDUCTION PLAN WITH THE CITY OF RICHMOND (Continued)

The participants shall pay an annual surface water charge, in an amount to be determined by the City. The surface water charge consists of two components: the raw water reservation component and the treated water component. The raw water component shall equal the total amount that the City is required to pay the Brazos River Authority (“BRA”). The treated water component shall equal the City’s cost to plan, design, construct, operate and repair the facilities required to receive, treat, store and deliver raw water made available by the BRA to the City and for the City to treat the raw water and deliver the treated water to the participant’s point of delivery. On January 1, 2015, the City began billing the District on a monthly basis for groundwater pumped from the District’s wells in lieu of the annual surface water charge. At December 31, 2025, the pumpage fee was \$2.98 per 1,000 gallons pumped from the District’s wells. During the current year, the District paid the City \$967,907 in groundwater reduction fees.

NOTE 17. USE OF SURPLUS FUNDS

On January 7, 2025, in accordance with rules of the Commission, the Board of Directors approved the use of surplus Capital Projects Fund monies from previously issued bond sales to fund emergency repairs to Lift Station No. 2. At December 31, 2025, \$174,954 was owed from the Capital Project Fund to the General Fund to reimburse the General Fund for these emergency repair costs.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2025

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 3,358,559	\$ 3,227,641	\$ (130,918)
Water Service	517,900	580,509	62,609
Wastewater Service	520,200	520,100	(100)
GRP Revenues	660,400	786,191	125,791
Penalty and Interest	52,100	52,271	171
Tap Connection and Inspection Fees	54,900	53,325	(1,575)
Investment Revenues	652,744	692,076	39,332
Fire Contract Revenues	499,100	495,530	(3,570)
City of Richmond-SPA Revenues	404,200	388,327	(15,873)
Miscellaneous Revenues	<u>5,700</u>	<u>11,397</u>	<u>5,697</u>
TOTAL REVENUES	<u>\$ 6,725,803</u>	<u>\$ 6,807,367</u>	<u>\$ 81,564</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 383,000	\$ 414,155	\$ (31,155)
Contracted Services	591,700	607,120	(15,420)
Purchased Wastewater Service	286,700	321,495	(34,795)
Utilities	116,900	134,437	(17,537)
GRP Assessment	660,400	967,907	(307,507)
Repairs and Maintenance	818,200	1,210,009	(391,809)
Fire Contract Costs	510,755	494,163	16,592
Other	343,480	349,781	(6,301)
Capital Outlay	1,744,000	1,273,563	470,437
Bond Issuance Costs	<u>51,125</u>	<u>51,125</u>	<u>(51,125)</u>
TOTAL EXPENDITURES	<u>\$ 5,455,135</u>	<u>\$ 5,823,755</u>	<u>\$ (368,620)</u>
NET CHANGE IN FUND BALANCE	\$ 1,270,668	\$ 983,612	\$ (287,056)
FUND BALANCE - JANUARY 1, 2025	<u>14,011,485</u>	<u>14,011,485</u>	<u> </u>
FUND BALANCE - DECEMBER 31, 2025	<u>\$15,282,153</u>	<u>\$ 14,995,097</u>	<u>\$ (287,056)</u>

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116

SUPPLEMENTARY INFORMATION REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

DECEMBER 31, 2025

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
SERVICES AND RATES
FOR THE YEAR ENDED DECEMBER 31, 2025**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered	<u> </u>	<u> </u>	x 1.0	<u> </u>
≤ ³ / ₄ "	<u>1,288</u>	<u>1,277</u>	x 1.0	<u>1,277</u>
1"	<u>104</u>	<u>104</u>	x 2.5	<u>260</u>
1½"	<u>18</u>	<u>18</u>	x 5.0	<u>90</u>
2"	<u>52</u>	<u>51</u>	x 8.0	<u>408</u>
3"	<u>2</u>	<u>2</u>	x 15.0	<u>30</u>
4"	<u>1</u>	<u>1</u>	x 25.0	<u>25</u>
6"	<u>1</u>	<u>1</u>	x 50.0	<u>50</u>
8"	<u>5</u>	<u>5</u>	x 80.0	<u>400</u>
10"	<u> </u>	<u> </u>	x 115.0	<u> </u>
Total Water Connections	<u>1,471</u>	<u>1,459</u>		<u>2,540</u>
Total Wastewater Connections	<u>1,407</u>	<u>1,397</u>	x 1.0	<u>1,397</u>

3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)

Gallons pumped into system:	326,329,000	Water Accountability Ratio: 67.8% (Gallons billed and sold/Gallons pumped and purchased)
Gallons billed to customers:	221,125,000	

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
SERVICES AND RATES
FOR THE YEAR ENDED DECEMBER 31, 2025

4. STANDBY FEES (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes No

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No

County or Counties in which District is located:

Fort Bend County, Texas

Is the District located within a city?

Entirely Partly Not at all

City in which the District is located:

City of Richmond, Texas

Is the District located within a city's extraterritorial jurisdiction (ETJ)?

Entirely Partly Not at all

ETJ's in which District is located:

City of Richmond, Texas.

Are Board Members appointed by an office outside the District?

Yes No

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
SCHEDULE OF GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2025

PROFESSIONAL FEES:	
Arbitrage	\$ 2,500
Auditing	19,750
Engineering	282,171
Legal	<u>109,734</u>
TOTAL PROFESSIONAL FEES	<u>\$ 414,155</u>
PURCHASED SERVICES FOR RESALE -	
Purchased Wastewater Service	<u>\$ 321,495</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 69,845
Operations and Billing	<u>115,213</u>
TOTAL CONTRACTED SERVICES	<u>\$ 185,058</u>
UTILITIES:	
Electricity	\$ 81,151
Telephone	<u>53,286</u>
TOTAL UTILITIES	<u>\$ 134,437</u>
REPAIRS AND MAINTENANCE	<u>\$ 1,210,009</u>
ADMINISTRATIVE EXPENDITURES:	
Consumer Confidence Report	\$ 1,500
Director Fees	23,868
Dues	2,900
Insurance	18,042
Office Supplies and Postage	21,751
Payroll Taxes	1,826
Payroll Administration	1,359
Travel and Meetings	5,833
GRP Assessment	967,907
Other	<u>39,758</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 1,084,744</u>

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
SCHEDULE OF GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2025

CAPITAL OUTLAY - Capitalized Assets	\$ <u>1,273,563</u>
TAP CONNECTIONS	\$ <u>10,808</u>
SOLID WASTE DISPOSAL	\$ <u>422,062</u>
FIRE FIGHTING	\$ <u>494,163</u>
OTHER EXPENDITURES:	
Chemicals	\$ 49,880
HOA Contributions	125,000
Laboratory Fees	10,400
Permit Fees	3,386
Reconnection Fees	68
Inspection Fees	25,992
Regulatory Assessment	5,362
Sludge Hauling	<u>2,048</u>
TOTAL OTHER EXPENDITURES	\$ <u>222,136</u>
DEBT SERVICE - Bond Issuance Costs	\$ <u>51,125</u>
TOTAL EXPENDITURES	\$ <u>5,823,755</u>

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
INVESTMENTS
DECEMBER 31, 2025**

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<u>GENERAL FUND</u>					
Texas CLASS	XXXX0002	Varies	Daily	\$ 13,368,852	\$ -0-
Certificate of Deposit	XXXX0437	4.00%	02/19/26	235,000	8,112
Certificate of Deposit	XXXX2403	4.50%	04/30/26	235,000	7,098
Certificate of Deposit	XXXX2997	4.00%	10/13/26	235,000	2,035
Certificate of Deposit	XXXX5662	4.00%	06/03/26	235,000	5,434
Certificate of Deposit	XXXX0477	4.18%	01/17/26	235,000	4,360
Certificate of Deposit	XXXX8840	4.00%	03/27/26	235,000	2,447
Certificate of Deposit	XXXX8567	4.00%	01/21/26	235,000	8,833
Certificate of Deposit	XXXX7469	4.15%	03/26/26	235,000	7,481
Certificate of Deposit	XXXX8779	4.15%	01/25/26	<u>235,000</u>	<u>9,058</u>
TOTAL GENERAL FUND				<u>\$ 15,483,852</u>	<u>\$ 54,858</u>
<u>DEBT SERVICE FUND</u>					
Texas CLASS	XXXX0004	Varies	Daily	\$ 391,143	\$ -0-
Certificate of Deposit	XXXX8222	4.05%	07/15/26	235,000	3,494
Certificate of Deposit	XXXX1652	4.15%	07/29/26	235,000	4,142
Certificate of Deposit	XXXX9287	4.15%	08/05/26	<u>235,000</u>	<u>3,954</u>
TOTAL DEBT SERVICE FUND				<u>\$ 1,096,143</u>	<u>\$ 11,590</u>
<u>CAPITAL PROJECTS FUND</u>					
Texas CLASS	XXXX0001	Varies	Daily	\$ 396,316	\$ -0-
Texas CLASS	XXXX0003	Varies	Daily	<u>17,255</u>	<u></u>
TOTAL CAPITAL PROJECTS FUND				<u>\$ 413,571</u>	<u>\$ -0-</u>
TOTAL - ALL FUNDS				<u>\$ 16,993,566</u>	<u>\$ 66,448</u>

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
JANUARY 1, 2025	\$ 2,036,034		\$ 1,327,746	
Adjustments to Beginning				
Balance	<u>(175,342)</u>	\$ 1,860,692	<u>(120,538)</u>	\$ 1,207,208
Original 2025 Tax Levy	\$ 3,284,729		\$ 2,243,230	
Adjustment to 2025 Tax Levy	<u>(1,323)</u>	<u>3,283,406</u>	<u>(904)</u>	<u>2,242,326</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 5,144,098		\$ 3,449,534
TAX COLLECTIONS:				
Prior Years	\$ 1,813,097		\$ 1,146,538	
Current Year	<u>432,905</u>	<u>2,246,002</u>	<u>295,643</u>	<u>1,442,181</u>
TAXES RECEIVABLE -				
DECEMBER 31, 2025		<u>\$ 2,898,096</u>		<u>\$ 2,007,353</u>
TAXES RECEIVABLE BY				
YEAR:				
2025		\$ 2,850,501		\$ 1,946,683
2024		17,514		11,145
2023		6,264		4,555
2022		8,494		4,894
2021		4,528		6,227
2020		2,012		2,731
2019 and prior		<u>8,783</u>		<u>31,118</u>
TOTAL		<u>\$ 2,898,096</u>		<u>\$ 2,007,353</u>

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
PROPERTY VALUATIONS:				
Land	\$ 234,696,741	\$ 229,518,761	\$ 203,511,811	\$ 164,255,700
Improvements	714,917,409	712,560,494	657,745,623	560,936,029
Personal Property	49,237,708	49,126,422	45,484,502	39,614,728
Exemptions	<u>(198,019,913)</u>	<u>(216,864,004)</u>	<u>(184,057,523)</u>	<u>(145,456,432)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 800,831,945</u>	<u>\$ 774,341,673</u>	<u>\$ 722,684,413</u>	<u>\$ 619,350,025</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.28	\$ 0.28	\$ 0.32	\$ 0.41
Maintenance	<u>0.41</u>	<u>0.44</u>	<u>0.44</u>	<u>0.41</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.69</u>	<u>\$ 0.72</u>	<u>\$ 0.76</u>	<u>\$ 0.82</u>
ADJUSTED TAX LEVY*	<u>\$ 5,525,732</u>	<u>\$ 5,575,253</u>	<u>\$ 5,492,392</u>	<u>\$ 5,078,662</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>13.18 %</u>	<u>99.49 %</u>	<u>99.80 %</u>	<u>99.74 %</u>

* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

Maintenance Tax – Maximum tax rate of \$1.50 per \$100 of assessed valuation approved by voters on August 8, 1998.

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2025

S E R I E S - 2 0 1 6			
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2026	\$ 100,000	\$ 37,062	\$ 137,062
2027	100,000	34,813	134,813
2028	150,000	32,312	182,312
2029	150,000	28,563	178,563
2030	150,000	24,062	174,062
2031	150,000	19,563	169,563
2032	150,000	15,062	165,062
2033	150,000	10,563	160,563
2034	175,000	5,687	180,687
	\$ 1,275,000	\$ 207,687	\$ 1,482,687

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2025**

SERIES - 2016 A REFUNDING

Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2026	\$ 525,000	\$ 159,200	\$ 684,200
2027	530,000	138,200	668,200
2028	530,000	117,000	647,000
2029	540,000	95,800	635,800
2030	545,000	74,200	619,200
2031	550,000	52,400	602,400
2032	305,000	30,400	335,400
2033	305,000	18,200	323,200
2034	150,000	6,000	156,000
	<u>\$ 3,980,000</u>	<u>\$ 691,400</u>	<u>\$ 4,671,400</u>

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2025

S E R I E S - 2 0 1 7			
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2026	\$ 165,000	\$ 43,769	\$ 208,769
2027	165,000	39,850	204,850
2028	165,000	35,313	200,313
2029	165,000	30,363	195,363
2030	165,000	25,413	190,413
2031	165,000	20,463	185,463
2032	165,000	15,513	180,513
2033	165,000	10,563	175,563
2034	160,000	5,200	165,200
	\$ 1,480,000	\$ 226,447	\$ 1,706,447

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2025**

SERIES - 2019 REFUNDING

Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2026	\$ 915,000	\$ 73,200	\$ 988,200
2027	935,000	45,750	980,750
2028	200,000	17,700	217,700
2029	200,000	11,700	211,700
2030	190,000	5,700	195,700
2031			
2032			
2033			
2034			
	<u>\$ 2,440,000</u>	<u>\$ 154,050</u>	<u>\$ 2,594,050</u>

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2025

S E R I E S - 2 0 2 0			
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2026	\$ 100,000	\$ 25,156	\$ 125,156
2027	125,000	23,156	148,156
2028	125,000	20,656	145,656
2029	125,000	18,000	143,000
2030	125,000	15,188	140,188
2031	125,000	12,375	137,375
2032	125,000	9,563	134,563
2033	150,000	6,750	156,750
2034	150,000	3,376	153,376
	\$ 1,150,000	\$ 134,220	\$ 1,284,220

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2025**

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending December 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	\$ 1,805,000	\$ 338,387	\$ 2,143,387
2027	1,855,000	281,769	2,136,769
2028	1,170,000	222,981	1,392,981
2029	1,180,000	184,426	1,364,426
2030	1,175,000	144,563	1,319,563
2031	990,000	104,801	1,094,801
2032	745,000	70,538	815,538
2033	770,000	46,076	816,076
2034	635,000	20,263	655,263
	<u>\$ 10,325,000</u>	<u>\$ 1,413,804</u>	<u>\$ 11,738,804</u>

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED DECEMBER 31, 2025**

Description	Original Bonds Issued	Bonds Outstanding January 1, 2025	
Fort Bend County Municipal Utility District No. 116 Unlimited Tax Bonds - Series 2016	\$ 2,175,000	\$ 1,375,000	
Fort Bend County Municipal Utility District No. 116 Unlimited Tax Refunding Bonds - Series 2016A	6,960,000	4,505,000	
Fort Bend County Municipal Utility District No. 116 Unlimited Tax Bonds - Series 2017	2,800,000	1,645,000	
Fort Bend County Municipal Utility District No. 116 Unlimited Tax Refunding Bonds - Series 2019	8,115,000	3,325,000	
Fort Bend County Municipal Utility District No. 116 Unlimited Tax Bonds - Series 2020	<u>1,750,000</u>	<u>1,250,000</u>	
TOTAL	<u>\$ 21,800,000</u>	<u>\$ 12,100,000</u>	
Bond Authority:	Tax Bonds *	Park and Recreation Bonds	Refunding Bonds
Amount Authorized by Voters	\$ 95,630,000	\$ 7,500,000	\$ 31,000,000
Amount Issued	<u>45,690,000</u>	<u> </u>	<u>1,515,000</u>
Remaining Authorization	<u><u>\$ 49,940,000</u></u>	<u><u>\$ 7,500,000</u></u>	<u><u>\$ 29,485,000</u></u>
Debt Service Fund cash and investment balances as of December 31, 2025:			<u><u>\$ 1,537,325</u></u>
Average annual debt service payment (principal and interest) for remaining term of all debt:			<u><u>\$ 1,304,312</u></u>

See Note 3 for interest rate, interest payment dates and maturity dates.

* Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes.

See accompanying independent auditor's report.

Current Year Transactions				
Bonds Sold	Retirements		Bonds Outstanding December 31, 2025	Paying Agent
	Principal	Interest		
\$	\$ 100,000	\$ 39,063	\$ 1,275,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	525,000	180,200	3,980,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	165,000	47,481	1,480,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	885,000	99,750	2,440,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	<u>100,000</u>	<u>27,156</u>	<u>1,150,000</u>	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
<u>\$ - 0 -</u>	<u>\$ 1,775,000</u>	<u>\$ 393,650</u>	<u>\$ 10,325,000</u>	

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	\$ 3,227,641	\$ 3,120,843	\$ 2,489,462
Water Service	580,509	536,480	580,441
Wastewater Service	520,100	516,119	486,188
Surface Water Fee/GRP Fees	786,191	656,334	745,659
Penalty and Interest	52,271	51,084	48,680
Tap Connection and Inspection Fees	53,325	61,935	57,588
Investment Revenues	692,076	725,330	566,684
Fire Contract Revenues	495,530	479,589	406,857
City of Richmond-SPA Revenue	388,327	410,839	327,878
Miscellaneous Revenues	11,397	6,328	45,785
TOTAL REVENUES	\$ 6,807,367	\$ 6,564,881	\$ 5,755,222
EXPENDITURES			
Professional Fees	\$ 414,155	\$ 314,659	\$ 259,859
Contracted Services	607,120	574,818	512,473
Purchased Wastewater Service	321,495	332,151	262,861
Utilities	134,437	115,181	107,668
Repairs and Maintenance	1,210,009	840,471	688,693
Fire Contract Costs	494,163	475,981	322,256
Surface Water Assessment/GRP Assessment	967,907	906,403	908,840
Other	349,781	359,520	243,497
Capital Outlay	1,273,563	75,662	48,789
Debt Service Costs	51,125		
TOTAL EXPENDITURES	\$ 5,823,755	\$ 3,994,846	\$ 3,354,936
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 983,612	\$ 2,570,035	\$ 2,400,286
OTHER FINANCING SOURCES			
Transfers In	\$ - 0 -	\$ - 0 -	\$ - 0 -
NET CHANGE IN FUND BALANCE	\$ 983,612	\$ 2,570,035	\$ 2,400,286
BEGINNING FUND BALANCE	14,011,485	11,441,450	9,041,164
ENDING FUND BALANCE	\$ 14,995,097	\$ 14,011,485	\$ 11,441,450

See accompanying independent auditor's report.

		Percentage of Total Revenues				
<u>2022</u>	<u>2021</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
\$ 2,130,700	\$ 2,161,619	47.4 %	47.5 %	43.3 %	42.3 %	48.9 %
540,646	441,492	8.5	8.2	10.1	10.7	10.0
483,499	526,901	7.6	7.9	8.4	9.6	11.9
633,507	458,764	11.5	10.0	13.0	12.6	10.4
41,877	34,333	0.8	0.8	0.8	0.8	0.8
298,380	78,203	0.8	0.9	1.0	5.9	1.8
143,393	18,534	10.2	11.0	9.8	2.9	0.4
365,940	346,977	7.3	7.3	7.1	7.3	7.8
322,091	305,684	5.7	6.3	5.7	6.4	6.9
72,587	47,557	0.2	0.1	0.8	1.5	1.1
<u>\$ 5,032,620</u>	<u>\$ 4,420,064</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 322,171	\$ 397,792	6.1 %	4.8 %	4.5 %	6.4 %	9.0 %
368,019	337,416	8.9	8.8	8.9	7.3	7.6
278,694	219,279	4.7	5.1	4.6	5.5	5.0
85,006	71,841	2.0	1.8	1.9	1.7	1.6
989,332	1,761,657	17.8	12.8	12.0	19.7	39.9
298,949	280,316	7.3	7.2	5.6	5.9	6.3
743,389	538,467	14.2	13.8	15.8	14.8	12.2
332,250	289,361	5.1	5.5	4.2	6.6	6.5
363,685	829,378	18.6	1.1	0.8	7.2	18.8
	924,756	0.8				20.9
<u>\$ 3,781,495</u>	<u>\$ 5,650,263</u>	<u>85.5 %</u>	<u>60.9 %</u>	<u>58.3 %</u>	<u>75.1 %</u>	<u>127.8 %</u>
<u>\$ 1,251,125</u>	<u>\$ (1,230,199)</u>	<u>14.5 %</u>	<u>39.1 %</u>	<u>41.7 %</u>	<u>24.9 %</u>	<u>(27.8) %</u>
<u>\$ (31,690)</u>	<u>\$ - 0 -</u>					
\$ 1,219,435	\$ (1,230,199)					
<u>7,821,729</u>	<u>9,051,928</u>					
<u>\$ 9,041,164</u>	<u>\$ 7,821,729</u>					

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	\$ 2,046,704	\$ 2,271,940	\$ 2,492,835
Penalty and Interest	61,565	62,868	55,280
Investment Revenues	88,138	131,517	141,552
Miscellaneous Revenues	37,776	74,592	13,013
TOTAL REVENUES	\$ 2,234,183	\$ 2,540,917	\$ 2,702,680
EXPENDITURES			
Tax Collection Expenditures	\$ 184,017	\$ 131,044	\$ 100,904
Debt Service Principal	1,775,000	2,265,000	2,220,000
Debt Service Interest and Fees	397,775	481,282	548,856
TOTAL EXPENDITURES	\$ 2,356,792	\$ 2,877,326	\$ 2,869,760
NET CHANGE IN FUND BALANCE	\$ (122,609)	\$ (336,409)	\$ (167,080)
BEGINNING FUND BALANCE	1,103,417	1,439,826	1,606,906
ENDING FUND BALANCE	\$ 980,808	\$ 1,103,417	\$ 1,439,826
TOTAL ACTIVE RETAIL WATER CONNECTIONS	1,459	1,458	1,447
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	1,397	1,398	1,400

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
\$ 2,934,139	\$ 2,934,864	91.6 %	89.4 %	92.2 %	96.8 %	98.2 %
39,657	29,699	2.8	2.5	2.1	1.3	1.0
38,141	9,190	3.9	5.2	5.2	1.3	0.3
<u>19,526</u>	<u>13,557</u>	<u>1.7</u>	<u>2.9</u>	<u>0.5</u>	<u>0.6</u>	<u>0.5</u>
\$ <u>3,031,463</u>	\$ <u>2,987,310</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 113,091	\$ 98,027	8.2 %	5.2 %	3.7 %	3.7 %	3.3 %
2,175,000	2,430,000	79.5	89.1	82.2	71.8	81.3
<u>610,156</u>	<u>714,031</u>	<u>17.8</u>	<u>18.9</u>	<u>20.3</u>	<u>20.1</u>	<u>23.9</u>
\$ <u>2,898,247</u>	\$ <u>3,242,058</u>	<u>105.5 %</u>	<u>113.2 %</u>	<u>106.2 %</u>	<u>95.6 %</u>	<u>108.5 %</u>
\$ 133,216	\$ (254,748)	<u>(5.5) %</u>	<u>(13.2) %</u>	<u>(6.2) %</u>	<u>4.4 %</u>	<u>(8.5) %</u>
<u>1,473,690</u>	<u>1,728,438</u>					
\$ <u>1,606,906</u>	\$ <u>1,473,690</u>					
<u>1,443</u>	<u>1,431</u>					
<u>1,386</u>	<u>1,376</u>					

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
DECEMBER 31, 2025**

District Mailing Address - Fort Bend County Municipal Utility District No. 116
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, TX 77027

District Telephone Number - (713) 860-6400

Board Members	Term of Office (Elected or <u>Appointed</u>)	Fees of Office for the year ended December 31, <u>2025</u>	Reimbursements for the year ended December 31, <u>2025</u>	<u>Title</u>
Chad Millis	05/22 - 05/26 (Elected)	\$ 2,210	\$ 246	President
Dallas Duffy	05/22 - 05/26 (Elected)	\$ 2,652	\$ 370	Vice President
Angela Riley	05/24 - 05/28 (Elected)	\$ 7,072	\$ 224	Secretary
Jesse Matthews	05/24 - 05/28 (Elected)	\$ 7,072	\$ 2,635	Assistant Vice President
Johnny Knight	12/23 - 05/26 (Appointed)	\$ 4,862	\$ 1,928	Assistant Secretary

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

Submission date of most recent District Registration Form: May 7, 2024

The limit on Fees of Office that a Director may receive during a fiscal year is the maximum extent allowed by law as set by Board Resolution on July 11, 2023. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
DECEMBER 31, 2025**

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2025</u>	<u>Title</u>
Allen Boone Humphries Robinson LLP	07/01/03	\$ 147,949	General Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	12/01/99	\$ 19,750	Auditor
Municipal Accounts & Consulting, L.P.	05/01/18	\$ 74,854	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, LLP	03/07/00	\$ 41,617	Delinquent Tax Attorney
Blackline Engineering LLC	12/31/15	\$ 990,469 \$ 51,125	Engineer Bond Issue Related
Masterson Advisors LLC	05/01/18	\$ -0-	Financial Advisor
Si Environmental, LLC	05/30/12	\$ 1,255,427	Operator
Wheeler and Associates, Inc.	10/26/99	\$ 52,849	Tax Assessor/ Collector
Mark Burton and Ghia Lewis	05/01/18	\$ -0-	Investment Officers

See accompanying independent auditor's report.