

**CINCO MUNICIPAL
UTILITY DISTRICT NO. 9**

HARRIS AND FORT BEND COUNTIES, TEXAS

FINANCIAL REPORT

September 30, 2020

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Independent Auditors' Report

Board of Directors
Cinco Municipal Utility District No. 9
Harris and Fort Bend Counties, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Cinco Municipal Utility District No. 9, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient to provide a basis for our audit opinions.

***Board of Directors
Cinco Municipal Utility District No. 9
Harris and Fort Bend Counties, Texas***

Opinion

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 Cinco Municipal Utility District No. 9, as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, 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.

Other 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 Texas Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Texas Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied to the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

W. G. Galt & Co., P.C.

Houston, Texas
January 20, 2021

Management's Discussion and Analysis

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***Cinco Municipal Utility District No. 9
Management's Discussion and Analysis
September 30, 2020***

Using this Annual Report

Within this section of the financial report of Cinco Municipal Utility District No. 9 (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended September 30, 2020. This analysis should be read in conjunction with the independent auditors' report and the basic financial statements that follow this section.

In addition to this discussion and analysis, this annual report consists of:

- The District's basic financial statements;
- Notes to the basic financial statements, which provide additional information essential to a full understanding of the data provided in the financial statements;
- Supplementary information required by the Governmental Accounting Standards Board (GASB) concerning the District's budget; and
- Other Texas supplementary information required by the District's state oversight agency, the Texas Commission on Environmental Quality (TCEQ).

Overview of the Financial Statements

The District prepares its basic financial statements using a format that combines fund financial statements and government-wide statements onto one financial statement. The combined statements are the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. Each statement contains an adjustments column which quantifies the differences between the government-wide and fund level statements. Additional details of the adjustments are provided in Note 2 to the basic financial statements.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District, both long-term and short-term. The District's government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the accrual basis of accounting. The *Statement of Net Position* includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, changes in net position may provide a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

Accounting standards establish three components of net position. The net investment in capital assets component represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restricted component of net position consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties. The unrestricted component of net position represents resources not included in the other components.

***Cinco Municipal Utility District No. 9
 Management’s Discussion and Analysis
 September 30, 2020***

The *Statement of Activities* reports how the District’s net position has changed during the fiscal year. All revenues and expenses are included on this statement, regardless of whether cash has been received or paid.

Fund Financial Statements

The fund financial statements include the *Governmental Funds Balance Sheet* and the *Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. The focus of fund financial statements is on specific activities of the District rather than the District as a whole, reported using modified accrual accounting. These statements report on the District’s use of available financial resources and the balances of available financial resources at the end of the year. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties, governmental statutes or regulations.

For further discussion on the government-wide and fund financial statements, please refer to Note 1 in the financial statements.

Financial Analysis of the District as a Whole

The District’s net position at September 30, 2020, was \$4,161,833. A comparative summary of the District’s overall financial position, as of September 30, 2020 and 2019, is as follows:

	2020	2019
Current and other assets	\$ 2,524,746	\$ 2,604,919
Capital assets	1,855,315	1,963,601
Total assets	4,380,061	4,568,520
 Current liabilities	 218,228	 312,585
 Net position		
Net investment in capital assets	1,855,315	1,963,601
Unrestricted	2,306,518	2,292,334
Total net position	\$ 4,161,833	\$ 4,255,935

***Cinco Municipal Utility District No. 9
Management’s Discussion and Analysis
September 30, 2020***

The total net position of the District decreased during the current fiscal year by \$94,102. A comparative summary of the District’s *Statement of Activities* for the past two years is as follows:

	<u>2020</u>	<u>2019</u>
Revenues		
Property taxes, penalties and interest	\$ 1,562,296	\$ 1,517,231
Water and sewer service	722,572	701,230
Other	793,892	682,241
Total revenues	<u>3,078,760</u>	<u>2,900,702</u>
Expenses		
Current service operations	2,422,490	2,045,512
Contractual obligations	642,086	725,364
Depreciation	108,286	108,286
Total expenses	<u>3,172,862</u>	<u>2,879,162</u>
Change in net position	(94,102)	21,540
Net position, beginning of year	4,255,935	4,234,395
Net position, end of year	<u>\$ 4,161,833</u>	<u>\$ 4,255,935</u>

Financial Analysis of the District’s Funds

The District’s combined fund balances, as of September 30, 2020, were \$2,271,561, which consists of \$2,234,498 in the General Fund and \$37,063 in the Contract Tax Fund.

General Fund

A comparative summary of the General Fund’s financial position as of September 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Total assets	<u>\$ 2,478,604</u>	<u>\$ 2,582,670</u>
Total liabilities	\$ 218,228	\$ 312,585
Total deferred inflows	25,878	21,925
Total fund balance	<u>2,234,498</u>	<u>2,248,160</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 2,478,604</u>	<u>\$ 2,582,670</u>

***Cinco Municipal Utility District No. 9
Management’s Discussion and Analysis
September 30, 2020***

A comparative summary of the General Fund’s activities for the current and prior fiscal year is as follows:

	<u>2020</u>	<u>2019</u>
Total revenues	\$ 2,408,828	\$ 2,244,990
Total expenditures	<u>(2,422,490)</u>	<u>(2,045,512)</u>
Revenues over/(under) expenditures	(13,662)	199,478
Other changes in fund balance		(14,000)
Net change in fund balance	<u>\$ (13,662)</u>	<u>\$ 185,478</u>

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District’s primary financial resources in the General Fund are from a property tax levy and the provision of water and sewer services to customers within the District. Financial resources are influenced by a variety of factors each year:

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. Property tax revenues increased from prior year because the District increased the maintenance and operations component of the levy and because assessed values increased from prior year.
- Water, sewer and surface water revenues are dependent upon customer usage, which fluctuates from year to year as a result of factors beyond the District’s control.

Contract Tax Fund

A comparative summary of the Contract Tax Fund’s financial position as of September 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Total assets	<u>\$ 46,142</u>	<u>\$ 22,249</u>
Total deferred inflows	\$ 9,079	\$ 7,767
Total fund balance	<u>37,063</u>	<u>14,482</u>
Total deferred inflows and fund balance	<u>\$ 46,142</u>	<u>\$ 22,249</u>

A comparative summary of the Contract Tax Fund’s activities for the current and prior fiscal year is as follows:

	<u>2020</u>	<u>2019</u>
Total revenues	\$ 664,667	\$ 673,519
Total expenditures	<u>(642,086)</u>	<u>(725,364)</u>
Revenues over/(under) expenditures	22,581	(51,845)
Other changes in fund balance		14,000
Net change in fund balance	<u>\$ 22,581</u>	<u>\$ (37,845)</u>

***Cinco Municipal Utility District No. 9
Management’s Discussion and Analysis
September 30, 2020***

The District’s financial resources in the Contract Tax Fund are from property tax revenues, which are dependent upon assessed values in the District and the contract tax rate. Contract tax revenues decreased because the District decreased the contract tax component of the levy.

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board did not amend the budget during the fiscal year.

Since the District’s budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was \$108,896 less than budgeted. The *Budgetary Comparison Schedule* on page 28 of this report provides variance information per financial statement line item.

Capital Assets

Capital assets held by the District at September 30, 2020 and 2019 are summarized as follows:

	<u>2020</u>	<u>2019</u>
Capital assets being depreciated		
Infrastructure	\$ 4,872,910	\$ 4,872,910
Less accumulated depreciation	<u>(3,017,595)</u>	<u>(2,909,309)</u>
Capital assets, net	<u>\$ 1,855,315</u>	<u>\$ 1,963,601</u>

Long-Term Debt and Related Liabilities

At September 30, 2020, the District had \$11,405,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District and \$11,815,000 for refunding purposes.

Next Year’s Budget

In establishing the budget for the next fiscal year, the Board considered various economic factors that may affect the District, most notably projected revenues from property taxes and water/sewer services and the projected cost of operating the District and providing services to customers. A comparison of next year’s budget to current year actual amounts for the General Fund is as follows:

	<u>2020 Actual</u>	<u>2021 Budget</u>
Total revenues	\$ 2,408,828	\$ 2,176,169
Total expenditures	<u>(2,422,490)</u>	<u>(2,102,512)</u>
Revenues over/(under) expenditures	(13,662)	73,657
Beginning fund balance	<u>2,248,160</u>	<u>2,234,498</u>
Ending fund balance	<u>\$ 2,234,498</u>	<u>\$ 2,308,155</u>

*Cinco Municipal Utility District No. 9
Management's Discussion and Analysis
September 30, 2020*

Property Taxes

The District's property tax base decreased approximately \$8,824,000 for the 2020 tax year from \$391,408,199 to \$382,584,438. For the 2020 tax year, the District has levied a maintenance tax rate of \$0.228 per \$100 of assessed value and a contract tax rate of \$0.167 per \$100 of assessed value, for a total combined tax rate of \$0.395 per \$100. Tax rates for the 2019 tax year were \$0.225 per \$100 for maintenance and operations and \$0.17 per \$100 for contract tax, for a combined total of \$0.395 per \$100 of assessed value.

Infectious Disease Outlook (COVID-19)

As further discussed in Note 11, the World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory virus currently affecting many parts of the world, including the United States and Texas. The pandemic has negatively affected the economic growth and financial markets worldwide and within Texas. While the potential impact of COVID-19 on the District cannot be quantified at this time, the continued outbreak could have an adverse effect on the District's operations and financial condition by negatively affecting property taxes and ad valorem tax revenues within the District.

Basic Financial Statements

Cinco Municipal Utility District No. 9
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2020

	General Fund	Contract Tax Fund	Total	Adjustments	Statement of Net Position
Assets					
Cash	\$ 187,294	\$ -	\$ 187,294	\$ -	\$ 187,294
Investments	1,994,911	31,989	2,026,900		2,026,900
Taxes receivable	25,878	9,079	34,957		34,957
Customer service receivables	272,553		272,553		272,553
Internal balances	(5,074)	5,074			
Other receivables	65		65		65
Accrued interest receivable	2,977		2,977		2,977
Capital assets, net				1,855,315	1,855,315
Total Assets	\$ 2,478,604	\$ 46,142	\$ 2,524,746	1,855,315	4,380,061
Liabilities					
Accounts payable	\$ 203,045	\$ -	\$ 203,045		203,045
Other payables	2,933		2,933		2,933
Customer deposits	12,250		12,250		12,250
Total Liabilities	218,228		218,228		218,228
Deferred Inflows of Resources					
Deferred property taxes	25,878	9,079	34,957	(34,957)	
Fund Balances/Net Position					
Fund Balances					
Committed		37,063	37,063	(37,063)	
Unassigned	2,234,498		2,234,498	(2,234,498)	
Total Fund Balances	2,234,498	37,063	2,271,561	(2,271,561)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,478,604	\$ 46,142	\$ 2,524,746		
Net Position					
Net investment in capital assets				1,855,315	1,855,315
Unrestricted				2,306,518	2,306,518
Total Net Position				\$ 4,161,833	\$ 4,161,833

See notes to basic financial statements.

Cinco Municipal Utility District No. 9

*Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2020*

	General Fund	Contract Tax Fund	Total	Adjustments	Statement of Activities
Revenues					
Water service	\$ 491,538	\$ -	\$ 491,538	\$ -	\$ 491,538
Sewer service	231,034		231,034		231,034
Property taxes	878,277	663,615	1,541,892	3,109	1,545,001
Penalties and interest	15,139		15,139	2,156	17,295
Surface water	763,622		763,622		763,622
Investment earnings	28,883	1,052	29,935		29,935
Miscellaneous revenue	335		335		335
Total Revenues	2,408,828	664,667	3,073,495	5,265	3,078,760
Expenditures/Expenses					
Current service operations					
Master District fees	512,316		512,316		512,316
Professional fees	126,732		126,732		126,732
Contracted services	412,826		412,826		412,826
Repairs and maintenance	400,990		400,990		400,990
Meter replacement	148,045		148,045		148,045
Utilities	2,229		2,229		2,229
Surface water	753,108		753,108		753,108
Administrative	58,372		58,372		58,372
Other	7,872		7,872		7,872
Intergovernmental					
Contractual obligations		642,086	642,086		642,086
Depreciation				108,286	108,286
Total Expenditures/Expenses	2,422,490	642,086	3,064,576	108,286	3,172,862
Revenues Over (Under) Expenditures	(13,662)	22,581	8,919	(8,919)	
Change in Net Position				(94,102)	(94,102)
Fund Balance/Net Position					
Beginning of the year	2,248,160	14,482	2,262,642	1,993,293	4,255,935
End of the year	\$ 2,234,498	\$ 37,063	\$ 2,271,561	\$ 1,890,272	\$ 4,161,833

See notes to basic financial statements.

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Cinco Municipal Utility District No. 9
Notes to Basic Financial Statements
September 30, 2020

Note 1 – Summary of Significant Accounting Policies

The accounting policies of Cinco Municipal Utility District No. 9 (the “District”) conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to an order of Texas Legislature on May 24, 1985, and operates in accordance with the Texas Water Code, Chapters 49 and 54. The Board of Directors held its first meeting on November 22, 1989 and the first bonds were issued on September 11, 1992.

The District’s primary activities include construction, maintenance and operation of water, sewer, and drainage facilities. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other 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 statements as component units.

Government-Wide and Fund Financial Statements

Government-wide financial statements display information about the District as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Interfund activity, if any, has been removed from these statements. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities*.

Fund financial statements display information at the individual fund level. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Each fund is considered to be a separate accounting entity. Most governments typically have many funds; however, governmental financial statements focus on the most important or “major” funds with non-major funds aggregated in a single column. The District has two governmental funds, which are both considered major funds.

Cinco Municipal Utility District No. 9
Notes to Basic Financial Statements
September 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

The following is a description of the various funds used by the District:

- The General Fund is used to account for the operations of the District’s water and sewer system and all other financial transactions not reported in other funds. The principal sources of revenue are property taxes and water and sewer service fees. Expenditures include costs associated with the daily operations of the District.
- The Contract Tax Fund is used to account for the payment of the District’s contractual obligation for its pro-rata share of Cinco Municipal Utility District No. 1’s debt service requirements. The primary source of revenue is property taxes from the contract tax levy.

As a special-purpose government engaged in a single governmental program, the District has opted to combine its government-wide and fund financial statements in a columnar format showing an adjustments column for reconciling items between the two.

Measurement Focus and Basis of Accounting

The government-wide financial statements use the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both available and measurable to finance expenditures of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, interest earned on investments and income from District operations. Property taxes receivable at the end of the fiscal year are treated as deferred inflows because they are not considered available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Note 2 further details the adjustments from the governmental fund presentation to the government-wide presentation.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted resources as they are needed.

Note 1 – Summary of Significant Accounting Policies (continued)

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At September 30, 2020, an allowance for uncollectible accounts was not considered necessary.

Unbilled Service Revenues

Utility revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled at year-end has been included in the accompanying financial statements.

Interfund Activity

During the course of operations, transactions occur between individual funds. This can include internal transfers, payables, and receivables. This activity is combined as internal balances and is eliminated in both the government-wide and fund financial statement presentation.

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciable capital assets, which primarily consist of water, wastewater, and drainage facilities, are depreciated using the straight-line method over an estimated useful life of 45 years.

Deferred Inflows and Outflows of Financial Resources

A deferred inflow of financial resources is the acquisition of resources in one period that is applicable to a future period, while a deferred outflow of financial resources is the consumption of financial resources in one period that is applicable to a future period. A deferred inflow results from the acquisition of an asset without a corresponding revenue or assumption of a liability. A deferred outflow results from the use of an asset without a corresponding expenditure or reduction of a liability.

At the fund level, property taxes receivable not collected within 60 days of fiscal year end do not meet the availability criteria required for revenue recognition and are recorded as deferred inflows of financial resources.

Cinco Municipal Utility District No. 9
Notes to Basic Financial Statements
September 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

Net Position – Governmental Activities

Governmental accounting standards establish the following three components of net position:

Net investment in capital assets – represents the District’s investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets.

Restricted – consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties.

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

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 externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District does not have any restricted fund balances.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District’s committed fund balances consist of property taxes levied for contractual obligations to Cinco Municipal Utility District No. 1 (see Note 8).

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

Cinco Municipal Utility District No. 9
Notes to Basic Financial Statements
September 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include, among others, the collectability of receivables; the value of unbilled utility revenues and receivables and the useful lives and impairment of capital assets. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

Note 2 – Adjustment from Governmental to Government-wide Basis

Reconciliation of the *Governmental Funds Balance Sheet* to the *Statement of Net Position*

Total fund balance, governmental funds		\$ 2,271,561
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	\$ 4,872,910	
Less accumulated depreciation	<u>(3,017,595)</u>	
Change due to capital assets		1,855,315
Property taxes receivable and related penalties and interest have been levied and are due, but are not available soon enough to pay current period expenditures and, therefore, are deferred in the funds.		
Property taxes receivable	21,221	
Penalty and interest receivable	<u>13,736</u>	
Change due to property taxes		34,957
Total net position - governmental activities		<u><u>\$ 4,161,833</u></u>

Cinco Municipal Utility District No. 9
Notes to Basic Financial Statements
September 30, 2020

Note 2 – Adjustment from Governmental to Government-wide Basis (continued)

Reconciliation of the *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* to the *Statement of Activities*

Net change in fund balances - total governmental funds	\$ 8,919
Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the <i>Statement of Activities</i> when earned. The difference is for property taxes and related penalties and interest.	5,265
In the <i>Statement of Activities</i> , the cost of capital asset is charged to depreciation expense over the estimated useful life of the asset.	(108,286)
Change in net position of governmental activities	<u>\$ (94,102)</u>

Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

Custodial credit risk as it applies to deposits (i.e. cash and certificates of deposit) is the risk that, in the event of the failure of the depository institution, a government will not be able to recover its deposits or will not be able to recover collateral securities. The *Public Funds Collateral Act* (Chapter 2257, Texas Government Code) requires that all of the District’s deposits with financial institutions be covered by federal depository insurance and, if necessary, pledged collateral held by a third-party custodian. The act further specifies the types of securities that can be used as collateral. The District’s written investment policy establishes additional requirements for collateralization of deposits.

Investments

The District is authorized by the *Public Funds Investment Act* (Chapter 2256, Texas Government Code) to invest in the following: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including Federal Home Loan Banks, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies or instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (5) certain A rated or higher obligations of states and political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) certain insured or collateralized certificates of deposit and share certificates, (8) certain fully collateralized repurchase agreements, (9) bankers’ acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds, with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

Cinco Municipal Utility District No. 9
Notes to Basic Financial Statements
September 30, 2020

Note 3 – Deposits and Investments (continued)

Investments (continued)

The District has adopted a written investment policy to establish the principles by which the District’s investment program should be managed. This policy further restricts the types of investments in which the District may invest.

As of September 30, 2020, the District’s investments consist of the following:

Type	Fund	Carrying Value	Percentage of Total	Rating	Weighted Average Maturity
Certificates of deposit	General	\$ 451,114	23%	N/A	N/A
TexPool	General	1,495,128			
	Contract Tax	31,989			
		<u>1,527,117</u>	75%	AAAm	38 days
Texas Class	General	<u>48,669</u>	<u>2%</u>	AAAm	56 days
Total		<u>\$ 2,026,900</u>	<u>100%</u>		

The District’s investments in certificates of deposit are reported at cost.

TexPool

The District participates in TexPool, the Texas Local Government Investment Pool. The State Comptroller of Public Accounts exercises oversight responsibility of TexPool, which includes (1) the ability to significantly influence operations, (2) designation of management and (3) accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

As permitted by GAAP, TexPool uses amortized cost (which excludes unrealized gains and losses) rather than market value to compute share price and seeks to maintain a constant dollar value per share. Accordingly, the fair value of the District’s position in TexPool is the same as the value of TexPool shares. Investments in TexPool may be withdrawn on a same day basis, as long as the transaction is executed by 3:30 p.m.

Cinco Municipal Utility District No. 9
Notes to Basic Financial Statements
September 30, 2020

Note 3 – Deposits and Investments (continued)

Texas CLASS

The District also participates in Texas Cooperative Liquid Assets Securities System (Texas CLASS). Texas CLASS is managed by an elected Board of Trustees consisting of members of the pool. Additionally, the Board of Trustees has established an advisory board, the function of which is to provide guidance on investment policies and strategies. The Board of Trustees has selected Public Trust Advisors, LLC as the program administer and Wells Fargo Bank as the custodian.

The District’s investment in Texas CLASS is reported at fair value because Texas CLASS uses fair value to report investments (other than repurchase agreements which are valued at amortized cost). Governmental accounting standards establish the following hierarchy of inputs used to measure fair value: Level 1 inputs are based on quoted prices in active markets, Level 2 inputs are based on significant other observable inputs, and Level 3 inputs are based on significant unobservable inputs. The District’s investment in Texas CLASS is measured using published fair value per share (level 1 inputs).

Investments in Texas CLASS may be withdrawn via wire transfer on a same day basis, as long as the transaction is executed by 4 p.m. ACH withdrawals made by 4 p.m. will settle on the next business day.

Investment Credit and Interest Rate Risk

Investment credit risk is the risk that the investor may not recover the value of an investment from the issuer, while interest rate risk is the risk that the value of an investment will be adversely affected by changes in interest rates. The District’s investment policies do not address investment credit and interest rate risk beyond the rating and maturity restrictions established by state statutes.

Note 4 – Interfund Balances and Transactions

Amounts due to/from other funds at September 30, 2020, consist of the following:

Receivable Fund	Payable Fund	Amounts	Purpose
Contract Tax	General	\$ 5,074	Contract tax collections not remitted as of year end

Amounts reported as internal balances between funds are considered temporary balances and will be paid during the following fiscal year.

Cinco Municipal Utility District No. 9
Notes to Basic Financial Statements
September 30, 2020

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended September 30, 2020, is as follows:

	Beginning Balances	Additions	Ending Balances
Capital assets being depreciated			
Infrastructure	\$ 4,872,910	\$ -	\$ 4,872,910
Less accumulated depreciation	(2,909,309)	(108,286)	(3,017,595)
Capital assets, net	<u>\$ 1,963,601</u>	<u>\$ (108,286)</u>	<u>\$ 1,855,315</u>

Depreciation expense for the current year was \$108,286.

Note 6 – Long-Term Debt

At September 30, 2020, the District had authorized but unissued bonds in the amount of \$11,405,000 for water, sewer and drainage facilities and \$11,815,000 for refunding purposes.

Note 7 – Property Taxes

On January 20, 1990, the voters of the District authorized the District’s Board of Directors to levy taxes annually for use in financing general operations limited to \$0.25 per \$100 of assessed value.

All property values and exempt status, if any, are determined by the Fort Bend Central Appraisal District and Harris County 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.

Property taxes are collected based on rates adopted in the year of the levy. The District’s 2020 fiscal year was financed through the 2019 tax levy, pursuant to which the District levied property taxes of \$0.395 per \$100 of assessed value, of which \$0.225 was allocated to maintenance and operations and \$0.17 was allocated to contract tax. The resulting tax levy was \$1,546,062 on the adjusted taxable value of \$391,408,199.

Property taxes receivable, at September 30, 2020, consisted of the following:

Current year taxes receivable	\$ 6,114
Prior years taxes receivable	15,107
	<u>21,221</u>
Penalty and interest receivable	13,736
Property taxes receivable	<u>\$ 34,957</u>

Cinco Municipal Utility District No. 9
Notes to Basic Financial Statements
September 30, 2020

Note 8 – Master District

On February 21, 1990, the District entered into a contract (the “Contract”) with Cinco Municipal Utility District No. 1 (the “Master District”) whereby the Master District agrees to provide or cause to be provided the regional water supply and distribution facilities and the wastewater collection, treatment and disposal facilities necessary to serve all districts located within the Master District’s service area. Under the terms of the Contract, which is in effect for forty years, the Master District charges the participants a monthly fee calculated by multiplying the unit cost per connection by the number of equivalent single-family residential connections reserved to each participant. For the year ended September 30, 2020, the District has incurred costs of \$512,316 under this Contract.

The Master District is authorized to issue bonds for the purpose of acquiring and constructing facilities needed to provide services to all participating districts. The District shall contribute to the payment of debt service requirements based on its pro rata share of the total certified assessed valuation of all participating districts. As of September 30, 2020, the District’s pro rata share is 9.79%. The District levied a contract tax rate of \$0.17 per \$100 of assessed valuation and paid \$642,086 to the Master District for its pro-rata share of Master District debt service requirements.

As of September 30, 2020, the Master District has \$65,515,000 contract revenue and refunding bonds outstanding. The Master District’s debt service requirements on contract revenue and refunding bonds outstanding are as follows:

Year	Principal	Interest	Total
2021	\$ 5,580,000	\$ 2,096,519	\$ 7,676,519
2022	5,190,000	1,936,112	7,126,112
2023	5,105,000	1,778,163	6,883,163
2024	4,960,000	1,614,469	6,574,469
2025	1,555,000	1,505,750	3,060,750
2026-2030	7,655,000	6,834,200	14,489,200
2031-2035	11,460,000	5,644,914	17,104,914
2036-2040	17,540,000	2,823,956	20,363,956
2041-2045	5,480,000	395,400	5,875,400
2046-2047	990,000	29,700	1,019,700
	\$ 65,515,000	\$ 24,659,183	\$ 90,174,183

Note 9 – Regional Water Authority

The District is within the boundaries of the North Fort Bend Regional Water Authority (the “Authority”), which was created by the Texas Legislature. The Authority was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Fort Bend Subsidence District, which regulates groundwater withdrawal.

Cinco Municipal Utility District No. 9
Notes to Basic Financial Statements
September 30, 2020

Note 9 – Regional Water Authority (continued)

As of January 1, 2020, the Authority's rates are \$3.95 per 1,000 gallons of water for surface water supplied to the Master District. The District then purchases the surface water from the Master District at a 5% markup for a total rate of \$4.15 per 1,000 gallons of water. These rates are subject to future increases. The District passes these costs on to its customers. During the current year, the District recorded \$763,622 in revenues and \$753,108 in expenditures related to surface water conversion.

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 personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 11 – Infectious Disease Outlook (COVID-19)

The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (the "Pandemic"), which is currently affecting many parts of the world, including the United States and Texas. Federal, state and local governments have all taken actions to respond to the Pandemic, including disaster declarations by both the President of the United States and the Governor of Texas. On March 31, 2020, the Governor issued an executive order closing all non-essential businesses in the State. This order expired on April 30, 2020. Additionally, all the counties in the greater Houston area adopted various "Work Safe – Stay Home" orders. Such actions are focused on limiting instances where the public can congregate or interact with each other. These precautions resulted in the temporary closure of all non-essential businesses in the State.

Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets locally and globally, and is widely expected to continue negatively affecting the economic growth and financial markets worldwide and within Texas. These negative impacts may reduce or negatively affect property taxes and ad valorem tax revenues within the District.

While the potential impact of the Pandemic on the District cannot be quantified at this time, the continued outbreak of the Pandemic could have an adverse effect on the District's operations and financial condition.

Note 12 – Subsequent Event

On December 9, 2020, Cinco Municipal Utility District No. 1, (the "Master District") issued its Series 2020 Contract Revenue Bonds in the amount of \$19,515,000 at a net effective rate of 2.071622%. Proceeds from the bonds will be used to finance the rehabilitation and improvement of infrastructure constructed to serve the Master District service area.

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Required Supplementary Information

Cinco Municipal Utility District No. 9

Required Supplementary Information - Budgetary Comparison Schedule - General Fund

For the Year Ended September 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Water service	\$ 450,000	\$ 491,538	\$ 41,538
Sewer service	233,000	231,034	(1,966)
Property taxes	865,100	878,277	13,177
Penalties and interest	12,000	15,139	3,139
Surface water	552,388	763,622	211,234
Investment earnings	39,250	28,883	(10,367)
Miscellaneous revenue		335	335
Total Revenues	<u>2,151,738</u>	<u>2,408,828</u>	<u>257,090</u>
Expenditures			
Current service operations			
Master District fees	512,316	512,316	
Professional fees	77,600	126,732	(49,132)
Contracted services	390,900	412,826	(21,926)
Repairs and maintenance	344,500	400,990	(56,490)
Meter replacement	90,000	148,045	(58,045)
Utilities	2,100	2,229	(129)
Surface water	552,388	753,108	(200,720)
Administrative	74,350	58,372	15,978
Other	12,350	7,872	4,478
Total Expenditures	<u>2,056,504</u>	<u>2,422,490</u>	<u>(365,986)</u>
Revenues Over/(Under) Expenditures	95,234	(13,662)	(108,896)
Fund Balance			
Beginning of the year	2,248,160	2,248,160	
End of the year	<u>\$ 2,343,394</u>	<u>\$ 2,234,498</u>	<u>\$ (108,896)</u>

Cinco Municipal Utility District No. 9
Notes to Required Supplementary Information
September 30, 2020

Budgets and Budgetary Accounting

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. There were no amendments to the budget during the year.

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Texas Supplementary Information

Cinco Municipal Utility District No. 9

TSI-1. Services and Rates

September 30, 2020

1. Services provided by the District During the Fiscal Year:

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

(You may omit this information if your district does not provide retail services)

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

	Minimum Charge	Minimum Usage	Flat Rate (Y/N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels	
Water*:	\$ 23.94	10,000	N	\$ 2.00	10,001 to	20,000
				\$ 3.00	20,001 to	35,000
				\$ 4.50	35,001 to	unlimited
Wastewater:	\$ 13.50	0	Y			
Surface water:	\$ 4.15	0	N	\$ 4.15	0 to	no limit
District employs winter averaging for wastewater usage?				<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Total charges per 10,000 gallons usage:				Water \$ 65.44	Wastewater \$	13.50

*Minimum charge for Meadow Place and Meadow Green Subdivisions is \$19.80 for the first 10,000 gallons.

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered			x 1.0	
less than 3/4"	1,300	1,298	x 1.0	1,298
1"	1	1	x 2.5	3
1.5"	23	23	x 5.0	115
2"	10	10	x 8.0	80
3"	1	1	x 15.0	15
4"			x 25.0	
6"	1	1	x 50.0	50
8"			x 80.0	
Total Water	1,336	1,334		1,561
Total Wastewater	1,273	1,271	x 1.0	1,271

See accompanying auditor's report.

Cinco Municipal Utility District No. 9
TSI-1. Services and Rates
September 30, 2020

3. Total Water Consumption during the fiscal year (rounded to the nearest thousand):
(You may omit this information if your district does not provide water)

*Gallons purchased into system:	<u>189,267,000</u>	Water Accountability Ratio:
Gallons billed to customers:	<u>189,267,000</u>	(Gallons billed / Gallons pumped)
		<u>100.00%</u>

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

(You may omit this information if your district does not levy standby fees)

Does the District have Debt Service standby fees? Yes No

If yes, Date of the most recent commission Order: _____

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

If yes, Date of the most recent commission Order: _____

5. Location of District (required for first audit year or when information changes, otherwise this information may be omitted):

Is the District located entirely within one county? Yes No

County(ies) in which the District is located: Harris and Fort Bend Counties

Is the District located within a city? Entirely Partly Not at all

City(ies) in which the District is located: _____

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

Entirely Partly Not at all

ETJs in which the District is located: City of Houston

Are Board members appointed by an office outside the district? Yes No

If Yes, by whom? _____

* Purchased from Cinco Municipal Utility District No. 1

See accompanying auditors' report.

*Cinco Municipal Utility District No. 9
TSI-2 General Fund Expenditures
For the Year Ended September 30, 2020*

Master District fees	<u>\$ 512,316</u>
Professional fees	
Legal	88,715
Audit	12,500
Engineering	25,517
	<u>126,732</u>
Contracted services	
Bookkeeping	12,585
Operator	49,385
Garbage collection	335,678
Tax assessment and collection	15,178
	<u>412,826</u>
Repairs and maintenance	<u>400,990</u>
Meter replacement	<u>148,045</u>
Utilities	<u>2,229</u>
Surface water	<u>753,108</u>
Administrative	
Directors fees	10,950
Printing and office supplies	31,817
Insurance	5,991
Other	9,614
	<u>58,372</u>
Other	<u>7,872</u>
Total expenditures	<u>\$ 2,422,490</u>

Reporting of Utility Services in Accordance with HB 3693:

	<u>Usage</u>	<u>Cost</u>
Electrical	4,196 kWh	\$ 1,883
Water	N/A	N/A
Natural Gas	177 CCF	\$ 346

See accompanying auditors' report.

Cinco Municipal Utility District No. 9

TSI-3. Investments

September 30, 2020

<u>Fund</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Interest Receivable</u>
General				
Certificate of deposit	0.60%	7/27/2021	\$ 224,477	\$ 239
Certificate of deposit	1.75%	1/22/2021	226,637	2,738
TexPool	Variable	N/A	1,486,183	
TexPool	Variable	N/A	8,945	
Texas CLASS	Variable	N/A	48,669	
			<u>1,994,911</u>	<u>2,977</u>
Contract Tax				
TexPool	Variable	N/A	<u>31,989</u>	
Total - All Funds			<u>\$ 2,026,900</u>	<u>\$ 2,977</u>

See accompanying auditors' report.

Cinco Municipal Utility District No. 9
TSI-4. Taxes Levied and Receivable
September 30, 2020

	Maintenance Taxes	Contract Taxes	Debt Service Taxes	Totals
Taxes Receivable, Beginning of Year	\$ 7,383	\$ 7,767	\$ 2,963	\$ 18,113
Adjustments	(547)	(467)	(47)	(1,061)
Adjusted Receivable	6,836	7,300	2,916	17,052
2019 Original Tax Levy	860,616	650,243		1,510,859
Adjustments	20,052	15,151		35,203
Adjusted Tax Levy	880,668	665,394		1,546,062
Total to be accounted for	887,504	672,694	2,916	1,563,114
Tax collections:				
Current year	877,186	662,762		1,539,948
Prior years	1,028	853	64	1,945
Total Collections	878,214	663,615	64	1,541,893
Taxes Receivable, End of Year	\$ 9,290	\$ 9,079	\$ 2,852	\$ 21,221
Taxes Receivable, By Years				
2019	\$ 3,482	\$ 2,632	\$ -	\$ 6,114
2018	1,706	1,357		3,063
2017	729	580		1,309
2016 and prior	3,373	4,510	2,852	10,735
	\$ 9,290	\$ 9,079	\$ 2,852	\$ 21,221
	2019	2018	2017	2016
Property Valuations				
Land	\$ 42,108,397	\$ 42,564,537	\$ 35,732,187	\$ 35,727,697
Improvements	362,632,640	349,754,990	347,419,292	342,131,536
Personal Property	4,958,841	4,902,063	5,153,823	4,306,567
Exemptions	(18,291,679)	(17,920,656)	(12,400,975)	(12,079,401)
Total Property Valuations	\$ 391,408,199	\$ 379,300,934	\$ 375,904,327	\$ 370,086,399
Tax Rates per \$100 Valuation:				
Maintenance tax rates	\$ 0.225	\$ 0.220	\$ 0.220	\$ 0.220
Contract tax rates	0.170	0.175	0.175	0.185
	\$ 0.395	\$ 0.395	\$ 0.395	\$ 0.405
Adjusted Tax Levy	\$ 1,546,062	\$ 1,498,239	\$ 1,484,822	\$ 1,498,850
Percentage of Taxes Collected to Taxes Levied **	99.60%	99.80%	99.91%	99.92%

* Maximum Maintenance Tax Rate Approved by Voters: \$0.25 on January 20, 1990

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

See accompanying auditors' report.

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Cinco Municipal Utility District No. 9

TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund

For the Last Five Fiscal Years

	Amounts				
	2020	2019	2018	2017	2016
Revenues					
Water service	\$ 491,538	\$ 469,397	\$ 482,145	\$ 488,780	\$ 481,247
Sewer service	231,034	231,833	232,613	229,186	233,387
Property taxes	878,277	839,907	824,925	812,667	823,413
Penalties and interest	15,139	27,317	19,585	13,267	16,073
Tap connection and inspection		12,532			
Surface water	763,622	613,652	605,492	555,885	496,932
Investment earnings	28,883	50,352	27,144	12,025	8,003
Miscellaneous revenue	335		485		
Total Revenues	2,408,828	2,244,990	2,192,389	2,111,810	2,059,055
Expenditures					
Current service operations					
Master District fees	512,316	505,008	505,344	439,848	441,216
Professional fees	126,732	81,506	79,383	55,129	83,624
Contracted services	412,826	413,562	375,374	354,369	347,330
Repairs and maintenance	400,990	346,647	214,189	292,626	249,839
Meter replacement	148,045				
Utilities	2,229	2,138	1,311	1,001	290
Surface water	753,108	626,579	615,450	565,511	501,805
Administrative	58,372	60,497	59,160	58,313	65,529
Other	7,872	9,575	14,377	11,062	10,759
Capital outlay				95,229	40,673
Total Expenditures	2,422,490	2,045,512	1,864,588	1,873,088	1,741,065
Revenues Over/(Under) Expenditures	\$ (13,662)	\$ 199,478	\$ 327,801	\$ 238,722	\$ 317,990

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues

2020	2019	2018	2017	2016
20%	21%	22%	23%	23%
10%	10%	11%	11%	11%
36%	37%	38%	38%	40%
1%	1%	1%	1%	2%
	1%			
32%	28%	27%	26%	24%
1%	2%	1%	1%	*
*		*		
100%	100%	100%	100%	100%
21%	22%	23%	21%	21%
5%	4%	4%	3%	4%
17%	18%	17%	17%	17%
17%	15%	10%	14%	12%
*	*	*	*	*
31%	28%	28%	27%	24%
2%	3%	3%	3%	3%
*	*	1%	1%	1%
			5%	2%
93%	90%	86%	91%	84%
7%	10%	14%	9%	16%

Cinco Municipal Utility District No. 9
TSI-8. Board Members, Key Personnel and Consultants
September 30, 2020

Complete District Mailing Address: 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027
District Business Telephone Number: 713-860-6400
Submission Date of the most recent District Registration Form
(TWC Sections 36.054 and 49.054): September 18, 2019
Limit on Fees of Office that a Director may receive during a fiscal year: \$ 7,200
(Set by Board Resolution -- TWC Section 49.0600)

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse- ments	Title at Year End
Board Members:				
Lewis Ernest	05/18 - 05/22	\$ 3,000	\$ 1,150	President
Chris Forrest	05/18 - 05/22	1,950		Vice President
John Campbell	05/20 - 05/24	2,100		Secretary
Harvey Nelson	05/18 - 05/22	1,650	32	Assistant Vice President
Gregg Haan	05/20 - 05/24	2,250	133	Assistant Secretary
Consultants:				
		Amounts Paid		
Allen Boone Humphries Robinson LLP	2003	\$ 94,391		Attorney
Inframark Water & Infrastructure Services	1990	592,650		Operator
F Matuska, Inc.	2006	14,515		Bookkeeper
Fort Bend County Tax Assessor Collector	2003	2,172		Tax Collector
Fort Bend Central Appraisal District	Legislation	6,998		Property Valuation
Harris County Appraisal District	Legislation	4,976		Property Valuation
Linbarger Goggan Blair & Sampson, LLP	2008	1,032		Delinquent Tax Attorney
Pape-Dawson Engineers, Inc.	2018	34,100		Former Engineer
McGrath & Co., PLLC	2010	12,500		Auditor
Masterson Advisors LLC	2018			Financial Advisor
Best Trash	2010	335,678		Garbage Collection

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

See accompanying auditors' report.