

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**

**HARRIS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**MARCH 31, 2024**

**McCALL GIBSON SWEDLUND BARFOOT PLLC**  
Certified Public Accountants



## TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	1-3
MANAGEMENT’S DISCUSSION AND ANALYSIS	4-8
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET	9-12
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	13
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	14-15
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	16
NOTES TO THE FINANCIAL STATEMENTS	17-30
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND	32
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-EACH SPECIAL REVENUE FUND	33-34
SUPPLEMENTARY INFORMATION – REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE	
NOTES REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE (Included in the notes to the financial statements)	
SERVICES AND RATES	36-38
GENERAL FUND EXPENDITURES	39
INVESTMENTS	40
TAXES LEVIED AND RECEIVABLE	41-42
LONG-TERM DEBT SERVICE REQUIREMENTS	43-45
CHANGES IN LONG-TERM BOND DEBT	46-47
COMPARATIVE SCHEDULES OF REVENUES AND EXPENDITURES GENERAL FUND AND DEBT SERVICE FUND - FIVE YEARS	48-51
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS	52-53



# **McCALL GIBSON SWEDLUND BARFOOT PLLC**

*Certified Public Accountants*

13100 Wortham Center Drive  
Suite 235  
Houston, Texas 77065-5610  
(713) 462-0341  
Fax (713) 462-2708

PO Box 29584  
Austin, TX 78755-5126  
(512) 610-2209  
[www.mgsbpllc.com](http://www.mgsbpllc.com)  
E-Mail: [mgsb@mgsbpllc.com](mailto:mgsb@mgsbpllc.com)

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Harris County Municipal  
Utility District No. 149  
Harris County, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 149 (the "District") as of and for the year ended March 31, 2024, 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 March 31, 2024, 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 Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund and each Special Revenue 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.





### 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 any 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.

A handwritten signature in black ink that reads "McCall Gibson Swedlund Barfoot PLLC". The script is cursive and fluid.

McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

July 15, 2024



# **HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **FOR THE YEAR ENDED MARCH 31, 2024**

Management's discussion and analysis of the financial performance of Harris County Municipal Utility District No. 149 (the "District") provides an overview of the District's financial activities for the year ended March 31, 2024. 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 like 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 the District's assets and liabilities 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 four governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, sale tax revenues, operating costs and general expenditures. The Special Revenue Funds account for the activities of the jointly operated wastewater treatment facilities and water facilities. 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.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2024**

**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"). Budgetary comparison schedules are included as RSI for the General Fund and each Special Revenue 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 exceeded liabilities by \$8,239,717 as of March 31, 2024. A portion of the District's net position reflects its net investment in capital assets which includes land and the water and wastewater facilities less any debt used to acquire those assets that is still outstanding.

The first table on the following page is a comparative analysis of government-wide changes in net position for the current and prior fiscal years.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

	Summary of Changes in the Statement of Net Position		
	2024	2023	Change Positive (Negative)
Current and Other Assets	\$ 7,368,330	\$ 8,796,521	\$ (1,428,191)
Capital Assets (Net of Accumulated Depreciation)	11,736,588	11,467,371	269,217
Total Assets	\$ 19,104,918	\$ 20,263,892	\$ (1,158,974)
Bonds Payable	\$ 9,797,642	\$ 10,110,476	\$ 312,834
Other Liabilities	1,067,559	2,039,428	971,869
Total Liabilities	\$ 10,865,201	\$ 12,149,904	\$ 1,284,703
Net Position:			
Net Investment in Capital Assets	\$ 2,716,859	\$ 2,897,137	\$ (180,278)
Restricted	1,030,158	824,454	205,704
Unrestricted	4,492,700	4,392,397	100,303
Total Net Position	\$ 8,239,717	\$ 8,113,988	\$ 125,729

The following table provides a summary of the District's operations for the years ended March 31, 2024, and March 31, 2023.

	Summary of Changes in the Statement of Activities		
	2024	2023	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 1,408,558	\$ 1,292,346	\$ 116,212
Charges for Services	1,761,089	1,767,279	(6,190)
Other Revenues	561,560	1,030,972	(469,412)
Total Revenues	\$ 3,731,207	\$ 4,090,597	\$ (359,390)
Expenses for Services	3,605,478	2,956,412	(649,066)
Change in Net Position	\$ 125,729	\$ 1,134,185	\$ (1,008,456)
Net Position, Beginning of Year	8,113,988	6,979,803	1,134,185
Net Position, End of Year	\$ 8,239,717	\$ 8,113,988	\$ 125,729

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2024**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS**

The District's combined fund balances as of March 31, 2024, were \$6,650,946, a decrease of \$475,372 from the prior year. The General Fund fund balance increased by \$93,581, primarily due to service and tax revenues exceeding operating expenditures. The Debt Service Fund fund balance increased by \$193,376, primarily due to the structure of the District's outstanding debt. The Capital Projects Fund fund balance decreased by \$762,329, primarily due to capital costs paid from bond proceeds received in a prior fiscal year. Special Revenue Fund fund balances are revenue neutral; costs incurred are billed to the participants. Water facilities costs totaled \$900,893 and wastewater treatment facility costs totaled \$540,356 for the current fiscal year.

**BUDGETARY HIGHLIGHTS**

The Board of Directors amended the General Fund budget to increase expected property tax revenues. Actual revenues were \$150,035 more than budgeted revenues, actual expenditures were \$256,882 more than budgeted expenditures, and budgeted transfers were not actually made. This resulted in a negative budget to actual variance of \$356,847. See the budget to actual comparison for more information on variances to individual categories of account balances.

Revenue neutral Special Revenue Fund budgets are also presented as RSI in this report. See the budget to actual comparisons for more detailed information on variances by category of expenditure.

**CAPITAL ASSETS**

Capital assets as of March 31, 2024, total \$11,736,588 (net of accumulated depreciation) and include land, as well as the water and wastewater systems. The District completed the construction of its wastewater treatment plant during the current fiscal year.

Capital Assets At Year-End			
	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 153,998	\$ 153,998	\$
Construction in Progress	59,657	8,912,669	(8,853,012)
Capital Assets Subject to Depreciation:			
Water System	5,089,199	5,089,199	
Wastewater System	14,590,756	7,351,104	7,239,652
Less Accumulated Depreciation	<u>(8,157,022)</u>	<u>(10,039,599)</u>	<u>1,882,577</u>
Total Net Capital Assets	<u>\$ 11,736,588</u>	<u>\$ 11,467,371</u>	<u>\$ 269,217</u>

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2024**

**LONG-TERM DEBT ACTIVITY**

As of March 31, 2024, the District had total bond debt payable of \$9,795,000. The changes in the debt position of the District during the year ended March 31, 2024, are summarized as follows:

Bond Debt Payable, April 1, 2023	\$ 10,110,000
Less: Bond Principal Paid	<u>(315,000)</u>
Bond Debt Payable, March 31, 2024	<u><u>\$ 9,795,000</u></u>

The District has an underlying rating of “A-”. The Series 2010 bonds carry an “AA” rating by virtue of bond insurance issued by Assured Guaranty Municipal and the Series 2020 bonds carry an “AA” rating 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 changes to the ratings of the insurers.

**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 Harris County Municipal Utility District No. 149, c/o Schwartz, Page & Harding, L.L.P., 1300 Post Oak Boulevard, Suite 2400, Houston, Texas 77056-3078.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**MARCH 31, 2024**

		Special Revenue Funds	
		Water Facilities	Wastewater Treatment Facilities
	General Fund		
<b>ASSETS</b>			
Cash	\$ 179,098	\$ 163,634	\$ 48,006
Investments	4,717,218		
Receivables:			
Property Taxes	45,273		
Penalty and Interest on Delinquent Taxes			
Service Accounts	109,858		
Accrued Interest	8,358		
Builder Damages	7,166		
Due from Other Funds	3,861	60,143	55,543
Due from Other Governmental Units	20,204	59,222	28,403
Water Facilities Operating Advance	163,415		
Wastewater Treatment Facilities Operating Advance	69,185		
Land			
Construction in Progress			
Capital Assets (Net of Accumulated Depreciation)			
<b>TOTAL ASSETS</b>	<u>\$ 5,323,636</u>	<u>\$ 282,999</u>	<u>\$ 131,952</u>

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



<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 94,561	\$ 171	\$ 485,470	\$	\$ 485,470
883,198	944,258	6,544,674		6,544,674
43,997		89,270		89,270
			15,705	15,705
		109,858		109,858
		8,358		8,358
		7,166		7,166
		119,547	(119,547)	
		107,829		107,829
		163,415	(163,415)	
		69,185	(69,185)	
			153,998	153,998
			59,657	59,657
			11,522,933	11,522,933
<u>\$ 1,021,756</u>	<u>\$ 944,429</u>	<u>\$ 7,704,772</u>	<u>\$ 11,400,146</u>	<u>\$ 19,104,918</u>

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**MARCH 31, 2024**

		Special Revenue Funds	
			Wastewater
	General Fund	Water Facilities	Treatment Facilities
<b>LIABILITIES</b>			
Accounts Payable	\$ 182,534	\$ 63,683	\$ 43,923
Due to Developer			
Due to Other Funds	115,686	251	537
Due to Taxpayers			
Security Deposits	129,082		
Participant Advances		219,065	87,492
Unearned Tap Revenue	25,527		
Long-Term Liabilities:			
Bonds Payable, Due Within One Year			
Bonds Payable, Due After One Year			
<b>TOTAL LIABILITIES</b>	<u>\$ 452,829</u>	<u>\$ 282,999</u>	<u>\$ 131,952</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	<u>\$ 45,273</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Operating Advances	\$ 232,600	\$	\$
Restricted for Authorized Construction			
Restricted for Debt Service			
Committed For Construction	355,261		
Unassigned	<u>4,237,673</u>		
<b>TOTAL FUND BALANCES</b>	<u>\$ 4,825,534</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u><u>\$ 5,323,636</u></u>	<u><u>\$ 282,999</u></u>	<u><u>\$ 131,952</u></u>
<b>NET POSITION</b>			
Net Investment in Capital Assets			
Restricted for Debt Service			
Unrestricted			
<b>TOTAL NET POSITION</b>			

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

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$	\$ 89,473	\$ 379,613	\$ 378,107	\$ 757,720
			77,043	77,043
3,073		119,547	(119,547)	
4,230		4,230		4,230
		129,082		129,082
		306,557	(232,600)	73,957
		25,527		25,527
			330,000	330,000
			9,467,642	9,467,642
<u>\$ 7,303</u>	<u>\$ 89,473</u>	<u>\$ 964,556</u>	<u>\$ 9,900,645</u>	<u>\$ 10,865,201</u>
<u>\$ 43,997</u>	<u>\$ -0-</u>	<u>\$ 89,270</u>	<u>\$ (89,270)</u>	<u>\$ -0-</u>
\$	\$	\$	\$	\$
	854,956	232,600	(232,600)	
		854,956	(854,956)	
970,456		970,456	(970,456)	
		355,261	(355,261)	
		4,237,673	(4,237,673)	
<u>\$ 970,456</u>	<u>\$ 854,956</u>	<u>\$ 6,650,946</u>	<u>\$ (6,650,946)</u>	<u>\$ - 0 -</u>
<u>\$ 1,021,756</u>	<u>\$ 944,429</u>	<u>\$ 7,704,772</u>		
			\$ 2,716,859	\$ 2,716,859
			1,030,158	1,030,158
			4,492,700	4,492,700
			<u>\$ 8,239,717</u>	<u>\$ 8,239,717</u>

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**MARCH 31, 2024**

Total Fund Balances - Governmental Funds	\$	6,650,946
--	----	-----------

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		11,736,588
--	--	------------

Deferred inflows of resources related to property tax revenues for the 2023 and prior tax levies and penalty and interest on delinquent taxes became part of recognized revenue in the governmental activities of the District.		104,975
---	--	---------

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:

Due to Developer	\$ (77,043)	
Accrued Expenses	(378,107)	
Bonds Payable	<u>(9,797,642)</u>	<u>(10,252,792)</u>
Total Net Position - Governmental Activities		<u>\$ 8,239,717</u>

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED MARCH 31, 2024**

		Special Revenue Funds	
	General Fund	Water Facilities	Wastewater Treatment Facilities
<b>REVENUES</b>			
Property Taxes	\$ 676,266	\$	\$
Water Service	456,329	900,863	
Wastewater Service	408,732		540,356
Water Authority Fees	449,413		
Penalty and Interest	55,598		
Sales Tax Revenues	84,653		
Participant Capital Contributions			
Investment and Miscellaneous Revenues	306,663	30	
<b>TOTAL REVENUES</b>	<u>\$ 2,437,654</u>	<u>\$ 900,893</u>	<u>\$ 540,356</u>
<b>EXPENDITURES/EXPENSES</b>			
Service Operations:			
Professional Fees	\$ 207,704	\$ 26,577	\$ 19,586
Contracted Services	422,738	42,154	65,869
Purchased Water Service	664,350		
Purchased Wastewater Service	408,284		
Utilities		41,265	63,355
Water Authority Costs		626,145	
Repairs and Maintenance	426,747	123,039	87,065
Depreciation			
Other	154,593	41,713	204,758
Capital Outlay	59,657		99,723
Loss on Disposal			
Debt Service:			
Bond Principal			
Bond Interest			
<b>TOTAL EXPENDITURES/EXPENSES</b>	<u>\$ 2,344,073</u>	<u>\$ 900,893</u>	<u>\$ 540,356</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 93,581</u>	<u>\$</u>	<u>\$</u>
<b>CHANGE IN NET POSITION</b>			
<b>FUND BALANCES/NET POSITION -</b>			
<b>APRIL 1, 2023</b>	<u>4,731,953</u>		
<b>FUND BALANCES/NET POSITION -</b>			
<b>MARCH 31, 2024</b>	<u>\$ 4,825,534</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
\$ 716,917	\$	\$ 1,393,183	\$ 15,375	\$ 1,408,558
		1,357,192	(664,350)	692,842
		949,088	(408,284)	540,804
		449,413		449,413
18,757		74,355	3,675	78,030
		84,653		84,653
			54,804	54,804
41,389	74,021	422,103		422,103
<u>\$ 777,063</u>	<u>\$ 74,021</u>	<u>\$ 4,729,987</u>	<u>\$ (998,780)</u>	<u>\$ 3,731,207</u>
\$ 6,503	\$ 718	\$ 261,088	\$	\$ 261,088
28,743	1,246	560,750		560,750
		664,350	(664,350)	
		408,284	(408,284)	
		104,620		104,620
		626,145		626,145
		636,851		636,851
			571,208	571,208
9,752	199	411,015		411,015
	834,187	993,567	(993,567)	
			207,946	207,946
315,000		315,000	(315,000)	
223,689		223,689	2,166	225,855
<u>\$ 583,687</u>	<u>\$ 836,350</u>	<u>\$ 5,205,359</u>	<u>\$ (1,599,881)</u>	<u>\$ 3,605,478</u>
\$ 193,376	\$ (762,329)	\$ (475,372)	\$ 475,372	\$
			125,729	125,729
777,080	1,617,285	7,126,318	987,670	8,113,988
<u>\$ 970,456</u>	<u>\$ 854,956</u>	<u>\$ 6,650,946</u>	<u>\$ 1,588,771</u>	<u>\$ 8,239,717</u>

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2024**

Net Change in Fund Balances - Governmental Funds	\$ (475,372)
--	--------------

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

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.	15,375
--	--------

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.	3,675
---	-------

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.	(571,208)
--	-----------

Governmental funds report capital outlay as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and reduced by the disposal of assets.	840,425
---	---------

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.	315,000
---	---------

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.	(2,166)
---	---------

Change in Net Position - Governmental Activities	\$ <u>125,729</u>
--	-------------------

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



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 1. CREATION OF DISTRICT**

Harris County Municipal Utility District No. 149 of Harris County, Texas (the “District”) was created by order of the Texas Water Rights Commission, predecessor to the Texas Commission on Environmental Quality (the “Commission”), on March 30, 1977, in accordance with the Texas Water Code, Chapter 54. 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 to construct parks and recreational facilities for the residents of the District.

**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 (“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. GASB has established the criteria for determining whether 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.

The District participates in the operation of joint wastewater treatment facilities. Since the District exercises oversight responsibility for the facilities, the activity is accounted for in the Special Revenue Fund of the District (see Note 8). The District does not issue separate financial statements for this joint venture.

The District also participates in the operation of joint water facilities. Since the District exercises oversight responsibility for the facilities, the activity is accounted for in a Special Revenue Fund of the District (see Note 9). The District does not issue separate financial statements for this joint venture.

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation

The 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:

- 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 net 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 net 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 and 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.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Financial Statements

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.

Governmental Funds

The District has four governmental funds and considers each to be a major fund. The General Fund accounts for resources not required to be accounted for in another fund, customer service revenues, sales tax revenues, operating costs and general expenditures. The Special Revenue Funds accounts for financial resources collected and administered by the District for the jointly operated water facilities and wastewater treatment facilities. 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.

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 taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

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.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Basis of Accounting (Continued)

The General Fund owed the Special Revenue Fund \$60,143 and \$55,543 for operating costs of the jointly owned water and wastewater treatment facilities, respectively. The Special Revenue Funds owed the General Fund \$788 for administrative costs and the Debt Service Fund owed the General Fund \$3,073 for tax collections.

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 fair market 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 over periods ranging from 10 to 45 years.

Budgeting

Unappropriated budgets are adopted on an annual basis for the General Fund and each Special Revenue Fund. The budgets are prepared using the same method of accounting as for financial reporting and were not amended. The Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund and each Special Revenue Fund present the budgeted amounts 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 wages subject to federal income tax withholding for payroll tax purposes only.

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus (Continued)

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. 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.

*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 committed \$355,261 for the sanitary sewer rehabilitation project.

*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.

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.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 3. LONG-TERM DEBT**

As of March 31, 2024, the District had authorized but unissued bonds in the amount of \$34,430,000 for utility facilities and \$40,187,947 for refunding purposes. 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.

Bonds payable activity for the current fiscal year is summarized in the following table:

	April 1, 2023	Additions	Retirements	March 31, 2024
Bonds Payable	\$ 10,110,000	\$	\$ 315,000	\$ 9,795,000
Unamortized Discounts	(83,725)		(5,774)	(77,951)
Unamortized Premiums	84,201		3,608	80,593
Bonds Payable, Net	<u>\$ 10,110,476</u>	<u>\$ -0-</u>	<u>\$ 312,834</u>	<u>\$ 9,797,642</u>
			Amount Due Within One Year	\$ 330,000
			Amount Due After One Year	<u>9,467,642</u>
			Bonds Payable, Net	<u>\$ 9,797,642</u>

The District's bonds payable at March 31, 2024, consist of the following:

	Series 2010	Series 2020
Amount Outstanding - March 31, 2024	\$370,000	\$9,425,000
Interest Rates	4.10%	2.00% - 3.00%
Maturity Dates – Serially Beginning/Ending	October 1, 2024/2025	April 1, 2024/2046
Interest Payment Dates	October 1/ April 1	October 1/ April 1
Callable Dates	October 1, 2019*	April 1, 2025*

\* On any date thereafter, callable at principal plus accrued interest, in whole or from time to time in part, at the option of the District. The Series 2010 term bonds maturing on October 1, 2025, are scheduled for mandatory redemption beginning October 1, 2024. Series 2020 term bonds maturing on April 1, 2034, April 1, 2042, April 1, 2044 and April 1, 2046, are scheduled for mandatory redemption beginning April 1, 2033, April 1, 2041, April 1, 2043 and April 1, 2045, respectively.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 3. LONG-TERM DEBT (Continued)**

As of March 31, 2024, the debt service requirements on the outstanding bonds were as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 330,000	\$ 212,198	\$ 542,198
2026	550,000	200,114	750,114
2027	365,000	189,019	554,019
2028	375,000	181,719	556,719
2029	380,000	174,218	554,218
2030-2034	2,025,000	753,694	2,778,694
2035-2039	2,235,000	542,325	2,777,325
2040-2044	2,475,000	294,594	2,769,594
2045-2046	1,060,000	37,881	1,097,881
	\$ 9,795,000	\$ 2,585,762	\$ 12,380,762

During the year ended March 31, 2024, the District levied an ad valorem debt service tax rate of \$0.26 per \$100 of assessed valuation, which resulted in a tax levy of \$733,098 on the adjusted taxable valuation of \$281,960,661 for the 2023 tax year. The bond orders 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.

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.

**NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS**

The bond order states that the District should 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 bond order states that the District is required to provide continuing disclosure of certain general financial information and operating data to certain information repositories. 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.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**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 Authority, 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 \$1,340,470 and the bank balance was \$1,465,880. The District was not exposed to custodial credit risk at year-end. The carrying values of the deposits at March 31, 2024, are summarized in the following table:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 179,098	\$ 855,000	\$ 1,034,098
SPECIAL REVENUE FUNDS	211,640		211,640
DEBT SERVICE FUND	94,561		94,561
CAPITAL PROJECTS FUND	171		171
TOTAL DEPOSITS	<u>\$ 485,470</u>	<u>\$ 855,000</u>	<u>\$ 1,340,470</u>

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.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

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 which is reviewed annually and may be more restrictive than the Public Funds Investment Act.

The District invests in Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS"), an external public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool's administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. UMB Bank, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District's position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from Texas CLASS.

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

As of March 31, 2024, the District had the following investments and maturities:

<u>Funds and Investment Type</u>	<u>Fair Value</u>	<u>Maturities of Less Than 1 Year</u>
<b><u>GENERAL FUND</u></b>		
Texas CLASS	\$ 3,862,218	\$ 3,862,218
Certificates of Deposit	855,000	855,000
<b><u>DEBT SERVICE FUND</u></b>		
Texas CLASS	883,198	883,198
<b><u>CAPITAL PROJECTS FUND</u></b>		
Texas CLASS	<u>944,258</u>	<u>944,258</u>
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 6,544,674</u></b>	<b><u>\$ 6,544,674</u></b>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District's investment in Texas CLASS was rated AAAM by Standard and Poor's. The District also manages credit risk by investing in certificates of deposit covered by FDIC insurance and pledged collateral.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in Texas CLASS to have a maturity of less than one year since 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 Special Revenue Funds are restricted for the cost of operations of the joint water facilities and joint wastewater treatment facilities. All cash and investments of the Debt Service Fund are restricted for the payment of debt 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.

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the current fiscal year is summarized in the following table:

	April 1, 2023	Increases	Decreases	March 31, 2024
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 153,998	\$	\$	\$ 153,998
Construction in Progress	<u>8,912,669</u>	<u>1,048,371</u>	<u>9,901,383</u>	<u>59,657</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>\$ 9,066,667</u>	<u>\$ 1,048,371</u>	<u>\$ 9,901,383</u>	<u>\$ 213,655</u>
<b>Capital Assets Subject to Depreciation</b>				
Water System	\$ 5,089,199	\$	\$	\$ 5,089,199
Wastewater System	<u>7,351,104</u>	<u>9,901,383</u>	<u>2,661,731</u>	<u>14,590,756</u>
<b>Total Capital Assets Subject to Depreciation</b>	<u>\$ 12,440,303</u>	<u>\$ 9,901,383</u>	<u>\$ 2,661,731</u>	<u>\$ 19,679,955</u>
<b>Accumulated Depreciation</b>				
Water System	\$ 4,413,933	\$ 88,275	\$	\$ 4,502,208
Wastewater System	<u>5,625,666</u>	<u>482,933</u>	<u>2,453,785</u>	<u>3,654,814</u>
<b>Total Accumulated Depreciation</b>	<u>\$ 10,039,599</u>	<u>\$ 571,208</u>	<u>\$ 2,453,785</u>	<u>\$ 8,157,022</u>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 2,400,704</u>	<u>\$ 9,330,175</u>	<u>\$ 207,946</u>	<u>\$ 11,522,933</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 11,467,371</u>	<u>\$ 10,378,546</u>	<u>\$ 10,109,329</u>	<u>\$ 11,736,588</u>

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 7. MAINTENANCE TAX**

At an election held August 13, 1977, voters authorized a maintenance tax not to exceed \$0.25 per \$100 valuation. At an election held on November 6, 2018, voters authorized an additional maintenance tax not to exceed \$0.25 per \$100 valuation for a total authorization not to exceed \$0.50 per \$100 valuation on all property within the District subject to taxation. During the year ended March 31, 2024, the District levied an ad valorem maintenance tax rate of \$0.245 per \$100 of assessed valuation, which resulted in a tax levy of \$690,804 on the adjusted taxable valuation of \$281,960,661 for the 2023 tax year.

**NOTE 8. WASTE DISPOSAL AGREEMENT**

The District owns and operates a wastewater treatment plant with 450,000 gallons per day (gpd) capacity (the “New Plant”), which was constructed to replace the present wastewater treatment plant with 645,000 gpd capacity. The New Plant was declared substantially complete by the District’s engineer on November 30, 2023. Pursuant to the agreement, upon completion of the New Plant, the District owns 84.44% (380,000 gpd) and District No. 257 owns 15.56% (70,000 gpd) of the treatment capacity of the New Plant.

The District holds title to and operates the wastewater treatment facilities for the benefit of the participants. Fixed operating costs are shared based on the pro-rata share of capacity owned and variable costs are shared based on the pro-rata share of total water delivered and metered to customers. In addition, each participant pays an administrative charge of five percent of its portion of the monthly operating costs. The wastewater treatment facilities operations are accounted for in a Special Revenue Fund of the District. The District’s share of joint wastewater treatment facilities costs for the current fiscal year was \$408,284.

As of March 31, 2024, the following balances have been recorded:

	Harris County Municipal Utility District No. 149	Harris County Municipal Utility District No. 257	Total
Balances Receivable from Participants	\$ <u>55,543</u>	\$ <u>28,403</u>	\$ <u>83,946</u>
Reserve for Operations	\$ <u>69,185</u>	\$ <u>18,307</u>	\$ <u>87,492</u>

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 8. WASTE DISPOSAL AGREEMENT (Continued)**

As of the report date, the District and District No. 257 were in discussions regarding how to address billing errors related to this agreement. The billing errors also relate to water supplied by the District to District No. 257 (see Note 9). On June 23, 2023, District No. 257 added the District as a defendant in its lawsuit against Si Environmental LLC (Cause No. 2022-79830; 61<sup>st</sup> District Court, Harris County, Texas), in which District No. 257 seeks recovery of at least \$1,286,583, exclusive of interest, professional fees, attorneys' fees, and pre-judgement and post-judgement interest, for which District No. 257 also seeks recovery. The outcome of this lawsuit and the ultimate amount to be paid, if any, by the District is unknown at this time.

However, the agreement specifies a two-year "look back" period for billing reconciliations. In accordance with that, the District offered District No. 257 a settlement amount of \$378,107, which was not accepted. One of the District's legal positions is that District No. 257's claims against the District should be limited to that two-year look back period, or approximately \$387,107. In contrast, District No. 257 alleges that it should be permitted to recover its full alleged overpayment of \$1,286,583, plus attorneys' fees, based on quasi-contractual legal theories of Money Had and Received, Restitution and Unjust Enrichment. Regardless, District No. 257's alleged damages would be reduced by its recovery against its operator Si Environmental, which has taken the position that it is factually responsible for the billing error at issue. Again, the outcome of the lawsuit and the ultimate amount to be paid, if any, by the District is unknown at this time.

**NOTE 9. WATER SUPPLY AGREEMENT**

On October 15, 2018, the District entered into an Amended and Restated Water Supply Agreement with Harris County Municipal Utility District No. 257. Said agreement has a term of 60 years and acknowledged that the District previously sold a total of 321 equivalent connections in water plant capacity to District No. 257. The participants' shares of capacity in the water facilities are 83.95% for the District and 16.05% for District No. 257. The District holds title to the facilities and operates them for the benefit of the participants. Fixed operating costs are shared based on the pro rata share of capacity owned and variable costs are shared based on the pro rata share of total water delivered and metered to customers. In addition, each participant pays an administrative charge of five percent of its portion of the monthly operating costs. The water facilities operations are accounted for in a Special Revenue Fund of the District. The District's share of joint water facilities costs totaled \$664,350 during the current fiscal year.

As of the report date, the District and District No. 257 were in discussions regarding how to address billing errors related to this agreement. The billing errors also relate to the waste disposal agreement. See Note 8 for further information.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 9. WATER SUPPLY AGREEMENT (Continued)**

As of March 31, 2024, the following balances have been recorded:

	Harris County Municipal Utility District No. 149	Harris County Municipal Utility District No. 257	Total
Balances Receivable from Participants	\$ <u>60,143</u>	\$ <u>59,222</u>	\$ <u>119,365</u>
Reserve for Operations	\$ <u>163,415</u>	\$ <u>55,650</u>	\$ <u>219,065</u>

**NOTE 10. RISK MANAGEMENT**

The District carries commercial insurance to protect against various risks including loss related to torts, the theft of, damage to or destruction of assets, errors and omissions, and natural disasters. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**NOTE 11. WEST HARRIS COUNTY REGIONAL WATER AUTHORITY**

The District is located within the boundaries of the West Harris County Regional Water Authority (the "Authority"). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 1842 (the "Act"), as passed by the seventy-seventh Texas Legislature, in 2001. The Act empowers the Authority for purposes including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, the control of subsidence caused by withdrawal of water from those groundwater reservoirs or their subdivision.

The Authority charges a fee which enables it to fulfill its purpose and regulatory functions. The current pumpage fee charged by the Authority is \$3.95 per 1,000 gallons of water pumped from each well. The District and District No. 257 also pay a fee for purchased surface water of \$4.35 per 1,000 gallons of water purchased from the Authority. The District and District No. 257 jointly paid \$626,145 to the Authority for pumpage fees and purchased surface water in the current fiscal year.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**NOTE 12. STRATEGIC PARTNERSHIP AGREEMENT**

Effective December 14, 2009, the District entered into a Strategic Partnership Agreement with the City of Houston, Texas. The agreement provides that the City will annex a tract of land defined as the “Subject Tract” within the boundaries of the District. The District will continue to develop, to own, and to operate and maintain a water and wastewater system in the District. The City imposes a Sales and Use Tax within the boundaries of the Subject Tract and pays the District one-half of all Sales and Use Tax revenues generated within the boundaries of the Subject Tract within 30 days of the City receiving the funds from the State Comptroller’s office. The City agrees that it will not annex the District for full purposes or commence any action to annex the District for full purposes during the term of this Agreement. The term of this Agreement is 30 years from the effective date of the agreement. During the current year, the District recorded revenue of \$84,653.

**NOTE 13. UNREIMBURSED COSTS**

The District has entered into development financing agreements with Developers within the District. The District has recorded a liability of \$77,043 for construction, engineering and related costs for certain sanitary sewer and storm sewer extensions and detention facilities. This amount was unchanged from the previous fiscal year.

**NOTE 14. EMERGENCY WATER SUPPLY CONTRACT**

On September 15, 1986, the District approved an Emergency Water Supply Agreement with Langham Creek Utility District (“Langham Creek”). The agreement was amended on November 10, 2000. Under the terms of the agreement, each district has constructed 12” water lines from its respective water system to the point of interconnect. Langham Creek constructed the interconnect facilities and locking mechanism at the point of interconnect. Each district will be responsible for 50% of the maintenance costs of the interconnect facilities. The agreement provides for the supply of water on an emergency basis at a price of \$0.50 per 1,000 gallons. If the supplying district has converted to use of surface water in whole or in part, or if additional fees are imposed upon the supplying district by a regional water authority, the rate per 1,000 gallons will be the actual cost to the supplying district to purchase surface water, or the above rate shall be increased by the amount of fee imposed by a regional water authority.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**

**REQUIRED SUPPLEMENTARY INFORMATION**

**MARCH 31, 2024**





**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED MARCH 31, 2024**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 636,530	\$ 676,266	\$ 39,736
Water Service	472,300	456,329	(15,971)
Wastewater Service	409,900	408,732	(1,168)
Water Authority Fees	453,900	449,413	(4,487)
Penalty and Interest	56,000	55,598	(402)
Sales Tax Revenues	88,800	84,653	(4,147)
Investment and Miscellaneous Revenues	<u>170,189</u>	<u>306,663</u>	<u>136,474</u>
<b>TOTAL REVENUES</b>	<u>\$ 2,287,619</u>	<u>\$ 2,437,654</u>	<u>\$ 150,035</u>
<b>EXPENDITURES</b>			
Service Operations:			
Professional Fees	\$ 169,400	\$ 207,704	\$ (38,304)
Contracted Services	376,300	422,738	(46,438)
Purchased Water Service	653,662	664,350	(10,688)
Purchased Wastewater Service	276,740	408,284	(131,544)
Repairs and Maintenance	235,615	426,747	(191,132)
Other	146,674	154,593	(7,919)
Capital Outlay	<u>228,800</u>	<u>59,657</u>	<u>169,143</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,087,191</u>	<u>\$ 2,344,073</u>	<u>\$ (256,882)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 200,428</u>	<u>\$ 93,581</u>	<u>\$ (106,847)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	<u>\$ 250,000</u>	<u>\$ -0-</u>	<u>\$ (250,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 450,428</u>	<u>\$ 93,581</u>	<u>\$ (356,847)</u>
<b>FUND BALANCE - APRIL 1, 2023</b>	<u>4,731,953</u>	<u>4,731,953</u>	<u></u>
<b>FUND BALANCE - MARCH 31, 2024</b>	<u>\$ 5,182,381</u>	<u>\$ 4,825,534</u>	<u>\$ (356,847)</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND – WATER FACILITIES**  
**FOR THE YEAR ENDED MARCH 31, 2024**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Water Service	\$ 876,263	\$ 900,863	\$ 24,600
Investment and Miscellaneous Revenues	<u>80</u>	<u>30</u>	<u>(50)</u>
<b>TOTAL REVENUES</b>	<u>\$ 876,343</u>	<u>\$ 900,893</u>	<u>\$ 24,550</u>
<b>EXPENDITURES</b>			
Service Operations:			
Professional Fees	\$ 39,000	\$ 26,577	\$ 12,423
Contracted Services	40,200	42,154	(1,954)
Utilities	44,500	41,265	3,235
Water Authority Costs	634,400	626,145	8,255
Repairs, Maintenance, Capital Outlay	86,100	123,039	(36,939)
Other	<u>32,143</u>	<u>41,713</u>	<u>(9,570)</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 876,343</u>	<u>\$ 900,893</u>	<u>\$ (24,550)</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ -0-	\$ -0-	\$ -0-
<b>FUND BALANCE - APRIL 1, 2023</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>FUND BALANCE - MARCH 31, 2024</b>	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND – WASTEWATER TREATMENT FACILITIES**  
**FOR THE YEAR ENDED MARCH 31, 2024**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Wastewater Service	\$ 349,967	\$ 540,356	\$ 190,389
Investment and Miscellaneous Revenues	500		(500)
<b>TOTAL REVENUES</b>	<u>\$ 350,467</u>	<u>\$ 540,356</u>	<u>\$ 189,889</u>
<b>EXPENDITURES</b>			
Service Operations:			
Professional Fees	\$ 20,200	\$ 19,586	\$ 614
Contracted Services	67,000	65,869	1,131
Utilities	75,200	63,355	11,845
Repairs, Maintenance, Capital Outlay	56,000	186,788	(130,788)
Other	132,067	204,758	(72,691)
<b>TOTAL EXPENDITURES</b>	<u>\$ 350,467</u>	<u>\$ 540,356</u>	<u>\$ (189,889)</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ -0-	\$ -0-	\$ -0-
<b>FUND BALANCE - APRIL 1, 2023</b>	_____	_____	_____
<b>FUND BALANCE - MARCH 31, 2024</b>	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>

See accompanying independent auditor's report.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**

**SUPPLEMENTARY INFORMATION – REQUIRED BY THE**

**WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**

**MARCH 31, 2024**



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED MARCH 31, 2024**

**1. SERVICES PROVIDED BY THE DISTRICT DURING THE FISCAL YEAR:**

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

**2. RETAIL SERVICE PROVIDERS**

**a. RETAIL RATES FOR A 5/8" METER (OR EQUIVALENT):**

The following rates are based on the rate order effective January 30, 2024.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	\$ 25.00	2,000	N	\$ 1.10 \$ 1.30 \$ 1.70 \$ 2.25	2,001 to 5,000 5,001 to 10,000 10,001 to 20,000 20,001 and up
WASTEWATER:	\$ 29.17		Y		
SURCHARGE:					
Regional Water Authority Fees	\$ 4.79 per 1,000 gallons				

District employs winter averaging for wastewater usage?	<u>      </u>	<u>  X  </u>
	Yes	No

Total monthly charges per 10,000 gallons usage: Water: \$34.80 Wastewater: \$29.17 Surcharge: \$47.90 Total: \$111.87

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED MARCH 31, 2024**

**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			x 1.0	
≤¾"	<u>1,173</u>	<u>1,158</u>	x 1.0	<u>1,158</u>
1"	<u>29</u>	<u>22</u>	x 2.5	<u>55</u>
1½"	<u>14</u>	<u>12</u>	x 5.0	<u>60</u>
2"	<u>11</u>	<u>11</u>	x 8.0	<u>88</u>
3"			x 15.0	
4"			x 25.0	
6"	<u>1</u>		x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u><u>1,228</u></u>	<u><u>1,203</u></u>		<u><u>1,361</u></u>
Total Wastewater Connections	<u><u>1,217</u></u>	<u><u>1,194</u></u>	x 1.0	<u><u>1,194</u></u>

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

Gallons pumped into system:	37,417,000	Water Accountability Ratio: 90.3% (Gallons billed and sold/Gallons pumped and purchased)
Gallons billed to customers:	94,769,000	
Gallons sold:	37,989,000	To: <u>Harris County Municipal Utility District No. 257</u>
Gallons purchased:	109,561,000	From: <u>West Harris County Regional Water Authority</u>

See accompanying independent auditor's report.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED MARCH 31, 2024**

**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 in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely ☐ Partly ☐ Not at all ☒

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

Entirely ☒ Partly ☐ Not at all ☐

ETJ in which District is located:

City of Houston, Texas.

Are Board Members appointed by an office outside the District?

Yes ☐ No ☒

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**GENERAL FUND EXPENDITURES**  
**FOR THE YEAR ENDED MARCH 31, 2024**

PROFESSIONAL FEES:	
Auditing	\$ 19,000
Engineering	81,153
Legal	<u>107,551</u>
TOTAL PROFESSIONAL FEES	<u>\$ 207,704</u>
PURCHASED SERVICES FOR RESALE:	
Purchased Water Service	\$ 664,350
Purchased Wastewater Service	<u>408,284</u>
TOTAL PURCHASED SERVICES FOR RESALE	<u>\$ 1,072,634</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 74,244
Operations and Billing	73,193
Security	24,000
Solid Waste Disposal	<u>251,301</u>
TOTAL CONTRACTED SERVICES	<u>\$ 422,738</u>
REPAIRS AND MAINTENANCE	<u>\$ 426,747</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 30,462
Insurance	7,729
Office Supplies and Postage	21,560
Travel and Meetings	14,738
Other	<u>19,317</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 93,806</u>
CAPITAL OUTLAY	<u>\$ 59,657</u>
TAP CONNECTIONS	<u>\$ 9,015</u>
OTHER EXPENDITURES:	
Laboratory Fees	\$ 19,069
Permit Fees	2,893
Inspection and Reconnection Fees	25,575
Regulatory Assessment	<u>4,235</u>
TOTAL OTHER EXPENDITURES	<u>\$ 51,772</u>
TOTAL EXPENDITURES	<u><u>\$ 2,344,073</u></u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**INVESTMENTS**  
**MARCH 31, 2024**

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
Texas CLASS	XXXX0001	Varies	Daily	\$ 2,829,677	\$
Texas CLASS	XXXX0003	Varies	Daily	1,032,541	
Certificate of Deposit	XXXX3441	5.50%	11/02/24	235,000	814
Certificate of Deposit	XXXX1413	5.50%	09/28/24	235,000	6,586
Certificate of Deposit	XXXX8086	5.40%	10/08/24	235,000	800
Certificate of Deposit	XXXX6978	5.50%	09/20/24	150,000	158
TOTAL GENERAL FUND				<u>\$ 4,717,218</u>	<u>\$ 8,358</u>
<u>DEBT SERVICE FUND</u>					
Texas CLASS	XXXX0002	Varies	Daily	<u>\$ 883,198</u>	<u>\$ - 0 -</u>
<u>CAPITAL PROJECTS FUND</u>					
Texas CLASS	XXXX0005	Varies	Daily	\$ 855,119	\$
Texas CLASS	XXXX0006	Varies	Daily	89,139	
TOTAL CAPITAL PROJECTS FUND				<u>\$ 944,258</u>	<u>\$ - 0 -</u>
TOTAL - ALL FUNDS				<u><u>\$ 6,544,674</u></u>	<u><u>\$ 8,358</u></u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED MARCH 31, 2024**

	Maintenance Taxes		Debt Service Taxes		
TAXES RECEIVABLE -					
APRIL 1, 2023	\$	38,551	\$	35,344	
Adjustments to Beginning					
Balance		<u>(7,816)</u>	\$	<u>(7,528)</u>	
		\$	30,735	\$	27,816
Original 2023 Tax Levy	\$	636,599	\$	675,574	
Adjustment to 2023 Tax Levy		<u>54,205</u>	<u>690,804</u>	<u>57,524</u>	<u>733,098</u>
TOTAL TO BE					
ACCOUNTED FOR		\$	721,539	\$	760,914
TAX COLLECTIONS:					
Prior Years	\$	15,526	\$	15,724	
Current Year		<u>660,740</u>	<u>676,266</u>	<u>701,193</u>	<u>716,917</u>
TAXES RECEIVABLE -					
MARCH 31, 2024		<u>\$</u>	<u>45,273</u>	<u>\$</u>	<u>43,997</u>
TAXES RECEIVABLE BY					
YEAR:					
2023		\$	30,064	\$	31,905
2022			5,033		5,133
2021			2,499		2,355
2020			1,500		1,684
2019			3,142		741
2018			1,109		466
2017			465		196
2016			431		198
2015 and prior			<u>1,030</u>		<u>1,319</u>
TOTAL		\$	<u>45,273</u>	\$	<u>43,997</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED MARCH 31, 2024**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
PROPERTY VALUATIONS:				
Land	\$ 90,788,736	\$ 80,806,305	\$ 80,566,982	\$ 68,639,809
Improvements	241,986,219	226,525,020	182,451,778	164,684,156
Personal Property	9,273,568	8,811,198	7,735,319	7,154,141
Exemptions	<u>(60,087,862)</u>	<u>(56,585,757)</u>	<u>(40,036,608)</u>	<u>(30,847,662)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 281,960,661</u>	<u>\$ 259,556,766</u>	<u>\$ 230,717,471</u>	<u>\$ 209,630,444</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.260	\$ 0.255	\$ 0.245	\$ 0.275
Maintenance	<u>0.245</u>	<u>0.250</u>	<u>0.260</u>	<u>0.245</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.505</u>	<u>\$ 0.505</u>	<u>\$ 0.505</u>	<u>\$ 0.520</u>
ADJUSTED TAX LEVY*	<u>\$ 1,423,902</u>	<u>\$ 1,310,762</u>	<u>\$ 1,165,123</u>	<u>\$ 1,090,079</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>95.65 %</u>	<u>99.22 %</u>	<u>99.58 %</u>	<u>99.71 %</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 \$0.25 per \$100 of assessed valuation approved by voters August 13, 1977. An additional \$0.25 per \$100 of assessed valuation was approved by voters on November 6, 2018, for a total maximum tax rate of \$0.50 per \$100 of assessed valuation.

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**MARCH 31, 2024**

Due During Fiscal Years Ending March 31	S E R I E S - 2 0 1 0		
	Principal Due October 1	Interest Due October 1/ April 1	Total
2025	\$ 180,000	\$ 11,480	\$ 191,480
2026	190,000	3,895	193,895
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
	<u>\$ 370,000</u>	<u>\$ 15,375</u>	<u>\$ 385,375</u>

The District records the amount due April 1 as an expenditure in the prior fiscal year (see Note 2). This schedule shows the amount due within the fiscal years, assuming this practice will continue in the future.

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**MARCH 31, 2024**

S E R I E S - 2 0 2 0			
Due During Fiscal Years Ending March 31	Principal Due April 1	Interest Due October 1/ April 1	Total
2025	\$ 150,000	\$ 200,718	\$ 350,718
2026	360,000	196,219	556,219
2027	365,000	189,019	554,019
2028	375,000	181,719	556,719
2029	380,000	174,218	554,218
2030	390,000	166,619	556,619
2031	395,000	158,819	553,819
2032	405,000	150,919	555,919
2033	415,000	142,819	557,819
2034	420,000	134,518	554,518
2035	430,000	126,119	556,119
2036	440,000	117,519	557,519
2037	445,000	108,719	553,719
2038	455,000	99,818	554,818
2039	465,000	90,150	555,150
2040	475,000	80,269	555,269
2041	485,000	70,175	555,175
2042	495,000	59,263	554,263
2043	505,000	48,124	553,124
2044	515,000	36,763	551,763
2045	525,000	25,175	550,175
2046	535,000	12,706	547,706
	<u>\$ 9,425,000</u>	<u>\$ 2,570,387</u>	<u>\$ 11,995,387</u>

The District records the amount due April 1 as an expenditure in the prior fiscal year (see Note 2). This schedule shows the amount due within the fiscal years, assuming this practice will continue in the future.

See accompanying independent auditor's report.

**THIS PAGE INTENTIONALLY LEFT BLANK**



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**MARCH 31, 2024**

ANNUAL REQUIREMENTS  
FOR ALL SERIES

Due During Fiscal Years Ending March 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2025	\$ 330,000	\$ 212,198	\$ 542,198
2026	550,000	200,114	750,114
2027	365,000	189,019	554,019
2028	375,000	181,719	556,719
2029	380,000	174,218	554,218
2030	390,000	166,619	556,619
2031	395,000	158,819	553,819
2032	405,000	150,919	555,919
2033	415,000	142,819	557,819
2034	420,000	134,518	554,518
2035	430,000	126,119	556,119
2036	440,000	117,519	557,519
2037	445,000	108,719	553,719
2038	455,000	99,818	554,818
2039	465,000	90,150	555,150
2040	475,000	80,269	555,269
2041	485,000	70,175	555,175
2042	495,000	59,263	554,263
2043	505,000	48,124	553,124
2044	515,000	36,763	551,763
2045	525,000	25,175	550,175
2046	535,000	12,706	547,706
	<u>\$ 9,795,000</u>	<u>\$ 2,585,762</u>	<u>\$ 12,380,762</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**CHANGES IN LONG-TERM BOND DEBT**  
**FOR THE YEAR ENDED MARCH 31, 2024**

Description	Original Bonds Issued	Bonds Outstanding April 1, 2023
Harris County Municipal Utility District No. 149 Unlimited Tax Bonds - Series 2010	\$ 1,365,000	\$ 535,000
Harris County Municipal Utility District No. 149 Unlimited Tax Bonds - Series 2020	<u>10,000,000</u>	<u>9,575,000</u>
TOTAL	<u>\$ 11,365,000</u>	<u>\$ 10,110,000</u>

Bond Authority:	<u>Tax Bonds</u>
Amount Authorized by Voters	\$ 47,850,000
Amount Issued	<u>13,420,000</u>
Remaining to be Issued	<u>\$ 34,430,000</u>

Debt Service Fund cash and investment balances as of March 31, 2024: \$ 977,759

Average annual debt service payment (principal and interest) for remaining term  
of all debt: \$ 562,762

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

Note: The District has unused refunding bond authorization of \$40,187,947.

See accompanying independent auditor's report.

Current Year Transactions				Paying Agent
Bonds Sold	Retirements		Bonds Outstanding March 31, 2024	
	Principal	Interest		
\$	\$ 165,000	\$ 18,470	\$ 370,000	Wells Fargo Bank N.A. Houston, TX
	150,000	205,219	9,425,000	The Bank of New York Mellon Trust Co., N.A. Dallas, TX
<u>\$ - 0 -</u>	<u>\$ 315,000</u>	<u>\$ 223,689</u>	<u>\$ 9,795,000</u>	

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND - FIVE YEARS**

	Amounts		
	2024	2023	2022
<b>REVENUES</b>			
Property Taxes	\$ 676,266	\$ 643,739	\$ 604,681
Water Service	905,742	920,786	742,677
Wastewater Service	408,732	407,621	358,450
Penalty and Interest	55,598	54,862	44,606
Sales Tax Revenues	84,653	89,885	80,667
Investment and Miscellaneous Revenues	<u>306,663</u>	<u>153,602</u>	<u>77,252</u>
<b>TOTAL REVENUES</b>	<u>\$ 2,437,654</u>	<u>\$ 2,270,495</u>	<u>\$ 1,908,333</u>
<b>EXPENDITURES</b>			
Professional Fees	\$ 207,704	\$ 208,596	\$ 165,828
Contracted Services	422,738	367,428	303,527
Purchased Services	1,072,634	1,015,124	788,706
Repairs and Maintenance	426,747	362,662	253,772
Other	154,593	142,378	113,334
Capital Outlay	<u>59,657</u>		
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,344,073</u>	<u>\$ 2,096,188</u>	<u>\$ 1,625,167</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 93,581</u>	<u>\$ 174,307</u>	<u>\$ 283,166</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ 93,581	\$ 174,307	\$ 283,166
<b>BEGINNING FUND BALANCE</b>	<u>4,731,953</u>	<u>4,557,646</u>	<u>4,274,480</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 4,825,534</u>	<u>\$ 4,731,953</u>	<u>\$ 4,557,646</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 509,911	\$ 870,981	27.7 %	28.3 %	31.7 %	28.8 %	40.2 %
750,263	708,779	37.1	40.5	38.9	42.4	32.8
344,612	340,766	16.8	18.0	18.8	19.5	15.7
30,911	47,645	2.3	2.4	2.3	1.7	2.2
62,014	88,387	3.5	4.0	4.2	3.5	4.1
73,089	108,594	12.6	6.8	4.1	4.1	5.0
<u>\$ 1,770,800</u>	<u>\$ 2,165,152</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 138,358	\$ 191,782	8.5 %	9.2 %	8.7 %	7.8 %	8.9 %
283,188	280,598	17.3	16.2	15.9	16.0	13.0
708,043	602,474	44.0	44.7	41.3	40.0	27.8
213,729	164,607	17.5	16.0	13.3	12.1	7.6
100,613	142,571	6.4	6.2	6.0	5.6	6.6
	186,598	2.5				8.6
<u>\$ 1,443,931</u>	<u>\$ 1,568,630</u>	<u>96.2 %</u>	<u>92.3 %</u>	<u>85.2 %</u>	<u>81.5 %</u>	<u>72.5 %</u>
<u>\$ 326,869</u>	<u>\$ 596,522</u>	<u>3.8 %</u>	<u>7.7 %</u>	<u>14.8 %</u>	<u>18.5 %</u>	<u>27.5 %</u>
<u>\$ 238,627</u>	<u>\$ - 0 -</u>					
\$ 565,496	\$ 596,522					
<u>3,708,984</u>	<u>3,112,462</u>					
<u>\$ 4,274,480</u>	<u>\$ 3,708,984</u>					

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**DEBT SERVICE FUND - FIVE YEARS**

	Amounts		
	2024	2023	2022
<b>REVENUES</b>			
Property Taxes	\$ 716,917	\$ 654,558	\$ 564,794
Penalty and Interest	18,757	22,479	36,965
Investment and Miscellaneous Revenues	41,389	21,838	1,404
<b>TOTAL REVENUES</b>	<u>\$ 777,063</u>	<u>\$ 698,875</u>	<u>\$ 603,163</u>
<b>EXPENDITURES</b>			
Tax Collection Expenditures	\$ 43,748	\$ 44,399	\$ 48,546
Debt Service Principal	315,000	310,000	300,000
Debt Service Interest and Fees	224,939	235,939	246,451
<b>TOTAL EXPENDITURES</b>	<u>\$ 583,687</u>	<u>\$ 590,338</u>	<u>\$ 594,997</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 193,376</u>	<u>\$ 108,537</u>	<u>\$ 8,166</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Issuance of Long-term Debt	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ 193,376	\$ 108,537	\$ 8,166
<b>BEGINNING FUND BALANCE</b>	<u>777,080</u>	<u>668,543</u>	<u>660,377</u>
<b>ENDING FUND BALANCE</b>	<u><u>\$ 970,456</u></u>	<u><u>\$ 777,080</u></u>	<u><u>\$ 668,543</u></u>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	<u>1,203</u>	<u>1,206</u>	<u>1,206</u>
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	<u><u>1,194</u></u>	<u><u>1,197</u></u>	<u><u>1,196</u></u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 553,498	\$ 209,054	92.3 %	93.7 %	93.7 %	96.5 %	92.1 %
13,739	12,993	2.4	3.2	6.1	2.4	5.7
6,156	4,964	5.3	3.1	0.2	1.1	2.2
<u>\$ 573,393</u>	<u>\$ 227,011</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 37,874	\$ 34,292	5.6 %	6.3 %	8.0 %	6.6 %	15.1 %
265,000	135,000	40.5	44.4	49.7	46.2	59.4
167,701	42,245	29.0	33.8	40.9	29.3	18.6
<u>\$ 470,575</u>	<u>\$ 211,537</u>	<u>75.1 %</u>	<u>84.5 %</u>	<u>98.6 %</u>	<u>82.1 %</u>	<u>93.1 %</u>
\$ 102,818	\$ 15,474	24.9 %	15.5 %	1.4 %	17.9 %	6.9 %
\$ 217,969	\$ - 0 -					
\$ 320,787	\$ 15,474					
339,590	324,116					
<u>\$ 660,377</u>	<u>\$ 339,590</u>					
1,209	1,205					
1,199	1,196					

See accompanying independent auditor's report.

District Mailing Address - Harris County Municipal Utility District No. 149  
c/o Schwartz, Page & Harding, L.L.P.  
1300 Post Oak Boulevard, Suite 2400  
Houston, TX 77056-3078

District Telephone Number - (713) 623-4531

- 52 -



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**MARCH 31, 2024**

<b>Consultants:</b>	<b>Date Hired</b>	<b>Fees for the year ended March 31, 2024 District</b>	<b>Fees for the year ended March 31, 2024 Water Facilities</b>	<b>Fees for the year ended March 31, 2024 Wastewater Treatment Facilities</b>	<b>Title</b>
Schwartz, Page & Harding, LLP	03/31/77	\$ 114,695	\$ 4,709	\$ 240	General and Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	08/21/06	\$ 19,750	\$ 5,500	\$ 5,500	Auditor/Other Services
Municipal Accounts & Consulting LP	05/12/03	\$ 81,778	\$ 17,166	\$ 18,006	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, LLP	04/15/13	\$ 6,503	\$ -0-	\$ -0-	Delinquent Tax/Other Attorney
Quiddity Engineering, LLC	03/30/87	\$ 371,659	\$ 16,368	\$ 13,846	Engineer
Masterson Advisors, LLC	05/16/18	\$ -0-	\$ -0-	\$ -0-	Financial Advisor
Inframark, LLC	03/31/77	\$ 509,310	\$ 160,541	\$ 391,384	Operator
BLICO, Inc.	08/16/77	\$ 29,443	\$ -0-	\$ -0-	Tax Assessor/ Collector

See accompanying independent auditor's report.

