

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

MARCH 31, 2025

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

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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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of March 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the 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.

McCall Gibson Swedlund Barfoot Ellis PLLC

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

July 21, 2025

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2025

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, 2025. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective 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, 2025**

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI"). 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 \$7,423,521 as of March 31, 2025. 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, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Summary of Changes in the Statement of Net Position			
	2025	2024	Change Positive (Negative)
Current and Other Assets	\$ 17,253,904	\$ 7,368,330	\$ 9,885,574
Capital Assets (Net of Accumulated Depreciation)	11,773,349	11,736,588	36,761
Total Assets	\$ 29,027,253	\$ 19,104,918	\$ 9,922,335
Bonds Payable	\$ 20,647,706	\$ 9,797,642	\$ (10,850,064)
Other Liabilities	956,026	1,067,559	111,533
Total Liabilities	\$ 21,603,732	\$ 10,865,201	\$ (10,738,531)
Net Position:			
Net Investment in Capital Assets	\$ 628,304	\$ 2,716,859	\$ (2,088,555)
Restricted	1,785,339	1,030,158	755,181
Unrestricted	5,009,878	4,492,700	517,178
Total Net Position	\$ 7,423,521	\$ 8,239,717	\$ (816,196)

The following table provides a summary of the District's operations for the years ended March 31, 2025, and March 31, 2024.

Summary of Changes in the Statement of Activities			
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 1,862,030	\$ 1,408,558	\$ 453,472
Charges for Services	1,785,449	1,761,089	24,360
Other Revenues	596,656	561,560	35,096
Total Revenues	\$ 4,244,135	\$ 3,731,207	\$ 512,928
Expenses for Services	5,060,331	3,605,478	(1,454,853)
Change in Net Position	\$ (816,196)	\$ 125,729	\$ (941,925)
Net Position, Beginning of Year	8,239,717	8,113,988	125,729
Net Position, End of Year	\$ 7,423,521	\$ 8,239,717	\$ (816,196)

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2025

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of March 31, 2025, were \$16,626,370, an increase of \$9,975,424 from the prior year. The General Fund fund balance increased by \$516,746, primarily due to service and tax revenues exceeding operating expenditures and transfer from the Capital Projects Fund. The Debt Service Fund fund balance increased by \$733,930, primarily due to the structure of the District's outstanding debt and Series 2024 bond proceeds. The Capital Projects Fund fund balance increased by \$8,724,748, primarily due to Series 2024 bond proceeds. Special Revenue Fund fund balances are revenue neutral; costs incurred are billed to the participants. Water facilities costs totaled \$1,010,010 and wastewater treatment facility costs totaled \$553,007 for the current fiscal year.

BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the General Fund budget. Actual revenues were \$63,047 more than budgeted revenues, actual expenditures were \$433,806 less than budgeted expenditures, and transfers in were \$369,165 less than budgeted. This resulted in a positive budget to actual variance of \$127,688. 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, 2025, total \$11,773,349 (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			
	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 153,998	\$ 153,998	\$
Construction in Progress	750,631	59,657	690,974
Capital Assets Subject to Depreciation:			
Water System	5,246,405	5,089,199	157,206
Wastewater System	15,001,245	14,590,756	410,489
Less Accumulated Depreciation	<u>(9,378,930)</u>	<u>(8,157,022)</u>	<u>(1,221,908)</u>
Total Net Capital Assets	<u>\$ 11,773,349</u>	<u>\$ 11,736,588</u>	<u>\$ 36,761</u>

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2025**

LONG-TERM DEBT ACTIVITY

As of March 31, 2025, the District had total bond debt payable of \$20,715,000. The changes in the debt position of the District during the current fiscal year are summarized in the following table:

Bond Debt Payable, April 1, 2024	\$ 9,795,000
Add: Bond Sale	11,250,000
Less: Bond Principal Paid	<u>(330,000)</u>
Bond Debt Payable, March 31, 2025	<u>\$ 20,715,000</u>

The District has an underlying rating of “A-”. The Series 2010 and Series 2024 bonds carry an “AA” rating by virtue of bond insurance issued by Assured Guaranty Inc. 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, 2025

		Special Revenue Funds	
		Water Facilities	Wastewater Treatment Facilities
	General Fund		
ASSETS			
Cash	\$ 161,270	\$ 198,804	\$ 67,188
Investments	5,113,645		
Receivables:			
Property Taxes	45,705		
Penalty and Interest on Delinquent Taxes			
Service Accounts	112,094		
Accrued Interest	10,334		
Due from Other Funds	43,488	80,425	77,938
Due from Other Governmental Units	22,043	67,347	36,378
Water Facilities Operating Advance	188,486		
Wastewater Treatment Facilities Operating Advance	88,306		
Land			
Construction in Progress			
Capital Assets (Net of Accumulated Depreciation)			
TOTAL ASSETS	<u>\$ 5,785,371</u>	<u>\$ 346,576</u>	<u>\$ 181,504</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>
\$ 113,232	\$ 112	\$ 540,606	\$	\$ 540,606
1,593,945	9,630,854	16,338,444		16,338,444
62,107		107,812		107,812
			18,846	18,846
		112,094		112,094
		10,334		10,334
		201,851	(201,851)	
		125,768		125,768
		188,486	(188,486)	
		88,306	(88,306)	
			153,998	153,998
			750,631	750,631
			10,868,720	10,868,720
<u>\$ 1,769,284</u>	<u>\$ 9,630,966</u>	<u>\$ 17,713,701</u>	<u>\$ 11,313,552</u>	<u>\$ 29,027,253</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, 2025

		Special Revenue Funds	
	General Fund	Water Facilities	Wastewater Treatment Facilities
LIABILITIES			
Accounts Payable	\$ 107,022	\$ 89,516	\$ 71,564
Due to Developer			
Due to Other Funds	158,363	649	706
Due to Taxpayers			
Security Deposits	132,001		
Participant Advances		256,411	109,234
Long-Term Liabilities:			
Bonds Payable, Due Within One Year			
Bonds Payable, Due After One Year			
TOTAL LIABILITIES	<u>\$ 397,386</u>	<u>\$ 346,576</u>	<u>\$ 181,504</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	<u>\$ 45,705</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
FUND BALANCES			
Nonspendable:			
Operating Advances	\$ 276,792	\$	\$
Restricted for Authorized Construction			
Restricted for Debt Service			
Assigned to 2026 Budget	33,853		
Unassigned	<u>5,031,635</u>		
TOTAL FUND BALANCES	<u>\$ 5,342,280</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 5,785,371</u>	<u>\$ 346,576</u>	<u>\$ 181,504</u>
NET POSITION			
Net Investment in Capital Assets			
Restricted for Debt Service			
Unrestricted			
TOTAL NET POSITION			

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

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$	\$ 10,098	\$ 278,200	\$ 378,107	\$ 656,307
			77,043	77,043
969	41,164	201,851	(201,851)	
1,822		1,822		1,822
		132,001		132,001
		365,645	(276,792)	88,853
			680,000	680,000
			19,967,706	19,967,706
<u>\$ 2,791</u>	<u>\$ 51,262</u>	<u>\$ 979,519</u>	<u>\$ 20,624,213</u>	<u>\$ 21,603,732</u>
<u>\$ 62,107</u>	<u>\$ -0-</u>	<u>\$ 107,812</u>	<u>\$ (107,812)</u>	<u>\$ -0-</u>
\$	\$	\$	\$	\$
	9,579,704	276,792	(276,792)	
		9,579,704	(9,579,704)	
1,704,386		1,704,386	(1,704,386)	
		33,853	(33,853)	
		5,031,635	(5,031,635)	
<u>\$ 1,704,386</u>	<u>\$ 9,579,704</u>	<u>\$ 16,626,370</u>	<u>\$ (16,626,370)</u>	<u>\$ - 0 -</u>
<u>\$ 1,769,284</u>	<u>\$ 9,630,966</u>	<u>\$ 17,713,701</u>		
			\$ 628,304	\$ 628,304
			1,785,339	1,785,339
			5,009,878	5,009,878
			<u>\$ 7,423,521</u>	<u>\$ 7,423,521</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, 2025

Total Fund Balances - Governmental Funds	\$	16,626,370
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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.		11,773,349
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Deferred inflows of resources related to property tax revenues for the 2024 and prior tax levies and penalty and interest on delinquent taxes became part of recognized revenue in the governmental activities of the District.		126,658
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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>(20,647,706)</u>	<u>(21,102,856)</u>
Total Net Position - Governmental Activities		<u>\$ 7,423,521</u>

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

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, 2025

		Special Revenue Funds	
	General Fund	Water Facilities	Wastewater Treatment Facilities
REVENUES			
Property Taxes	\$ 704,598	\$	\$
Water Service	446,178	1,009,689	
Wastewater Service	438,334		553,007
Water Authority Fees	414,015		
Penalty and Interest	53,152		
Sales Tax Revenues	95,620		
Investment and Miscellaneous Revenues	287,069	321	
TOTAL REVENUES	\$ 2,438,966	\$ 1,010,010	\$ 553,007
EXPENDITURES/EXPENSES			
Service Operations:			
Professional Fees	\$ 170,397	\$ 11,606	\$ 24,941
Contracted Services	447,515	43,042	67,098
Purchased Water Service	709,678		
Purchased Wastewater Service	447,940		
Utilities		44,099	46,344
Water Authority Costs		600,665	
Repairs and Maintenance	312,805	106,865	183,145
Depreciation			
Other	156,420	46,526	172,248
Capital Outlay		157,207	59,231
Debt Service:			
Bond Principal			
Bond Interest			
Bond Issuance Costs			
TOTAL EXPENDITURES/EXPENSES	\$ 2,244,755	\$ 1,010,010	\$ 553,007
EXCESS (DEFICIENCY) OF REVENUES			
OVER EXPENDITURES/EXPENSES	\$ 194,211	\$ -0-	\$ -0-
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	\$ 322,535	\$	\$
Proceeds from Issuance of Long-Term Debt			
Bond Discount			
Bond Premium			
TOTAL OTHER FINANCING SOURCES (USES)	\$ 322,535	\$ -0-	\$ -0-
NET CHANGE IN FUND BALANCES	\$ 516,746	\$	\$
CHANGE IN NET POSITION			
FUND BALANCES/NET POSITION -			
APRIL 1, 2024	4,825,534		
FUND BALANCES/NET POSITION -			
MARCH 31, 2025	\$ 5,342,280	\$ -0-	\$ -0-

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
\$ 1,138,890	\$	\$ 1,843,488	\$ 18,542	\$ 1,862,030
		1,455,867	(709,678)	746,189
		991,341	(447,940)	543,401
		414,015		414,015
25,551		78,703	3,141	81,844
		95,620		95,620
52,912	160,734	501,036		501,036
<u>\$ 1,217,353</u>	<u>\$ 160,734</u>	<u>\$ 5,380,070</u>	<u>\$ (1,135,935)</u>	<u>\$ 4,244,135</u>
\$ 8,672	\$ 1,331	\$ 216,947	\$	\$ 216,947
31,018	1,156	589,829		589,829
		709,678	(709,678)	
		447,940	(447,940)	
		90,443		90,443
		600,665		600,665
		602,815		602,815
			1,221,908	1,221,908
7,893	60	383,147		383,147
	1,042,231	1,258,669	(1,258,669)	
330,000		330,000	(330,000)	
351,284		351,284	2,886	354,170
	1,000,407	1,000,407		1,000,407
<u>\$ 728,867</u>	<u>\$ 2,045,185</u>	<u>\$ 6,581,824</u>	<u>\$ (1,521,493)</u>	<u>\$ 5,060,331</u>
<u>\$ 488,486</u>	<u>\$ (1,884,451)</u>	<u>\$ (1,201,754)</u>	<u>\$ 385,558</u>	<u>\$ (816,196)</u>
\$	\$ (322,535)	\$	\$	\$
245,444	11,004,556	11,250,000	(11,250,000)	
	(244,052)	(244,052)	244,052	
	171,230	171,230	(171,230)	
<u>\$ 245,444</u>	<u>\$ 10,609,199</u>	<u>\$ 11,177,178</u>	<u>\$ (11,177,178)</u>	<u>\$ -0-</u>
\$ 733,930	\$ 8,724,748	\$ 9,975,424	\$ (9,975,424)	\$
			(816,196)	(816,196)
970,456	854,956	6,650,946	1,588,771	8,239,717
<u>\$ 1,704,386</u>	<u>\$ 9,579,704</u>	<u>\$ 16,626,370</u>	<u>\$ (9,202,849)</u>	<u>\$ 7,423,521</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, 2025**

Net Change in Fund Balances - Governmental Funds	\$ 9,975,424
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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.	18,542
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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.	3,141
---	-------

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.	(1,221,908)
--	-------------

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.	1,258,669
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Governmental funds report bond discounts and bond premiums as other financing sources/uses in the year paid. However, in the Statement of Net Position, bond discounts and bond premiums are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.	72,822
--	--------

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.	330,000
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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.	(2,886)
---	---------

Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.	(11,250,000)
---	--------------

Change in Net Position - Governmental Activities	\$ <u>(816,196)</u>
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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, 2025

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, 2025

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, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements and Governmental Funds

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. 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 if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. The General Fund owed the Special Revenue Fund \$80,425 and \$77,938 for operating costs of the jointly owned water and wastewater treatment facilities, respectively; the Special Revenue Funds owed the General Fund \$1,355 for administrative costs; the Debt Service Fund owed the General Fund \$969 for tax collections; and the Capital Projects Fund owed the General Fund \$41,164 for the District's share of wastewater treatment plant digester improvements project.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, include utility infrastructure and 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. 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

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 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.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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 did not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances. The District has assigned \$33,853 to cover the budgeted deficit for fiscal year ending March 31, 2026.

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, 2025

NOTE 3. LONG-TERM DEBT

As of March 31, 2025, the District had authorized but unissued bonds in the amount of \$23,180,000 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, 2024	Additions	Retirements	March 31, 2025
Bonds Payable	\$ 9,795,000	\$ 11,250,000	\$ 330,000	\$ 20,715,000
Unamortized Discounts	(77,951)	(244,052)	(8,193)	(313,810)
Unamortized Premiums	80,593	171,230	5,307	246,516
Bonds Payable, Net	<u>\$ 9,797,642</u>	<u>\$ 11,177,178</u>	<u>\$ 327,114</u>	<u>\$ 20,647,706</u>
			Amount Due Within One Year	\$ 680,000
			Amount Due After One Year	19,967,706
			Bonds Payable, Net	<u>\$ 20,647,706</u>

The District's bonds payable at March 31, 2025, consist of the following:

	Series 2010	Series 2020	Series 2024
Amount Outstanding – March 31, 2025	\$190,000	\$9,275,000	11,250,000
Interest Rates	4.10%	2.000% - 2.375%	4.00% - 6.50%
Maturity Dates – Serially Beginning/Ending	October 1, 2025	April 1, 2026/2046	April 1, 2026/2053
Interest Payment Dates	October 1/ April 1	October 1/ April 1	October 1/ April 1
Callable Dates	October 1, 2019*	April 1, 2025*	April 1, 2031

* 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, 2025

NOTE 3. LONG-TERM DEBT (Continued)

As of March 31, 2025, the debt service requirements on the outstanding bonds were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 680,000	\$ 691,002	\$ 1,371,002
2027	500,000	671,457	1,171,457
2028	515,000	655,381	1,170,381
2029	525,000	638,780	1,163,780
2030	545,000	621,757	1,166,757
2031-2035	2,935,000	2,834,782	5,769,782
2036-2040	3,345,000	2,403,487	5,748,487
2041-2045	3,835,000	1,911,981	5,746,981
2046-2050	4,595,000	1,244,431	5,839,431
2051-2053	3,240,000	270,600	3,510,600
	<u>\$ 20,715,000</u>	<u>\$ 11,943,658</u>	<u>\$ 32,658,658</u>

During the year ended March 31, 2025, the District levied an ad valorem debt service tax rate of \$0.395 per \$100 of assessed valuation, which resulted in a tax levy of \$1,168,536 on the adjusted taxable valuation of \$295,831,916 for the 2024 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.

On December 19, 2024, the District closed on the sale of its \$11,250,000 Series 2024 Unlimited Tax bonds. Bond proceeds are being used to fund the District's share of construction and engineering costs for a new water plant, fund capitalized interest and pay bond issuance costs.

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

The bond orders state 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 orders also state that the District is required to provide continuing disclosure of certain general financial information and operating data to certain information repositories within six months after the end of each fiscal year throughout the life of the bonds.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

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 \$1,010,606 and the bank balance was \$1,041,839. The District was not exposed to custodial credit risk at year-end. The carrying values of the deposits at March 31, 2025, are summarized in the following table:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 161,270	\$ 470,000	\$ 631,270
SPECIAL REVENUE FUNDS	265,992		265,992
DEBT SERVICE FUND	113,232		113,232
CAPITAL PROJECTS FUND	112		112
TOTAL DEPOSITS	<u>\$ 540,606</u>	<u>\$ 470,000</u>	<u>\$ 1,010,606</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, 2025

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 which 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, 2025, the District had the following investments and maturities:

Funds and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
Texas CLASS	\$ 4,643,645	\$ 4,643,645
Certificates of Deposit	470,000	470,000
<u>DEBT SERVICE FUND</u>		
Texas CLASS	1,593,945	1,593,945
<u>CAPITAL PROJECTS FUND</u>		
Texas CLASS	9,630,854	9,630,854
TOTAL INVESTMENTS	<u><u>\$ 16,338,444</u></u>	<u><u>\$ 16,338,444</u></u>

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, 2025

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, 2024	Increases	Decreases	March 31, 2025
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 153,998	\$	\$	\$ 153,998
Construction in Progress	<u>59,657</u>	<u>1,258,669</u>	<u>567,695</u>	<u>750,631</u>
Total Capital Assets Not Being Depreciated	<u>\$ 213,655</u>	<u>\$ 1,258,669</u>	<u>\$ 567,695</u>	<u>\$ 904,629</u>
Capital Assets Subject to Depreciation				
Water System	\$ 5,089,199	\$ 157,206	\$	\$ 5,246,405
Wastewater System	<u>14,590,756</u>	<u>410,489</u>	<u></u>	<u>15,001,245</u>
Total Capital Assets Subject to Depreciation	<u>\$ 19,679,955</u>	<u>\$ 567,695</u>	<u>\$ - 0 -</u>	<u>\$ 20,247,650</u>
Accumulated Depreciation				
Water System	\$ 4,502,208	\$ 92,671	\$	\$ 4,594,879
Wastewater System	<u>3,654,814</u>	<u>1,129,237</u>	<u></u>	<u>4,784,051</u>
Total Accumulated Depreciation	<u>\$ 8,157,022</u>	<u>\$ 1,221,908</u>	<u>\$ - 0 -</u>	<u>\$ 9,378,930</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 11,522,933</u>	<u>\$ (654,213)</u>	<u>\$ - 0 -</u>	<u>\$ 10,868,720</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 11,736,588</u>	<u>\$ 604,456</u>	<u>\$ 567,695</u>	<u>\$ 11,773,349</u>

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

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, 2025, the District levied an ad valorem maintenance tax rate of \$0.242 per \$100 of assessed valuation, which resulted in a tax levy of \$715,913 on the adjusted taxable valuation of \$295,831,916 for the 2024 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 District owns 84.44% (380,000 gpd) and District No. 257 owns 15.56% (70,000 gpd) of the treatment capacity of the 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 \$447,940.

As of March 31, 2025, 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>\$ 77,938</u>	<u>\$ 36,378</u>	<u>\$ 114,316</u>
Reserve for Operations	<u>\$ 88,306</u>	<u>\$ 20,928</u>	<u>\$ 109,234</u>

As of the report date, the District and District No. 257 were in litigation 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; 61st 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.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

NOTE 8. WASTE DISPOSAL AGREEMENT (Continued)

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 against the District would be reduced by District No. 257’s recovery against its operator Si Environmental, which has admitted 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 \$709,678 during the current fiscal year.

As of the report date, the District and District No. 257 were in litigation 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.

As of March 31, 2025, 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	\$ 80,425	\$ 67,347	\$ 147,772
Reserve for Operations	\$ 188,486	\$ 67,925	\$ 256,411

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

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 \$600,665 to the Authority for pumpage fees and purchased surface water in the current fiscal year.

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 \$95,620.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

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.

NOTE 15. USE OF SURPLUS FUNDS AND TRANSFERS

On January 20, 2025, the District approved the use of surplus construction funds and interest earnings to reimburse the General Fund for the cost of sanitary sewer cleaning and televising project and sanitary sewer rehabilitation project per Section 293.83(c)(3) of the Commission rules. Total funds approved for these projects were \$621,721. As of March 31, 2025, these projects were completed and the funds were transferred.

On March 17, 2025, the District approved the use of surplus construction funds and interest earnings to reimburse the General Fund for the District’s share of the joint wastewater treatment plant digester improvements project per Section 293.83(c)(3) of the Commission rules. Total surplus funds approved for this project were \$243,511. As of year-end, the District recorded costs of \$41,164 for this project, which is in progress.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149

REQUIRED SUPPLEMENTARY INFORMATION

MARCH 31, 2025

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, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 674,719	\$ 704,598	\$ 29,879
Water Service	458,800	446,178	(12,622)
Wastewater Service	409,600	438,334	28,734
Water Authority Fees	455,200	414,015	(41,185)
Penalty and Interest	62,000	53,152	(8,848)
Sales Tax Revenues	85,500	95,620	10,120
Investment and Miscellaneous Revenues	<u>230,100</u>	<u>287,069</u>	<u>56,969</u>
TOTAL REVENUES	<u>\$ 2,375,919</u>	<u>\$ 2,438,966</u>	<u>\$ 63,047</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 170,900	\$ 170,397	\$ 503
Contracted Services	435,300	447,515	(12,215)
Purchased Water Service	753,947	709,678	44,269
Purchased Wastewater Service	353,224	447,940	(94,716)
Repairs and Maintenance	320,615	312,805	7,810
Other	151,575	156,420	(4,845)
Capital Outlay	<u>493,000</u>	<u></u>	<u>493,000</u>
TOTAL EXPENDITURES	<u>\$ 2,678,561</u>	<u>\$ 2,244,755</u>	<u>\$ 433,806</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (302,642)</u>	<u>\$ 194,211</u>	<u>\$ 496,853</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>\$ 691,700</u>	<u>\$ 322,535</u>	<u>\$ (369,165)</u>
NET CHANGE IN FUND BALANCE	\$ 389,058	\$ 516,746	\$ 127,688
FUND BALANCE - APRIL 1, 2024	<u>4,825,534</u>	<u>4,825,534</u>	<u></u>
FUND BALANCE - MARCH 31, 2025	<u>\$ 5,214,592</u>	<u>\$ 5,342,280</u>	<u>\$ 127,688</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, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Water Service	\$ 1,025,647	\$ 1,009,689	\$ (15,958)
Investment and Miscellaneous Revenues	<u>80</u>	<u>321</u>	<u>241</u>
TOTAL REVENUES	<u>\$ 1,025,727</u>	<u>\$ 1,010,010</u>	<u>\$ (15,717)</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 45,500	\$ 11,606	\$ 33,894
Contracted Services	42,500	43,042	(542)
Utilities	46,150	44,099	2,051
Water Authority Costs	641,000	600,665	40,335
Repairs, Maintenance, Capital Outlay	206,100	264,072	(57,972)
Other	<u>44,477</u>	<u>46,526</u>	<u>(2,049)</u>
TOTAL EXPENDITURES	<u>\$ 1,025,727</u>	<u>\$ 1,010,010</u>	<u>\$ 15,717</u>
NET CHANGE IN FUND BALANCE	\$ -0-	\$ -0-	\$ -0-
FUND BALANCE - APRIL 1, 2024	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE - MARCH 31, 2025	<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, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Wastewater Service	\$ 436,937	\$ 553,007	\$ 116,070
Investment and Miscellaneous Revenues	499		(499)
TOTAL REVENUES	<u>\$ 437,436</u>	<u>\$ 553,007</u>	<u>\$ 115,571</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 20,750	\$ 24,941	\$ (4,191)
Contracted Services	63,000	67,098	(4,098)
Utilities	77,800	46,344	31,456
Repairs, Maintenance, Capital Outlay	66,000	242,376	(176,376)
Other	209,886	172,248	37,638
TOTAL EXPENDITURES	<u>\$ 437,436</u>	<u>\$ 553,007</u>	<u>\$ (115,571)</u>
NET CHANGE IN FUND BALANCE	\$ -0-	\$ -0-	\$ -0-
FUND BALANCE - APRIL 1, 2024	_____	_____	_____
FUND BALANCE - MARCH 31, 2025	<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

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

MARCH 31, 2025

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
SERVICES AND RATES
FOR THE YEAR ENDED MARCH 31, 2025

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 April 1, 2025.

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
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:	\$ 32.58		Y		
SURCHARGE:					
Regional Water Authority Fees	\$ 4.79 per 1,000 gallons				

District employs winter averaging for wastewater usage? X
Yes No

Total monthly charges per 10,000 gallons usage: Water: \$34.80 Wastewater: \$32.58 Surcharge: \$47.90 Total: \$115.28

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
SERVICES AND RATES
FOR THE YEAR ENDED MARCH 31, 2025

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤¾"	<u>1,172</u>	<u>1,155</u>	x 1.0	<u>1,155</u>
1"	<u>30</u>	<u>25</u>	x 2.5	<u>63</u>
1½"	<u>14</u>	<u>12</u>	x 5.0	<u>60</u>
2"	<u>12</u>	<u>11</u>	x 8.0	<u>88</u>
3"	<u>1</u>		x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u>1,229</u>	<u>1,203</u>		<u>1,366</u>
Total Wastewater Connections	<u>1,216</u>	<u>1,193</u>	x 1.0	<u>1,193</u>

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

Gallons pumped into system:	37,553,000	Water Accountability Ratio: 92.1% (Gallons billed and sold/Gallons pumped and purchased)
Gallons billed to customers:	87,588,000	
Gallons sold:	40,842,000	To: <u>Harris County Municipal Utility District No. 257</u>
Gallons purchased:	101,895,000	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, 2025

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

Does the District have Debt Service standby fees? Yes ☐ No ☒

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes ☒ No ☐

County 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, 2025

PROFESSIONAL FEES:	
Arbitrage	\$ 850
Auditing	20,000
Engineering	57,749
Legal	<u>91,798</u>
TOTAL PROFESSIONAL FEES	<u>\$ 170,397</u>
PURCHASED SERVICES FOR RESALE:	
Purchased Water Service	\$ 709,678
Purchased Wastewater Service	<u>447,940</u>
TOTAL PURCHASED SERVICES FOR RESALE	<u>\$ 1,157,618</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 77,858
Operations and Billing	81,648
Security	24,000
Solid Waste Disposal	<u>264,009</u>
TOTAL CONTRACTED SERVICES	<u>\$ 447,515</u>
REPAIRS AND MAINTENANCE	<u>\$ 312,805</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 24,980
Insurance	8,874
Office Supplies and Postage	22,593
Travel and Meetings	22,583
Other	<u>13,299</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 92,329</u>
OTHER EXPENDITURES:	
Laboratory Fees	\$ 18,135
Permit Fees	2,893
Connection and Inspection Fees	38,724
Regulatory Assessment	<u>4,339</u>
TOTAL OTHER EXPENDITURES	<u>\$ 64,091</u>
TOTAL EXPENDITURES	<u><u>\$ 2,244,755</u></u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
INVESTMENTS
MARCH 31, 2025

<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	\$ 3,302,876	\$
Texas CLASS	XXXX0003	Varies	Daily	1,340,769	
Certificate of Deposit	XXXX3129	4.75%	10/30/25	235,000	4,496
Certificate of Deposit	XXXX5993	5.01%	08/26/25	235,000	5,838
TOTAL GENERAL FUND				<u>\$ 5,113,645</u>	<u>\$ 10,334</u>
<u>DEBT SERVICE FUND</u>					
Texas CLASS	XXXX0002	Varies	Daily	<u>\$ 1,593,945</u>	<u>\$ - 0 -</u>
<u>CAPITAL PROJECTS FUND</u>					
Texas CLASS	XXXX0005	Varies	Daily	\$ 273,083	\$
Texas CLASS	XXXX0007	Varies	Daily	9,357,771	
TOTAL CAPITAL PROJECTS FUND				<u>\$ 9,630,854</u>	<u>\$ - 0 -</u>
TOTAL - ALL FUNDS				<u>\$ 16,338,444</u>	<u>\$ 10,334</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MARCH 31, 2025

	<u>Maintenance Taxes</u>		<u>Debt Service Taxes</u>	
TAXES RECEIVABLE -				
APRIL 1, 2024	\$	45,273	\$	43,997
Adjustments to Beginning Balance		<u>(10,883)</u>		<u>(11,536)</u>
	\$	34,390	\$	32,461
Original 2024 Tax Levy	\$	609,657	\$	995,102
Adjustment to 2024 Tax Levy		<u>106,256</u>		<u>173,434</u>
		715,913		1,168,536
TOTAL TO BE ACCOUNTED FOR		\$ 750,303		\$ 1,200,997
TAX COLLECTIONS:				
Prior Years	\$	18,039	\$	18,266
Current Year		<u>686,559</u>		<u>1,120,624</u>
		704,598		1,138,890
TAXES RECEIVABLE -				
MARCH 31, 2025		<u>\$ 45,705</u>		<u>\$ 62,107</u>
TAXES RECEIVABLE BY YEAR:				
2024	\$	29,354	\$	47,912
2023		4,953		5,256
2022		3,243		3,308
2021		2,061		1,942
2020		1,306		1,466
2019		2,693		635
2018		865		363
2017		239		101
2016		226		104
2015 and prior		<u>765</u>		<u>1,020</u>
TOTAL	\$	<u>45,705</u>	\$	<u>62,107</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MARCH 31, 2025

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
PROPERTY VALUATIONS:				
Land	\$ 91,105,339	\$ 90,788,736	\$ 80,806,305	\$ 80,566,982
Improvements	244,355,026	241,986,219	226,525,020	182,451,778
Personal Property	9,692,558	9,273,568	8,811,198	7,735,319
Exemptions	<u>(49,321,007)</u>	<u>(60,087,862)</u>	<u>(56,585,757)</u>	<u>(40,036,608)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 295,831,916</u>	<u>\$ 281,960,661</u>	<u>\$ 259,556,766</u>	<u>\$ 230,717,471</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.395	\$ 0.260	\$ 0.255	\$ 0.245
Maintenance	<u>0.242</u>	<u>0.245</u>	<u>0.250</u>	<u>0.260</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.637</u>	<u>\$ 0.505</u>	<u>\$ 0.505</u>	<u>\$ 0.505</u>
ADJUSTED TAX LEVY*	<u>\$ 1,884,449</u>	<u>\$ 1,423,902</u>	<u>\$ 1,310,762</u>	<u>\$ 1,165,123</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>95.90 %</u>	<u>99.28 %</u>	<u>99.50 %</u>	<u>99.66 %</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, 2025

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
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			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
	<u>\$ 190,000</u>	<u>\$ 3,895</u>	<u>\$ 193,895</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, 2025

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	
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
2047				
2048				
2049				
2050				
2051				
2052				
2053				
	<u>\$ 9,275,000</u>	<u>\$ 2,369,669</u>	<u>\$</u>	<u>11,644,669</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, 2025

S E R I E S - 2 0 2 4				
Due During Fiscal Years Ending March 31	Principal Due April 1	Interest Due October 1/ April 1	Total	
2026	\$ 130,000	\$ 490,888	\$	620,888
2027	135,000	482,438		617,438
2028	140,000	473,662		613,662
2029	145,000	464,562		609,562
2030	155,000	455,138		610,138
2031	160,000	445,062		605,062
2032	165,000	434,663		599,663
2033	175,000	423,938		598,938
2034	180,000	412,562		592,562
2035	190,000	405,363		595,363
2036	195,000	397,762		592,762
2037	205,000	389,963		594,963
2038	215,000	381,762		596,762
2039	220,000	373,162		593,162
2040	230,000	364,363		594,363
2041	240,000	355,162		595,162
2042	250,000	345,262		595,262
2043	260,000	334,950		594,950
2044	275,000	324,225		599,225
2045	285,000	312,882		597,882
2046	300,000	301,125		601,125
2047	880,000	288,750		1,168,750
2048	920,000	252,450		1,172,450
2049	960,000	214,500		1,174,500
2050	1,000,000	174,900		1,174,900
2051	1,040,000	133,650		1,173,650
2052	1,080,000	90,750		1,170,750
2053	1,120,000	46,200		1,166,200
	<u>\$ 11,250,000</u>	<u>\$ 9,570,094</u>	<u>\$</u>	<u>20,820,094</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, 2025

ANNUAL REQUIREMENTS FOR ALL SERIES			
Due During Fiscal Years Ending March 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	\$ 680,000	\$ 691,002	\$ 1,371,002
2027	500,000	671,457	1,171,457
2028	515,000	655,381	1,170,381
2029	525,000	638,780	1,163,780
2030	545,000	621,757	1,166,757
2031	555,000	603,881	1,158,881
2032	570,000	585,582	1,155,582
2033	590,000	566,757	1,156,757
2034	600,000	547,080	1,147,080
2035	620,000	531,482	1,151,482
2036	635,000	515,281	1,150,281
2037	650,000	498,682	1,148,682
2038	670,000	481,580	1,151,580
2039	685,000	463,312	1,148,312
2040	705,000	444,632	1,149,632
2041	725,000	425,337	1,150,337
2042	745,000	404,525	1,149,525
2043	765,000	383,074	1,148,074
2044	790,000	360,988	1,150,988
2045	810,000	338,057	1,148,057
2046	835,000	313,831	1,148,831
2047	880,000	288,750	1,168,750
2048	920,000	252,450	1,172,450
2049	960,000	214,500	1,174,500
2050	1,000,000	174,900	1,174,900
2051	1,040,000	133,650	1,173,650
2052	1,080,000	90,750	1,170,750
2053	1,120,000	46,200	1,166,200
	\$ 20,715,000	\$ 11,943,658	\$ 32,658,658

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, 2025

Description	Original Bonds Issued	Bonds Outstanding April 1, 2024
Harris County Municipal Utility District No. 149 Unlimited Tax Bonds - Series 2010	\$ 1,365,000	\$ 370,000
Harris County Municipal Utility District No. 149 Unlimited Tax Bonds - Series 2020	10,000,000	9,425,000
Harris County Municipal Utility District No. 149 Unlimited Tax Bonds - Series 2024	<u>11,250,000</u>	
TOTAL	<u>\$ 22,615,000</u>	<u>\$ 9,795,000</u>
Bond Authority:	<u>Tax Bonds</u>	
Amount Authorized by Voters	\$ 47,850,000	
Amount Issued	<u>24,670,000</u>	
Remaining to be Issued	<u>\$ 23,180,000</u>	
Debt Service Fund cash and investment balances as of March 31, 2025:		<u>\$ 1,707,177</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:		<u>\$ 1,166,381</u>

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				
Bonds Sold	Retirements		Bonds Outstanding March 31, 2025	Paying Agent
	Principal	Interest		
\$	\$ 180,000	\$ 11,480	\$ 190,000	Wells Fargo Bank N.A. Houston, TX
	150,000	200,719	9,275,000	The Bank of New York Mellon Trust Co., N.A. Dallas, TX
<u>11,250,000</u>		<u>139,085</u>	<u>11,250,000</u>	The Bank of New York Mellon Trust Co., N.A. Houston, TX
<u>\$ 11,250,000</u>	<u>\$ 330,000</u>	<u>\$ 351,284</u>	<u>\$ 20,715,000</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		
	2025	2024	2023
REVENUES			
Property Taxes	\$ 704,598	\$ 676,266	\$ 643,739
Water Service	860,193	905,742	920,786
Wastewater Service	438,334	408,732	407,621
Penalty and Interest	53,152	55,598	54,862
Sales Tax Revenues	95,620	84,653	89,885
Investment and Miscellaneous Revenues	<u>287,069</u>	<u>306,663</u>	<u>153,602</u>
TOTAL REVENUES	<u>\$ 2,438,966</u>	<u>\$ 2,437,654</u>	<u>\$ 2,270,495</u>
EXPENDITURES			
Professional Fees	\$ 170,397	\$ 207,704	\$ 208,596
Contracted Services	447,515	422,738	367,428
Purchased Services	1,157,618	1,072,634	1,015,124
Repairs and Maintenance	312,805	426,747	362,662
Other	156,420	154,593	142,378
Capital Outlay	<u>59,657</u>	<u>59,657</u>	<u>59,657</u>
TOTAL EXPENDITURES	<u>\$ 2,244,755</u>	<u>\$ 2,344,073</u>	<u>\$ 2,096,188</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 194,211</u>	<u>\$ 93,581</u>	<u>\$ 174,307</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>\$ 322,535</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
NET CHANGE IN FUND BALANCE	\$ 516,746	\$ 93,581	\$ 174,307
BEGINNING FUND BALANCE	<u>4,825,534</u>	<u>4,731,953</u>	<u>4,557,646</u>
ENDING FUND BALANCE	<u>\$ 5,342,280</u>	<u>\$ 4,825,534</u>	<u>\$ 4,731,953</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
\$ 604,681	\$ 509,911	28.9 %	27.7 %	28.3 %	31.7 %	28.8 %
742,677	750,263	35.2	37.1	40.5	38.9	42.4
358,450	344,612	18.0	16.8	18.0	18.8	19.5
44,606	30,911	2.2	2.3	2.4	2.3	1.7
80,667	62,014	3.9	3.5	4.0	4.2	3.5
77,252	73,089	11.8	12.6	6.8	4.1	4.1
<u>\$ 1,908,333</u>	<u>\$ 1,770,800</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 165,828	\$ 138,358	7.0 %	8.5 %	9.2 %	8.7 %	7.8 %
303,527	283,188	18.3	17.3	16.2	15.9	16.0
788,706	708,043	47.5	44.0	44.7	41.3	40.0
253,772	213,729	12.8	17.5	16.0	13.3	12.1
113,334	100,613	6.4	6.4	6.2	6.0	5.6
			2.5			
<u>\$ 1,625,167</u>	<u>\$ 1,443,931</u>	<u>92.0 %</u>	<u>96.2 %</u>	<u>92.3 %</u>	<u>85.2 %</u>	<u>81.5 %</u>
<u>\$ 283,166</u>	<u>\$ 326,869</u>	<u>8.0 %</u>	<u>3.8 %</u>	<u>7.7 %</u>	<u>14.8 %</u>	<u>18.5 %</u>
<u>\$ - 0 -</u>	<u>\$ 238,627</u>					
\$ 283,166	\$ 565,496					
<u>4,274,480</u>	<u>3,708,984</u>					
<u>\$ 4,557,646</u>	<u>\$ 4,274,480</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		
	2025	2024	2023
REVENUES			
Property Taxes	\$ 1,138,890	\$ 716,917	\$ 654,558
Penalty and Interest	25,551	18,757	22,479
Investment and Miscellaneous Revenues	52,912	41,389	21,838
TOTAL REVENUES	<u>\$ 1,217,353</u>	<u>\$ 777,063</u>	<u>\$ 698,875</u>
EXPENDITURES			
Tax Collection Expenditures	\$ 46,258	\$ 43,748	\$ 44,399
Debt Service Principal	330,000	315,000	310,000
Debt Service Interest and Fees	352,609	224,939	235,939
TOTAL EXPENDITURES	<u>\$ 728,867</u>	<u>\$ 583,687</u>	<u>\$ 590,338</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 488,486</u>	<u>\$ 193,376</u>	<u>\$ 108,537</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Issuance of Long-term Debt	<u>\$ 245,444</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
NET CHANGE IN FUND BALANCE	<u>\$ 733,930</u>	<u>\$ 193,376</u>	<u>\$ 108,537</u>
BEGINNING FUND BALANCE	<u>970,456</u>	<u>777,080</u>	<u>668,543</u>
ENDING FUND BALANCE	<u><u>\$ 1,704,386</u></u>	<u><u>\$ 970,456</u></u>	<u><u>\$ 777,080</u></u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>1,203</u>	<u>1,203</u>	<u>1,206</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>1,193</u>	<u>1,194</u>	<u>1,197</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
\$ 564,794	\$ 553,498	93.6 %	92.3 %	93.7 %	93.7 %	96.5 %
36,965	13,739	2.1	2.4	3.2	6.1	2.4
1,404	6,156	4.3	5.3	3.1	0.2	1.1
<u>\$ 603,163</u>	<u>\$ 573,393</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 48,546	\$ 37,874	3.8 %	5.6 %	6.3 %	8.0 %	6.6 %
300,000	265,000	27.1	40.5	44.4	49.7	46.2
<u>246,451</u>	<u>167,701</u>	<u>29.0</u>	<u>29.0</u>	<u>33.8</u>	<u>40.9</u>	<u>29.3</u>
<u>\$ 594,997</u>	<u>\$ 470,575</u>	<u>59.9 %</u>	<u>75.1 %</u>	<u>84.5 %</u>	<u>98.6 %</u>	<u>82.1 %</u>
<u>\$ 8,166</u>	<u>\$ 102,818</u>	<u>40.1 %</u>	<u>24.9 %</u>	<u>15.5 %</u>	<u>1.4 %</u>	<u>17.9 %</u>
<u>\$ - 0 -</u>	<u>\$ 217,969</u>					
\$ 8,166	\$ 320,787					
<u>660,377</u>	<u>339,590</u>					
<u>\$ 668,543</u>	<u>\$ 660,377</u>					
<u>1,206</u>	<u>1,209</u>					
<u>1,196</u>	<u>1,199</u>					

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

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MARCH 31, 2025

Consultants:	Date Hired	Fees for the year ended March 31, 2025 District	Fees for the year ended March 31, 2025 Water Facilities	Fees for the year ended March 31, 2025 Wastewater Treatment Facilities	Title
Schwartz, Page & Harding, LLP	03/31/77	\$ 101,121 \$ 349,173	\$ 284	\$ -0-	General and Bond Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	08/21/06	\$ 20,000 \$ 2,500	\$ 6,000	\$ 6,000	Auditor/Other Services
Municipal Accounts & Consulting LP	05/12/03	\$ 89,142	\$ 16,568	\$ 16,863	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, LLP	04/15/13	\$ 8,672	\$ -0-	\$ -0-	Delinquent Tax/Other Attorney
Quiddity Engineering, LLC	03/30/87	\$ 869,585	\$ 5,323	\$ 67,690	Engineer
Masterson Advisors, LLC	05/16/18	\$ 232,012	\$ -0-	\$ -0-	Financial Advisor
Inframark, LLC	03/31/77	\$ 461,521	\$ 376,700	\$ 310,770	Operator
BLICO, Inc.	08/16/77	\$ 32,308	\$ -0-	\$ -0-	Tax Assessor/ Collector

See accompanying independent auditor's report.