

TAX RATE AND BUDGET INFORMATION posted by Harris County Municipal Utility District No. 191 ("District" or "taxing unit"), Harris County, Texas, in accordance with Sec. 26.18 of the Texas Tax Code (as amended by S.B. 2, 2019 Reg. Session)

Updated as of October 1, 2023

Fiscal year (FY) ending September 30, 2024 ("current year")

Information required by Sec. 26.18, Texas Tax Code, by subdivision number and description		Information posted (for the information item shown in left column)
(1)	the name of each member of the governing body of the taxing unit	The information is shown in the attached EXHIBIT A
(2)	the mailing address, e-mail address, and telephone number of the taxing unit	The information is shown in the attached EXHIBIT A
(3)	the official contact information for each member of the governing body of the taxing unit, if that information is different from the information described by Subdivision (2)	The information is shown in the attached EXHIBIT A
(4)	the taxing unit's budget for the preceding two years	The information is shown in the attached EXHIBIT B
(5)	the taxing unit's proposed or adopted budget for the current year	The information is shown in the attached EXHIBIT C
(6)	the change in the amount of the taxing unit's budget from the preceding year to the current year, by dollar amount and percentage	<i>Operating Account Budgets (see EXHIBITS B and C):</i> --- <i>Ordinary Income + Other Income</i> changed from \$3,491,406, to \$3,517,406, an increase of \$26,000, or 0.7% --- <i>Ordinary Expense + Other Expense</i> changed from \$3,491,406, to \$3,517,406, an increase of \$26,000 or 0.7%
(7)	in the case of a taxing unit other than a school district, the amount of property tax revenue budgeted for maintenance and operations for: (A) the preceding two years; and (B) the current year	<i>Operating Account Budgets (see EXHIBITS B and C):</i> \$860,000 for FY 2022 \$1,000,000 for FY 2023 \$1,000,000 for FY 2024
(8)	in the case of a taxing unit other than a school district, the amount of property tax revenue budgeted for debt service for: (A) the preceding two years; and (B) the current year	\$-0- for FY 2022 \$-0- for FY 2023 \$-0- for FY 2024
(9)	the tax rate for maintenance and operations adopted by the taxing unit for the preceding two years	\$0.245/\$100 for TY 2021 \$0.227/\$100 for TY 2022
(10)	in the case of a taxing unit other than a school district, the tax rate for debt service adopted by the taxing unit for the preceding two years	\$0.00/\$100 for TY 2021 \$0.00/\$100 for TY 2022
(12)	the tax rate for maintenance and operations proposed by the taxing unit for the current year	\$0.217/\$100 for TY 2023
(13)	in the case of a taxing unit other than a school district, the tax rate for debt service proposed by the taxing unit for the current year;	\$0.00/\$100 for TY 2023
(14)	in the case of a school district, the interest and sinking fund tax rate proposed by the district for the current year; and	[This item does not apply to this taxing unit.]
(15)	the most recent financial audit of the taxing unit.	A copy of the financial audit is attached as EXHIBIT D

THE EXHIBITS LISTED BELOW ARE ATTACHED AND ARE INTEGRAL PARTS OF THE INFORMATION POSTED:

- EXHIBIT A**
- EXHIBIT B**
- EXHIBIT C**
- EXHIBIT D**

EXHIBIT A (part of TAX RATE AND BUDGET INFORMATION)

District Registration Form

When completed, mail to:

UTILITIES AND DISTRICT SECTION, MC-152
 TCEQ
 PO BOX 13087
 Austin, Texas 78711-3087 or fax to: 512-239-6190



HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191
Legal Name of District or Authority
 c/o Claudia Redden & Assoc., P. O. Box 11890 Spring TX 77391-1890
 District's Mailing Address City State Zip
 c/o James Dougherty, Atty.: 713-880-8808 jim@jdjr.com hcmud191.org
 District's Telephone Number (AC) E-mail Web Address

A. BOARD MEMBERS (as applicable):

TITLE	FULL NAME OF DIRECTOR (First, Middle, Last)	FULL MAILING ADDRESS <small>According to U.S. Post Office Standards</small>	TELEPHONE NUMBERS <small>(Include Area Code)</small>		Elected (E) Appointed (A) Elected by Precinct (P)	TERM OF OFFICE	
			Business	Home		Term Begins (mm/dd/yyyy)	Term Ends (mm/dd/yyyy)
President or Chairman	Robert Price	7907 Terrace Glade Ct., Houston, TX 77070	281-440-3750	281-897-9698	(E)	05/2020	05/2024
Asst. Secretary	Deborah Umphry	13406 Pinnacle Pl., Houston, TX 77069		832-768-1409	(A)	07/2022	05/2026
Secretary	Robert D. Harris	2 Stratford Way Ln., Houston, TX 77070	281-663-9919	281-970-3350	(E)	05/2020	05/2024
Vice President	Vaughan G. Miller	7103 Centre Oaks Dr., Houston, TX 77069		81-537-6264	(E)	05/2022	05/2026
Treasurer	Ronald D. Young	7006 Champions Centre Ct, Houston, TX 77069		281-587-0838	(E)	05/2022	05/2026

B. CONSULTANTS AND REPRESENTATIVES (as applicable):

POSITION	FULL NAME OF INDIVIDUAL	NAME OF FIRM OR ORGANIZATION	FULL MAILING ADDRESS <small>According to U.S. Post Office Standards</small>	TELEPHONE NUMBERS <small>(Include Area Code)</small>	
				Business	Fax
General Manager	Jacob Williams	H2O Innov. Op. & M., LLC.	2200 Sciaoca Rd., Spring, TX 77379	281-353-9809	281-353-6105
Operator	James L. Dougherty, Jr.	Attorney At Law	12 Greenway Plz., Ste. 1100, Houston, TX 77046	713-880-8808	281-220-8984
Attorney	Timothy B. Hardin, P.E.	Langford Engineering, Inc	1080 W Sam Houston Pkwy N, Ste 200, Houston, TX 77043	713-461-3530	713-932-7505
Engineer	Claudia Redden	Claudia Redden & Assoc.	P. O. Box 11890 Spring, TX 77391-1890	281-440-9400	281-379-1428
Bookkeeper	John Howell	The GMS Group, LLC	5075 Westheimer, #1175, Houston, Texas 77056	713-622-7620	713-626-3347
Financial Advisor	Patty Rodriguez	BLICO, Inc.	1111 Katy Fwy., #725, Houston, TX 77079	713-932-9011	713-932-1150
Tax Collector	Claudia Redden	Claudia Redden & Assoc.	P. O. Box 11890 Spring, TX 77391-1890	281-440-9400	281-379-1428
Agent for Notice					

*All information provided herein is subject to the Public Information Act and will be made available on our web site (www.tceq.texas.gov)

EXHIBIT B (part of TAX RATE AND BUDGET INFORMATION)

Budget for 2nd year preceding current year:

**HARRIS COUNTY M.U.D. No. 191
Annual Budget, FY 2022**

OPERATING ACCOUNT

Ordinary Income/Expense

Income	
41000 - WATER SERVICE REVENUE	1,034,000
41100 - TAP CONNECTION FEES	
41400 - FIRE LINE	25,000
42000 - SEWER SERVICE REVENUES	200,000
42020-G - GREASE TRAP INSPECTIONS	15,000
42050 - INDUSTRIAL WASTE SURCHARGE (X)	50,000
43300 - PENALTY & INTEREST INCOME	9,000
53800 - MISCELLANEOUS INCOME	4,000
53810 - INTEREST INCOME	50,000
53980 - MAINT TAXES-Trans from Tax Acct	860,000
53985 - PAYMENTS IN LIEU OF TAXES	3,000
54000 - REG ASSMT REVENUE	6,000
55000 - NHWRWA ASSESSMENT	12,000
56000 - CHLORAMINE CONTRIBUTION CREDIT	19,056
57000 - SALES TAX REVENUE	350,000
59000 - INSURANCE PROCEEDS	
Total Income	2,637,056
Gross Profit	2,637,056
Expense	
61000 - BULK WATER PURCHASES	650,000
61260 - WATER PERMIT FEES	
61260-N - NHCRWA ASSESSMENT	125,000
61260 - WATER PERMIT FEES - Other	2,000
Total 61260 - WATER PERMIT FEES	127,000
61320 - WTR MONTHLY SERVICE	22,000
61350 - WTR-REPAIRS & MAINTENANCE	120,000
61420 - WTR-CHEMICALS	2,000
61520 - WTR-UTILITIES EXPENSE	35,000
61710 - TAP CONNECTION EXPENSE	
61800 - RECONNECTION EXPENSES	5,000
62260 - SEWER PERMIT FEES	4,500
62320 - SWR-MONTHLY SERVICES	18,000
62350 - SWR-MAINTENANCE & REPAIRS	225,000
62420 - SWR-CHEMICALS	12,000
62520 - SWR-UTILITIES	50,000
62570 - SLUDGE REMOVAL	60,000
62750-G - GREASE TRAP INSPECTION EXPENSE	7,000
62750 - SEWER INSPECTION EXPENSES	8,000
63000 - REGULATORY ASSESSMENT	7,000
63100 - DIRECTOR FEES	12,000
63200 - LEGAL FEES	100,000
63210 - AUDITING FEES	11,000
63220-F - ENGINEERING-FM 1960 CONSULTING	45,000
63220 - ENGINEERING	85,000
63220-I - ENGINEERING - INDUSTRIAL WASTE	5,000
63220-S - ENGINEERING - SEWER PLANT	1,000
63220-W - ENGINEERING - WATER PLANT	30,000
63220 - ENGINEERING	15,000
63240 - LABORATORY FEES	10,000
63240-I - LABORATORY FEES FOR INDUSTRIAL	50,000
63300 - BOOKKEEPING FEES	30,000
63340 - SPA ANALYSIS EXPENSES	3,000
63350 - REPAIRS & MAINTENANCE	
63350-L - LANDSCAPE BEAUTIFICATION	50,000
Total 63350 - REPAIRS & MAINTENANCE	50,000
63380 - LEGALLY REQ'D NEWSP NOTICES (1)	2,000
63400 - PRINTING & OFFICE SUPPLIES	10,000
63500 - POSTAGE	12,000
63510 - TELEPHONE EXPENSES	2,400
63530 - INSURANCE & SURETY BONDS	25,000
63570 - LOBBYING, ETC. (2)	250
63580 - RENT ON MEETING PLACE	3,000

EXHIBIT B, cont. (part of TAX RATE AND BUDGET INFORMATION) Budget for 2nd year preceding current year, cont.

63590 · OTHER EXPENSES	3,500
63990 · GARBAGE EXPENSES	600
64000 · CONSTABLE SERVICES	220,000
65600 · PAYROLL EXPENSES	950
Total Expense	2,079,200
Net Ordinary Income	557,856
Other Income/Expense	
Other Income	
39999 · TRANSFER FROM RESERVE FOR RRI	525,250
Total Other Income	525,250
Other Expense	
73600 · CAPITAL EXPENDITURES	
73600-E · EXTENTIONS, ENLARGE, EXPANSION	0
73600-R · REPAIRS AND REPLACEMENTS	883,106
73600 · CAPITAL EXPENDITURES - Other	200,000
Total 73600 · CAPITAL EXPENDITURES	1,083,106
Total Other Expense	1,083,106
Net Other Income	(557,856)
Net Income	0

TAX ACCOUNT

Receipts	
Current & Prior Years Taxes	891,678.00
Penalty & Interest	4,671.91
Additional Collection Penalty	2,307.18
Stale Dated Checks	1,164.45
Overpayments	2,058.31
NSF Fee Collected	30.00
Void Checks	505.35
Stop Payment on Check	2,359.48
Amount received subject to refund - due to adjustments	30,443.12
Amount received subject to debit for returned Checks (NSF)	1,208.23
Rendition Penalty	89.77
Amount received subject to refund -- Rendition Penalty	40.78
Total Receipts	936,556.58
Disbursements:	
Atty's Fees, Delinquent collection	2,805.61
CAD Quarterly Assessment	7,088.00
Legally Required Newspaper Notices (1)	850.90
Refund - due to adjustments	42,812.31
Refund - due to overpayments	2,053.32
Tax A/C Bond Premium	250.00
Amount of property tax revenue budgeted for maintenance and operations (transfer to Op. Acct.)	860,000.00
Amount of property tax revenue budgeted tor debt service	0
Lobbying, Etc. (2)	0
Tax Assessor/Collector Fee	14,097.00
Reissue Stale Dated Check	500.52
Return Check (NSF)	1,208.23
Postage	1,229.32
Supplies	456.06
Audit Preparation	300.00
NSF Fee to BLI	30.00
Additional Services - BLI	325.00
Records Maintenance	120.00
Copies	707.93
Envelopes - Original Strmts.	205.20
Duplicate Statements	10.00
Mileage Expense	145.98
Supp/Corr/Name Chgs Envelopes	189.60
Envelopes - Feb Delinq Strmts	44.70
Envelopes - May Del Strmts	29.10
Tax Lien Transfers	100.00
Check Cost	142.80
Delinquent Report Assistance	155.00
Exemption Assistance	150.00
Positive Pay	300.00
SB 2 Compliance	250.00
Total Disbursements	936,556.58

(1) Expenditures for notices required by law to be published in a newspaper by the political subdivision or representative of the political subdivision.

(2) Expenditures for directly or indirectly influencing or attempting to influence the outcome of legislation or administrative action, as those terms are defined in Section 305.002, Government Code.

EXHIBIT B, cont. (part of TAX RATE AND BUDGET INFORMATION) *Budget for 1st year preceding current year:*

Harris County M.U.D. No. 191
Annual Budget

OPERATING ACCOUNT		FY 2023 Budget
Ordinary Income/Expense		
	Income	
	41000 · WATER SERVICE REVENUE	1,100,000
	41400 · FIRE LINE	30,000
	42000 · SEWER SERVICE REVENUES	200,000
	42020-G · GREASE TRAP INSPECTIONS	15,000
	42050 · INDUSTRIAL WASTE SURCHARGE (X)	50,000
	43300 · PENALTY & INTEREST INCOME	6,000
	53800 · MISCELLANEOUS INCOME	4,000
	53910 · INTEREST INCOME	50,000
	53980 · MAINT TAXES-Trans from Tax Acct	1,000,000
	53985 · PAYMENTS IN LIEU OF TAXES	3,000
	54000 · REG ASSMT REVENUE	7,500
	55000 · NHWRWA ASSESSMENT	16,000
	56000 · CHLORAMINE CONTRIBUTION CREDIT	19,056
	57000 · SALES TAX REVENUE	375,000
	Total Income	2,875,556
	Gross Profit	2,875,556
	Expense	
	61000 · BULK WATER PURCHASES	850,000
	61260 · WATER PERMIT FEES	
	61260-N · NHCRWA ASSESSMENT	160,000
	61260 · WATER PERMIT FEES - Other	2,000
	Total 61260 · WATER PERMIT FEES	162,000
	61320 · WTR MONTHLY SERVICE	22,000
	61350 · WTR-REPAIRS & MAINTENANCE	135,000
	61420 · WTR-CHEMICALS	3,500
	61520 · WTR-UTILITIES EXPENSE	40,000
	61800 · RECONNECTION EXPENSES	5,000
	62260 · SEWER PERMIT FEES	4,500
	62320 · SWR-MONTHLY SERVICES	18,000
	62350 · SWR-MAINTENANCE & REPAIRS	305,000
	62420 · SWR-CHEMICALS	18,000
	62520 · SWR-UTILITIES	55,000
	62570 · SLUDGE REMOVAL	35,000
	62750-G · GREASE TRAP INSPECTION EXPENSE	10,000
	62750 · SEWER INSPECTION EXPENSES	5,000
	63000 · REGULATORY ASSESSMENT	7,000
	63100 · DIRECTOR FEES	12,000

EXHIBIT B, cont. (part of TAX RATE AND BUDGET INFORMATION) *Budget for 1st year preceding current year, cont.*

	63200 · LEGAL FEES	100,000
	63210 · AUDITING FEES	11,000
	63220-F · ENGINEERING-FM 1960 CONSULTING	20,000
	63220-G · ENGINEERING-GIS	0
	63220-I · ENGINEERING - INDUSTRIAL WASTE	5,000
	63220-S · ENGINEERING - SEWER PLANT	1,000
	63220-W · ENGINEERING - WATER PLANT	30,000
	63220 · ENGINEERING	100,000
	63240-I · LABORATORY FEES FOR INDUSTRIAL	60,000
	63240 · LABORATORY FEES	10,000
	63300 · BOOKKEEPING FEES	30,000
	63340 · SPA ANALYSIS EXPENSES	5,000
	63350 · REPAIRS & MAINTENANCE	
	63350-L · LANDSCAPE BEAUTIFICATION	50,000
	63350 · REPAIRS & MAINTENANCE - Other	0
	Total 63350 · REPAIRS & MAINTENANCE	50,000
	63380 · LEGALLY REQ'D NEWSP NOTICES (1)	2,000
	63400 · PRINTING & OFFICE SUPPLIES	10,000
	63500 · POSTAGE	14,000
	63510 · TELEPHONE EXPENSES	3,500
	63530 · INSURANCE & SURETY BONDS	27,000
	63570 · LOBBYING, ETC. (2)	250
	63580 · RENT ON MEETING PLACE	3,000
	63590 · OTHER EXPENSES	6,000
	63990 · GARBAGE EXPENSES	600
	64000 · CONSTABLE SERVICES	232,000
	65600 · PAYROLL EXPENSES	950
	Total Expense	2,408,300
	Net Ordinary Income	467,256
Other Income/Expense	Other Income	
	39999 · TRANSFER FROM RESERVE FOR RRI	615,850
	Total Other Income	615,850
	Other Expense	
	73600 · CAPITAL EXPENDITURES	
	73600-E · EXTENTIONS, ENLARGE, EXPANSION	
	73600-R · REPAIRS AND REPLACEMENTS	883,106
	73600 · CAPITAL EXPENDITURES - Other	200,000
	Total 73600 · CAPITAL EXPENDITURES	1,083,106
	Total Other Expense	1,083,106
	Net Other Income	(467,256)
Net Income		0

OPERATING ACCOUNT	FY 2024 Budget
41000 · WATER SERVICE REVENUE	1,100,000
41400 · FIRE LINE	30,000
42000 · SEWER SERVICE REVENUES	200,000
42020-G · GREASE TRAP INSPECTIONS	15,000
42050 · INDUSTRIAL WASTE SURCHARGE (X)	65,000
43300 · PENALTY & INTEREST INCOME	15,000
45000 · PERMIT APPLICATION FEES	
53800 · MISCELLANEOUS INCOME	6,000
53910 · INTEREST INCOME	250,000
53980 · MAINT TAXES-Trans from Tax Acct	1,000,000
53985 · PAYMENTS IN LIEU OF TAXES	3,000
54000 · REG ASSMT REVENUE	7,500
55000 · NHWRWA ASSESSMENT	18,000
56000 · CHLORAMINE CONTRIBUTION CREDIT	19,056
57000 · SALES TAX REVENUE	400,000
59000 · INSURANCE PROCEEDS	
Total Income	<u>3,128,556</u>
Gross Profit	3,128,556
Expense	
61000 · BULK WATER PURCHASES	750,000
61260 · WATER PERMIT FEES	
61260 · WATER PERMIT FEES - Other	2,000
61260-N · NHCRWA ASSESSMENT	<u>130,000</u>
Total 61260 · WATER PERMIT FEES	132,000
61320 · WTR MONTHLY SERVICE	22,000
61350 · WTR-REPAIRS & MAINTENANCE	100,000
61420 · WTR-CHEMICALS	3,500
61520 · WTR-UTILITIES EXPENSE	40,000
61710 · TAP CONNECTION EXPENSE	
61800 · RECONNECTION EXPENSES	5,000
62260 · SEWER PERMIT FEES	6,000
62320 · SWR-MONTHLY SERVICES	18,000
62350 · SWR-MAINTENANCE & REPAIRS	275,000
62420 · SWR-CHEMICALS	18,000
62520 · SWR-UTILITIES	55,000
62570 · SLUDGE REMOVAL	50,000
62750-G · GREASE TRAP INSPECTION EXPENSE	10,000
62750 · SEWER INSPECTION EXPENSES	5,000
63000 · REGULATORY ASSESSMENT	7,000

EXHIBIT C, cont. (part of TAX RATE AND BUDGET INFORMATION)*Budget for current year, cont.*

63100 · DIRECTOR FEES	17,000
63200 · LEGAL FEES	150,000
63210 · AUDITING FEES	11,000
63220-F · ENGINEERING-FM 1960 CONSULTING	120,000
63220-I · ENGINEERING - INDUSTRIAL WASTE	5,000
63220-S · ENGINEERING - SEWER PLANT	1,000
63220-W · ENGINEERING - WATER PLANT	30,000
63220 · ENGINEERING	140,000
63240-I · LABORATORY FEES FOR INDUSTRIAL	60,000
63240 · LABORATORY FEES	10,000
63300 · BOOKKEEPING FEES	30,000
63340 · SPA ANALYSIS EXPENSES	5,500
63350 · REPAIRS & MAINTENANCE	
63350-L · LANDSCAPE BEAUTIFICATION	<u>50,000</u>
Total 63350 · REPAIRS & MAINTENANCE	50,000
63380 · LEGALLY REQ'D NEWSP NOTICES (1)	2,000
63400 · PRINTING & OFFICE SUPPLIES	10,000
63500 · POSTAGE	14,000
63510 · TELEPHONE EXPENSES	7,500
63530 · INSURANCE & SURETY BONDS	32,000
63570 · LOBBYING, ETC. (2)	250
63580 · RENT ON MEETING PLACE	3,000
63590 · OTHER EXPENSES	6,000
63990 · GARBAGE EXPENSES	600
64000 · CONSTABLE SERVICES	232,000
65600 · PAYROLL EXPENSES	<u>950</u>
Total Expense	<u>2,434,300</u>
Other Income	
39999 · TRANSFER FROM RESERVE FOR RRI	<u>388,850</u>
Total Other Income	388,850
Other Expense	
39140 · TRANSFER TO TAX ACCOUNT	
73600 · CAPITAL EXPENDITURES	
73600-R · REPAIRS AND REPLACEMENTS	883,106
73600 · CAPITAL EXPENDITURES - Other	<u>200,000</u>
Total 73600 · CAPITAL EXPENDITURES	<u>1,083,106</u>
Total Other Expense	<u>1,083,106</u>
	(694,256)

EXHIBIT D (part of TAX RATE AND BUDGET INFORMATION)

HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 191
HARRIS COUNTY, TEXAS
ANNUAL AUDIT REPORT
SEPTEMBER 30, 2022

C O N T E N T S

INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-9
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET	10
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	11
NOTES TO THE FINANCIAL STATEMENTS	12-20
SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL, GENERAL FUND	21
SCHEDULE OF TEXAS SUPPLEMENTARY INFORMATION REQUIRED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY	22
SCHEDULE OF SERVICES AND RATES	23-24
EXPENDITURES FOR THE YEAR ENDED SEPTEMBER 30, 2022	25-26
ANALYSIS OF CHANGES IN DEPOSITS AND TEMPORARY INVESTMENTS, ALL GOVERNMENTAL FUND TYPES	27
SCHEDULE OF TEMPORARY INVESTMENTS	28
TAXES LEVIED AND RECEIVABLE	29-30
COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES, GENERAL FUND	31
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS	32-33

Mark C. Eyring, CPA, PLLC

12702 Century Drive • Suite C2 • Stafford, Texas 77477 • 281-277-9595 • Mark@EyringCPA.com

January 25, 2023

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harris County Municipal
Utility District No. 191
Harris County, Texas

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Harris County Municipal Utility District No. 191 as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Harris County Municipal Utility District No. 191's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Harris County Municipal Utility District No. 191, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows there of for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Harris County Municipal Utility District No. 191, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Harris County Municipal Utility District No. 191'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.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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. I 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 Harris County Municipal Utility District No. 191's internal control. Accordingly, no such opinion is expressed. I 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. I conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Harris County Municipal Utility District No. 191's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITOR'S REPORT (Continued)**Supplementary Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Harris County Municipal Utility District No. 191's basic financial statements. The supplementary information on Pages 22 to 33 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. Except for the portion marked "unaudited," the information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The supplementary information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it. The accompanying supplementary information includes financial data excerpted from prior year financial statements which were audited by my firm.

A handwritten signature in black ink, appearing to read "M. G. J.", is centered on the page.

Management's Discussion and Analysis

Using this Annual Report

Within this section of the Harris County Municipal Utility District No. 191 (the "District") annual report, the District's Board of Directors provides narrative discussion and analysis of the financial activities of the District for the fiscal year ended September 30, 2022.

The annual report consists of a series of financial statements plus additional supplemental information to the financial statements as required by its state oversight agency, the Texas Commission on Environmental Quality. In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program. In the District's case, the single governmental program is provision of water and sewer services. Other activities, such as park and constable services, are minor activities and are not separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements, and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets and liabilities owned by the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's total assets and total liabilities is labeled as *net position* and this difference is similar to the total owners' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Although the statement of activities looks different from a commercial enterprise's income statement, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as *change in net position*, essentially the same thing.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

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

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

Because the focus of the government-wide and fund financial statements are different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in Note 3 of the notes to the financial statements that reconciles the total fund balances to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in Note 3 of the notes to the financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the statement of activities.

Financial Analysis of the District as a Whole

Financial Analysis of the District as a Whole begins with an understanding of how financial resources flow through the District's funds. Resources in the Capital Projects Fund are derived principally from proceeds of the sale of bonds, and expenditures from this fund are subject to the Rules of the Texas Commission on Environmental Quality. Resources in the Debt Service Fund are derived principally from the collection of property taxes and are used for the payment of tax collection costs and bond principal and interest. Resources in the General Fund are derived principally from property taxes and billings for water and sewer services and are used to operate and maintain the system and to pay costs of administration of the District.

Management has financial objectives for each of the District's funds. The financial objective for the Capital Projects Fund is to receive and provide funds for purposes in compliance with bond covenants and the Rules of the Texas Commission on Environmental Quality. The financial objective for the Debt Service Fund is to receive and provide funds for debt service requirements, paying agent fees and costs of assessing and collecting debt service taxes in compliance with bond covenants. The financial objective for the General Fund is to receive and provide funds for necessary expenditures and maintain reserves that Management believes is prudent. Management believes that these financial objectives were met during the fiscal year.

Management believes that the required method of accounting for certain elements of the government-wide financial statements makes the government-wide financial statements as a whole not useful for financial analysis. In the government-wide financial statements, capital assets and depreciation expense have been required to be recorded at historical cost. Management's policy is to maintain the District's capital assets in a condition greater than or equal to the condition required by regulatory authorities, and management does not believe that depreciation expense is relevant to the management of the District. In the government-wide financial statements, certain non-cash costs of long-term debt are capitalized and amortized over the life of the related debt. Management believes that this required method of accounting is not useful for financial analysis of the District and prefers to consider the required cash flows of the debt as reported in the fund statements and the notes to the financial statements. In the government-wide financial statements, property tax revenues are required to be recorded in the fiscal year for which the taxes are levied, regardless of the year of collection. Management believes that the cash basis method of accounting for property taxes in the funds provides more useful financial information.

The following required summaries of the District's overall financial position and operations for the past two years are based on the information included in the government-wide financial statements. For the reasons described in the preceding paragraph, a separate analysis of the summaries is not presented.

Summary of Net Position

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Current and other assets	\$ 7,030,544	\$ 5,922,230	\$ 1,108,314
Capital assets	6,244,819	6,370,922	(126,103)
Total assets	<u>13,275,363</u>	<u>12,293,152</u>	<u>982,211</u>
Long-term liabilities	319,106	319,106	0
Other liabilities	<u>577,845</u>	<u>362,522</u>	<u>215,323</u>
Total liabilities	<u>896,951</u>	<u>681,628</u>	<u>215,323</u>
Net position:			
Invested in capital assets, net of related debt	5,925,713	6,051,816	(126,103)
Restricted	211,143	217,135	(5,992)
Unrestricted	<u>6,241,556</u>	<u>5,342,573</u>	<u>898,983</u>
Total net position	<u>\$ 12,378,412</u>	<u>\$ 11,611,524</u>	<u>\$ 766,888</u>

Summary of Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Revenues:			
Property taxes, including related penalty and interest	\$ 948,800	\$ 984,133	\$ (35,333)
Sales and Use taxes	447,621	409,999	37,622
Charges for services	1,704,339	1,479,043	225,296
Other revenues	<u>42,691</u>	<u>2,336</u>	<u>40,355</u>
Total revenues	<u>3,143,451</u>	<u>2,875,511</u>	<u>267,940</u>
Expenses:			
Service operations	<u>2,376,563</u>	<u>2,092,026</u>	<u>284,537</u>
Total expenses	<u>2,376,563</u>	<u>2,092,026</u>	<u>284,537</u>
Change in net position	766,888	783,485	(16,597)
Net position, beginning of year	<u>11,611,524</u>	<u>10,828,039</u>	<u>783,485</u>
Net position, end of year	<u>\$ 12,378,412</u>	<u>\$ 11,611,524</u>	<u>\$ 766,888</u>

Financial Analysis of the District's Funds

The District's General Fund balance as of the end of the fiscal year ended September 30, 2022, was \$6,408,879. The General Fund balance increased by \$968,112, primarily due to delays in starting planned repair and rehabilitation projects. The District intends to use accumulated fund balances for planned maintenance, repairs and improvements to District facilities.

General Fund Budgetary Highlights

The Board of Directors did not amend the budget during the fiscal year. The District's budget is primarily a planning tool. Accordingly, actual results varied from the budgeted amounts. A comparison of actual to budgeted amounts is presented on Page 20 of this report. The budgetary fund balance as of September 30, 2022, was expected to be \$4,915,517 and the actual end of year fund balance was \$6,408,879.

Capital Asset and Debt Administration

Capital Assets

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

	<u>Capital Assets (Net of Accumulated Depreciation)</u>		
	<u>2022</u>	<u>2021</u>	<u>Change</u>
Land and easements	\$ 816,731	\$ 765,996	\$ 50,735
Detention ponds*	1,448,375	1,448,375	0
Construction in progress	99,816	60,862	38,954
Water facilities	748,690	804,464	(55,774)
Sewer facilities	<u>3,131,207</u>	<u>3,291,225</u>	<u>(160,018)</u>
Totals	<u>\$ 6,244,819</u>	<u>\$ 6,370,922</u>	<u>\$ (126,103)</u>

*As described in Note 4 of the Notes to the Financial Statements.

Changes to capital assets during the fiscal year ended September 30, 2022, are summarized as follows:

Additions:		
Sewer system improvements		\$ 17,761
Easements		50,735
FM 1960 utility relocation		<u>30,613</u>
		99,109
Decreases:		
Depreciation		<u>(225,212)</u>
Net change to capital assets		<u>\$ (126,103)</u>

Debt

At September 30, 2022, the District had no bonds authorized but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage system within the District.

As further described in Note 5 of the notes to the financial statements, the District has entered into reimbursement agreements under which landowners have: (i) installed local water and sewer facilities (ii) advanced money for an expansion of the District's sewage treatment plant, or (iii) both. Two of the reimbursement agreements contemplate "lump sum" reimbursement from available funds, when certain conditions have been met (including new taxable value on the tax rolls). The other reimbursement agreements contemplate reimbursement from available funds, payable in annual installments that begin when certain conditions have been met (including increased taxable value on the tax rolls). The reimbursements are subject to "caps" set out in the individual agreements. The reimbursements are also subject to the approval of the Texas Commission on Environmental Quality. As of September 30, 2022, reimbursements to landowners were "capped" at \$293,638 (for participation in the expansion of the District's wastewater treatment plant) and \$25,468 (for installed local water and sewer facilities), excluding annexation expenses and interest. However, actual reimbursements are governed by individual agreements, and they could be less than the "capped" amounts.

RELEVANT FACTORS AND WATER SUPPLY ISSUES

Property Tax Base

The District's tax base was essentially unchanged from the 2020 to 2021 tax year.

Relationship to the City of Houston

Under existing Texas law, since the District lies partially within the extraterritorial jurisdiction of the City of Houston, the District must conform to a City of Houston ordinance consenting to the creation of the District. In addition, the District may be annexed by the City of Houston, but subject to the Strategic Partnership Agreement mentioned below. If the District is annexed, the City will assume the District's assets and obligations (including the bonded indebtedness) and dissolve the District within ninety (90) days.

Utilizing a provision of Texas law, the City of Houston ("City") and the District entered into a Strategic Partnership Agreement ("SPA") effective as of May 9, 2002, amended December 3, 2003, December 14, 2009 and amended and restated on November 22, 2013 and December 5, 2017. The SPA provides for the limited purpose annexation of certain commercial tracts within the District by the City. The properties made subject to the SPA may not be taxed for ad valorem purposes by the City, and the City provides only limited services (primarily police and street lighting). Additional properties may become subject to the SPA by amending the SPA upon the consent of the City and the District. The City pays the District an amount equal to 50 percent of all Sales and Use Tax revenues generated from the properties subject to the SPA and received by the City from the Comptroller of Public Accounts of the State of Texas. The term of the SPA is 30 years. During the term of the SPA, the City has agreed not to annex all or part of the District for full purposes or commence any action to annex all or part of the District for full purposes.

Water Supply Issues

The District is located within the boundaries of the Harris-Galveston Subsidence District ("Subsidence District") and the North Harris County Regional Water Authority ("NHCRWA"). The NHCRWA was created to provide for conversion of the area within its boundaries from groundwater usage to alternative sources of water supply (e.g., surface water) as required by regulations of the Subsidence District. The NHCRWA covers an area located in northern Harris County and adjacent to the City of Houston. Pursuant to an order of the Subsidence District and the NHCRWA's Groundwater Reduction Plan (as approved by the Subsidence District), the area within the boundaries of the NHCRWA must be converted to at least 30% alternate source (e.g., surface) water use by 2010, 60% alternate source water use by 2025, and 80% alternate source water use by 2035. To implement the required conversion to alternate source water use in accordance with such schedule, the NHCRWA is in the process of designing and constructing and will operate a network of transmission and distribution lines, storage tanks, and pumping stations to transport and distribute water within the NHCRWA (the "NHCRWA System"). In addition, the NHCRWA has entered into a water supply contract to secure a long-term supply of treated surface water from the City of Houston.

The District is subject to the NHCRWA's Groundwater Reduction Plan. The NHCRWA, as part of the plan of financing the NHCRWA System, has elected to allow districts, such as the District, to participate in a prorata share of the costs associated with the acquisition and construction of the NHCRWA System (including the costs associated with the acquisition of alternate sources of water supply) by issuing its own debt or using cash on hand, entitling the payor to a future credit against fees due to the NHCRWA. The District has not elected this financing option. As a result, the District is required to pay its share in the NHCRWA System costs through payment of NHCRWA-imposed fees on groundwater pumpage, and surface water deliveries. NHCRWA has required the District to connect to the NHCRWA surface water system to receive surface water, which, under normal operating conditions, accounts for most of the District's water supply. Noncompliance with the NHCRWA's Groundwater Reduction Plan or nonparticipation in the NHCRWA's surface water conversion project could result in the District's exclusion from the NHCRWA's Groundwater Reduction Plan and assessment of the Subsidence District's disincentive fee against groundwater pumped from wells.

Groundwater pumped from the District's well is not currently subject to the Subsidence District's groundwater disincentive fee, but it is subject to the groundwater pumpage fee imposed by NHCRWA. At September 30, 2022, the groundwater pumpage fee was \$4.60 per 1,000 gallons pumped, and is expected to increase in the future. At September 30, 2022, the Authority's surface water fee, which applies to most of the District's normal water supply, was \$5.05 per 1,000 gallons, and is expected to increase in the future. The issuance of additional bonds by the District in an undetermined amount may be necessary at some time in the future to finance the acquisition and construction of surface water infrastructure (whether such costs are incurred directly by the District or through projects undertaken by the NHCRWA). The NHCRWA has sold bonds to finance a portion of the costs related to the design, acquisition and construction of the NHCRWA System. The NHCRWA bonds are secured by revenues of the NHCRWA, including the groundwater pumpage fee and surface water fee paid by the District.

TxDOT Project, FM 1960

The Texas Department of Transportation (TxDOT) has notified the District that it is proceeding with a project to modify intersections on FM 1960, widening both the paved roadway and the right of way, and that District facilities in conflict will have to be relocated. In 2022, the District entered into two utility relocation contracts (one for water facilities, one for sewer facilities) with TxDOT (for the State of Texas). The contracts obligate the District to obtain surveys, appraisals, easements, engineering services, etc. and then construct new facilities. The estimated costs under the two contracts are \$3,636,984 (water facilities) and \$1,963,480 (sewer facilities). The two contracts obligate TxDOT to reimburse allowable costs to the District. However, TxDOT has ruled that no costs for water facilities will be reimbursed before all "Buy America" requirements (for the entire water facilities contract) are satisfied. As a result, the District may have to borrow money for an indefinite period in order to prosecute the work until reimbursements begin. Costs of borrowing, estimated at \$150,000, are included in the estimated costs "to the extent allowable under the Federal Acquisition Regulations and other applicable laws, rules and regulations." The District has begun work and has incurred costs under the contracts. No reimbursements have yet been applied-for or received.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

SEPTEMBER 30, 2022

	General	Debt Service	Capital Projects	Total	Adjustments (Note 3)	Statement of Net Position
ASSETS						
Cash, including interest-bearing accounts, Note 7	\$ 292,337	\$	\$	\$ 292,337	\$	\$ 292,337
Temporary investments, at cost, Note 7	6,090,716			6,090,716		6,090,716
Receivables:						
Property taxes	18,193			18,193		18,193
Accrued penalty and interest on property taxes				0	25,627	25,627
Service accounts	222,841			222,841		222,841
Sales and Use Taxes, Note 10	106,850			106,850		106,850
Other	25,871			25,871		25,871
Due from regional authority, Note 9	211,143			211,143		211,143
Prepaid expenditures	36,966			36,966		36,966
Capital assets, net of accumulated depreciation, Note 4:						
Capital assets not being depreciated				0	2,364,922	2,364,922
Depreciable capital assets				0	3,879,897	3,879,897
Total assets	<u>\$ 7,004,917</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,004,917</u>	<u>6,270,446</u>	<u>13,275,363</u>
LIABILITIES						
Accounts payable	\$ 359,495	\$	\$	\$ 359,495		359,495
Customer deposits	218,350			218,350		218,350
Long-term liabilities, Note 5:						
Due in more than one year				0	319,106	319,106
Total liabilities	<u>577,845</u>	<u>0</u>	<u>0</u>	<u>577,845</u>	<u>319,106</u>	<u>896,951</u>
DEFERRED INFLOWS OF RESOURCES						
Property tax revenues	18,193	0	0	18,193	(18,193)	0
FUND BALANCES / NET POSITION						
Fund balances:						
Non-spendable:						
Due from regional authority, Note 9	211,143			211,143	(211,143)	0
Committed to:						
Reserve for contractual and other contingencies	300,000			300,000	(300,000)	0
Reserve for repairs, replacements and improvements	3,908,525			3,908,525	(3,908,525)	0
Reserve for operating expenses	1,989,211			1,989,211	(1,989,211)	0
Total fund balances	<u>6,408,879</u>	<u>0</u>	<u>0</u>	<u>6,408,879</u>	<u>(6,408,879)</u>	<u>0</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 7,004,917</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,004,917</u>		
Net position:						
Invested in capital assets, net of related debt					5,925,713	5,925,713
Restricted for due from regional authority					211,143	211,143
Unrestricted					6,241,556	6,241,556
Total net position					<u>\$ 12,378,412</u>	<u>\$ 12,378,412</u>

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Note 3)	Statement of Activities
REVENUES						
Property taxes	\$ 1,023,921	\$	\$	\$ 1,023,921	\$ (61,265)	\$ 962,656
Water service	1,330,051			1,330,051		1,330,051
Sewer service	214,563			214,563		214,563
Industrial waste surcharge	55,295			55,295		55,295
Penalty, interest and other	91,370			91,370	(13,856)	77,514
Sales and Use Taxes, Note 10	447,621			447,621		447,621
Interest on surface water construction costs, Note 9	13,060			13,060		13,060
Interest on deposits and investments	42,691			42,691		42,691
Total revenues	3,218,572	0	0	3,218,572	(75,121)	3,143,451
EXPENDITURES / EXPENSES						
Service operations:						
Professional fees	148,041			148,041		148,041
Contracted services	90,654			90,654		90,654
Utilities	86,811			86,811		86,811
Surface water fees, Note 9	942,256			942,256		942,256
Repairs and maintenance	460,661			460,661		460,661
Other operating expenditures	128,272			128,272		128,272
Constable service	213,257			213,257		213,257
Administrative expenditures	81,399			81,399		81,399
Depreciation				0	225,212	225,212
Capital outlay / non-capital outlay	99,109			99,109	(99,109)	0
Total expenditures / expenses	2,250,460	0	0	2,250,460	126,103	2,376,563
Excess (deficiency) of revenues over expenditures	968,112	0	0	968,112	(201,224)	766,888
Net change in fund balances / net position	968,112	0	0	968,112	(201,224)	766,888
Beginning of year	5,440,767	0	0	5,440,767	6,170,757	11,611,524
End of year	<u>\$ 6,408,879</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,408,879</u>	<u>\$ 5,969,533</u>	<u>\$ 12,378,412</u>

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191NOTES TO THE FINANCIAL STATEMENTSSEPTEMBER 30, 2022

NOTE 1: REPORTING ENTITY

Harris County Municipal Utility District No. 191 (the "District") was created by an order of the Texas Department of Water Resources (now the Texas Commission on Environmental Quality) effective December 9, 1980, and operates in accordance with Texas Water Code Chapters 49 and 54. The District is a political subdivision of the State of Texas, governed by an elected five member Board of Directors. The Board of Directors held its first meeting on December 11, 1980, and the first bonds were sold on July 28, 1983. The District is subject to the continuing supervision of the Texas Commission on Environmental Quality.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water. In addition the District may acquire, own, develop, construct, improve, manage and maintain recreational facilities (parks, landscaping, parkways, greenbelts, sidewalks, trails, public beautification projects, recreational equipment and facilities, as well as, associated street and security lighting), street or security lighting within public easements and rights-of-way and contract for constable services. The District may also provide garbage disposal and collection services.

In evaluating how to define the District for financial reporting purposes, the Board of Directors of the District has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no other entities which were included as a component unit in the District's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board (the "GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board issued through November 30, 1989 (when applicable), that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

Basic Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and governmental fund financial statements (reporting the District's funds). Because the District is a single-program government as defined by the GASB, the District has combined the government-wide statements and the fund financial statements using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column on the face of the financial statements. An additional reconciliation between the fund and the government-wide financial data is presented in Note 3.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The government-wide statement of activities reports the components of the changes in net position during the reporting period.

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for in a separate set of self-balancing accounts that comprises its assets, liabilities, fund balances, revenues and expenditures and changes in fund balances. The District's fund balances are either not spendable, restricted, committed, assigned or unassigned. Nonspendable fund balances are either not in spendable form or are contractually required to remain intact. Restricted fund balances include amounts that can only be used for the specific purposes stipulated by constitutional provisions, external resource providers or enabling legislation. Committed fund balances include amounts that can only be used for the specific purposes determined by formal action of the District's Board of Directors. Assigned fund balances are intended for a specific purpose but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. The transactions of the District are accounted for in the following funds:

General Fund -- To account for all revenues and expenditures not required to be accounted for in other funds.

Debt Service Fund -- To account for the accumulation of financial resources for, and the payment of, bond principal and interest, paid principally from property taxes levied by the District.

Capital Projects Fund -- To account for financial resources designated to construct or acquire capital assets. Such resources are derived principally from proceeds of the sale of bonds.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Basis of Accounting

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting which recognizes all long-term assets and receivables as well as long-term debt and obligations. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem property taxes are recognized as revenues in the fiscal year for which they have been levied and related penalties and interest are recognized in the fiscal year in which they are imposed. An allowance for uncollectibles is estimated for delinquent property taxes and reported separately in the financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred except for principal and interest on bonds payable which are recorded only when payment is due.

Interfund Activity

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is reported as interfund receivables or payables, as appropriate, as are all other outstanding balances between funds. Operating transfers between funds represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Receivables

Service accounts receivable as reported are considered collectible. The District uses the direct write off method for uncollectible service accounts. Unbilled water and sewer revenues are not material and are not recorded at year end. The District considers service accounts revenues to be available if they are to be collected within 60 days after the end of the fiscal year.

In the fund financial statements, ad valorem taxes and penalties and interest are reported as revenues in the fiscal year in which they become available to finance expenditures of the fiscal year for which they have been levied. Property taxes which have been levied and are not yet collected (or have been collected in advance of the fiscal year for which they have been levied) are recorded as deferred inflow of resources. Property taxes collected after the end of the fiscal year are not included in revenues.

Capital Assets

Capital assets, which include property, plant, equipment, and immovable public domain or "infrastructure" assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 (including installation costs, if any, and associated professional fees) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed by the District. Donated capital assets are recorded at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset or increase the value of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

Plant and equipment	10-45 years
Underground lines	45 years

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Surface Water Facilities Construction Costs

The District reports the surface water fee charges incurred by the District at the gross amount of the charges. Credits received for the surface water facilities construction are recorded as either a repayment of the principal amount of the construction cost or interest earned on the construction cost at 6%. The principal is amortized based upon the life of the credits and the 6% interest rate.

Long-term Liabilities

Long-term debt and other long-term obligations are reported in the government-wide financial statements. Bond premiums and discounts, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable premium or discount. If bonds are refunded and the carrying amount of the new debt is different than the net carrying amount of the old debt, the difference is netted against the new debt and amortized using the effective interest method over the shorter of the remaining life of the refunded debt or the life of the new debt issued.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures of the fund from which they are paid.

NOTE 3: RECONCILIATION OF FUND TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

Reconciliation of year end fund balances to net position:

Total fund balances, end of year		\$ 6,408,879
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Total capital assets, net		6,244,819
Some long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Due to landowners		(319,106)
Some receivables that do not provide current financial resources are not reported as receivables in the funds:		
Accrued penalty and interest on property taxes receivable	\$ 25,627	
Uncollected property taxes	18,193	43,820
Net position, end of year		<u>\$ 12,378,412</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Reconciliation of net change in fund balances to change in net position:

Total net change in fund balances		\$ 968,112
<p>The funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p>		
Capital outlay	\$ 99,109	
Depreciation	<u>(225,212)</u>	(126,103)
<p>Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the funds:</p>		
Accrued penalty and interest on property taxes receivable	(13,856)	
Uncollected property taxes	<u>(61,265)</u>	<u>(75,121)</u>
Change in net position		<u>\$ 766,888</u>

NOTE 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and easements	\$ 765,996	\$ 50,735	\$	\$ 816,731
Detention ponds*	1,448,375			1,448,375
Construction in progress	<u>60,862</u>	<u>38,954</u>	<u></u>	<u>99,816</u>
Total capital assets not being depreciated	<u>2,275,233</u>	<u>89,689</u>	<u>0</u>	<u>2,364,922</u>
Depreciable capital assets:				
Water system	2,453,287			2,453,287
Sewer system	<u>6,947,269</u>	<u>9,420</u>	<u></u>	<u>6,956,689</u>
Total depreciable capital assets	<u>9,400,556</u>	<u>9,420</u>	<u>0</u>	<u>9,409,976</u>
Less accumulated depreciation for:				
Water system	(1,648,823)	(55,774)		(1,704,597)
Sewer system	<u>(3,656,044)</u>	<u>(169,438)</u>	<u></u>	<u>(3,825,482)</u>
Total accumulated depreciation	<u>(5,304,867)</u>	<u>(225,212)</u>	<u>0</u>	<u>(5,530,079)</u>
Total depreciable capital assets, net	<u>4,095,689</u>	<u>(215,792)</u>	<u>0</u>	<u>3,879,897</u>
Total capital assets, net	<u>\$ 6,370,922</u>	<u>\$ (126,103)</u>	<u>\$ 0</u>	<u>\$ 6,244,819</u>
Changes to capital assets:				
Capital outlay		\$ 99,109	\$	
Less depreciation expense for the fiscal year		<u>(225,212)</u>	<u></u>	
Net increases / decreases to capital assets		<u>\$ (126,103)</u>	<u>\$ 0</u>	

*In prior years, the District acquired four drainage detention ponds and their sites. Harris County Flood Control District (HCFCD) has accepted three for maintenance, after the District dedicated drainage easements over the pond sites to HCFCD. A homeowner's association accepted the fourth for maintenance after the District conveyed that site to the association (reserving a drainage easement for the District).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 5: LONG-TERM LIABILITIES AND CONTINGENT LIABILITIES

Long-term liability activity for the fiscal year ended September 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Due to landowners (see below)	\$ 319,106	\$ 0	\$ 0	\$ 319,106	-----
Total long-term liabilities	<u>\$ 319,106</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 319,106</u>	-----

Landowner Construction Commitments and Liabilities

The District has entered into reimbursement agreements under which landowners have: (i) installed local water and sewer facilities (ii) advanced money for an expansion of the District’s sewage treatment plant, or (iii) both. Two of the reimbursement agreements contemplate “lump sum” reimbursement from available funds, when certain conditions have been met (including new taxable value on the tax rolls). The other reimbursement agreements contemplate reimbursement from available funds, payable in annual installments that begin when certain conditions have been met (including increased taxable value on the tax rolls). The reimbursements are subject to “caps” set out in the individual agreements. The reimbursements are also subject to the approval of the Texas Commission on Environmental Quality.

Certain landowners have advanced \$293,638 (excluding annexation expenses) to participate in the expansion of the District’s wastewater treatment plant. This amount has been recorded in the government-wide financial statements and in the schedules in Notes 4 and 5. However, actual reimbursements are governed by individual agreements, and they could be less than this amount.

In addition, landowners within the District have constructed certain underground facilities. The amounts to be reimbursed for these facilities have been “capped” and would be limited to no more than \$25,468, excluding interest and annexation expenses. This amount has been recorded in the government-wide financial statements and in the schedules in Notes 4 and 5. However, actual reimbursements are governed by individual agreements, and they could be less than this amount.

Bonds voted	\$ 13,315,000
Bonds approved for sale and sold	13,315,000
Bonds voted and not issued	0
Refunding bonds voted	5,000,000
Refunding bonds approved for sale and sold	5,000,000
Refunding bonds voted and not issued	0

NOTE 6: PROPERTY TAXES

The Harris County Appraisal District has the responsibility for appraising property for all taxing units within the county as of January 1 of each year, subject to review and change by the county Appraisal Review Board. The appraisal roll, as approved by the Appraisal Review Board, must be used by the District in establishing its tax roll and tax rate. The District’s taxes are usually levied in the fall, are due when billed and become delinquent after January 31 of the following year or 30 days after the date billed, whichever is later. On January 1 of each year, a statutory tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property.

At an election held April 23, 1981, the voters within the District authorized a maintenance tax not to exceed \$0.25 per \$100 valuation on all property subject to taxation within the District. The District is using the maintenance tax proceeds for District purposes.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

On October 27, 2021, the District levied the following ad valorem taxes for the 2021 tax year on the adjusted taxable valuation of \$395,519,185:

	Rate	Amount
Maintenance	<u>\$ 0.2450</u>	<u>\$ 969,022</u>

A reconciliation of the tax levy to property tax revenues on the Statement of Activities is as follows:

2021 tax year total property tax levy	\$	969,022
Appraisal district adjustments to prior year taxes		(6,366)
Statement of Activities property tax revenues	\$	962,656

NOTE 7: DEPOSITS AND TEMPORARY INVESTMENTS

The District complied with the requirements of the Public Funds Investment Act during the current fiscal year including the preparation of quarterly investment reports required by the Act.

State statutes authorize the District to invest and reinvest in direct or indirect obligations of the United States, the State of Texas, any county, city, school district, or other political subdivision of the state, or in local government investment pools authorized under the Public Funds Investment Act. Funds of the District may be placed in certificates of deposit of state or national banks or savings and loan associations within the state provided that they are secured in the manner provided for the security of the funds under the laws of the State of Texas. In accordance with the District's investment policies, during the current year the District's funds were invested in interest bearing accounts at authorized financial institutions and in TexPool, a local government investment pool sponsored by the State Comptroller. TexPool is rated AAAM by Standard & Poor's.

In accordance with state statutes and the District's investment policies, the District requires that insurance or security be provided by depositories for all funds held by them. At the balance sheet date, the District's deposits were covered by federal insurance.

At the balance sheet date the carrying value and market value of the investments in TexPool was \$6,090,716.

NOTE 8: RISK MANAGEMENT

The District is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; personal injuries and natural disasters. Significant losses are covered by insurance as described below. There were no significant reductions in insurance coverage from the prior fiscal year. There have been no settlements which have exceeded the insurance coverage for each of the past three fiscal years.

At September 30, 2022, the District had physical damage and boiler and machinery coverage of \$12,100,000, comprehensive general liability coverage with a per occurrence limit of \$1,000,000 and \$3,000,000 general aggregate, automobile liability coverage of \$1,000,000, umbrella liability coverage of \$1,000,000, consultants' crime coverage of \$500,000 and a tax assessor-collector bond of \$50,000.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 9: REGIONAL WATER AUTHORITY

The North Harris County Regional Water Authority (the "Authority") was created by House Bill 2965, Acts of the 76th Legislature, Regular Session 1999, and was confirmed by an election held on January 15, 2001. The Authority is a political subdivision of the State of Texas, governed by an elected five member Board of Directors. The Authority is empowered to, among other powers, "acquire or develop surface water and groundwater supplies from sources inside of or outside of the boundaries of the authority and may conserve, store, transport, treat, purify, distribute, sell and deliver water to persons, corporations, municipal corporations, political subdivisions of the state, and others, inside of and outside of the boundaries of the authority." The Authority is also empowered to "establish fees and charges as necessary to enable the authority to fulfill the authority's regulatory obligations." In accordance with this provision, as of September 30, 2022, the Authority had established a well pumpage fee of \$4.60 per 1,000 gallons of water pumped from each regulated well and a surface water usage fee of \$5.05 per 1,000 gallons of water purchased from the Authority. The District's fees payable to the Authority for the fiscal year ended September 30, 2022, were \$942,256.

Effective January 1, 2010, the Authority adopted a rate order which provided for the reimbursement to the District for costs incurred by the District to modify its system to accept surface water from the Authority. Such "Chloramine Credit" will be determined by the Authority upon completion and operation of the District's Chloramine System. The Chloramine Credit will be credited monthly to the amounts payable to the Authority for water used by the District over a 30-year period at 6% interest. The Authority determined that the allowable costs of construction were \$262,251.

The District reports the surface water fee charges incurred by the District at the gross amount of the charges. Credits received for the surface water facilities construction are recorded as either a repayment of the principal amount of the construction cost or interest earned on the construction cost at 6%. The principal is amortized based upon the life of the credits and the 6% interest rate.

During the fiscal year ended September 30, 2022, the District received chloramine credits of \$19,052. Of this amount, \$5,992 was principal and \$13,060 was interest.

A summary of the amortization of the remaining scheduled construction credits is as follows:

Credits Due During Fiscal Years Ending September 30	Principal	Interest	Total
2023	\$ 6,368	\$ 12,684	\$ 19,052
2024	6,766	12,286	19,052
2025	7,190	11,862	19,052
2026	7,641	11,411	19,052
2027	8,119	10,933	19,052
2028-2032	48,893	46,367	95,260
2033-2037	66,248	29,012	95,260
2038-2041	59,918	6,764	66,682
	<u>\$ 211,143</u>	<u>\$ 141,319</u>	<u>\$ 352,462</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 10: STRATEGIC PARTNERSHIP AGREEMENT

Utilizing a provision of Texas law, the City of Houston ("City") and the District entered into a Strategic Partnership Agreement ("SPA") effective as of May 9, 2002, amended December 3, 2003, December 14, 2009 and amended and restated on November 22, 2013 and December 5, 2017. The SPA provides for the limited purpose annexation of certain commercial tracts within the District by the City (the "Partial District"). The properties made subject to the SPA may not be taxed for ad valorem purposes by the City, and the City provides only limited services (primarily police and street lighting). Additional properties may become subject to the SPA by amending the SPA upon the consent of the City and the District. The term of the SPA is 30 years. During the term of the SPA, the City has agreed not to annex all or part of the District for full purposes or commence any action to annex all or part of the District for full purposes.

The City imposed a Sales and Use Tax within the boundaries of the Partial District at the time of the limited-purpose annexation of the Partial District. The SPA provides that the City shall pay to the District one half of all Sales and Use Tax revenues generated within the boundaries of the Partial District and received by the City from the Comptroller of Public Accounts of the State of Texas. The District accrued Sales and Use Tax revenues of \$447,621 from the City for the fiscal year ended September 30, 2022. \$106,850 of this amount was receivable at that date.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE, BUDGET AND ACTUAL, GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Property taxes	\$ 860,000	\$ 860,000	\$ 1,023,921	\$ 163,921
Water service	1,059,000	1,059,000	1,330,051	271,051
Sewer service	200,000	200,000	214,563	14,563
Industrial waste surcharge	50,000	50,000	55,295	5,295
Penalty and other	49,000	49,000	91,370	42,370
Sales and Use Taxes	350,000	350,000	447,621	97,621
Interest on surface water construction costs	19,056	19,056	13,060	(5,996)
Interest on deposits and investments	50,000	50,000	42,691	(7,309)
TOTAL REVENUES	<u>2,637,056</u>	<u>2,637,056</u>	<u>3,218,572</u>	<u>581,516</u>
EXPENDITURES				
Service operations:				
Professional fees	162,000	162,000	148,041	(13,959)
Contracted services	73,000	73,000	90,654	17,654
Utilities	85,000	85,000	86,811	1,811
Surface water fees	775,000	775,000	942,256	167,256
Repairs and maintenance	395,000	395,000	460,661	65,661
Other operating expenditures	164,000	164,000	128,272	(35,728)
Constable service	220,000	220,000	213,257	(6,743)
Administrative expenditures	75,200	75,200	81,399	6,199
Capital outlay	1,213,106	1,213,106	99,109	(1,113,997)
TOTAL EXPENDITURES	<u>3,162,306</u>	<u>3,162,306</u>	<u>2,250,460</u>	<u>(911,846)</u>
EXCESS REVENUES (EXPENDITURES)	<u>(525,250)</u>	<u>(525,250)</u>	<u>968,112</u>	<u>1,493,362</u>
FUND BALANCE, BEGINNING OF YEAR	<u>5,440,767</u>	<u>5,440,767</u>	<u>5,440,767</u>	<u>0</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,915,517</u>	<u>\$ 4,915,517</u>	<u>\$ 6,408,879</u>	<u>\$ 1,493,362</u>

The District's Board of Directors adopts an annual nonappropriated budget. This budget may be amended throughout the fiscal year and is prepared on a basis consistent with generally accepted accounting principles.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191
SCHEDULE OF TEXAS SUPPLEMENTARY INFORMATION
REQUIRED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
SEPTEMBER 30, 2022

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

- TSI-1. Services and Rates
- TSI-2. General Fund Expenditures
- TSI-3. Temporary Investments
- TSI-4. Taxes Levied and Receivable
- TSI-5. Long-Term Debt Service Requirements by Years
None at September 30, 2022.
- TSI-6. Changes in Long-Term Bonded Debt
Not applicable.
- TSI-7. Comparative Schedule of Revenues and Expenditures -
General Fund and Debt Service Fund - Five Year
- TSI-8. Board Members, Key Personnel and Consultants

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191

SCHEDULE OF SERVICES AND RATES

SEPTEMBER 30, 2022

1. Services Provided by the District during the Fiscal Year:

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

2. Retail Service Providers

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

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1000 Gallons Over Minimum</u>	<u>Usage Levels</u>
WATER:	\$14.01	2,000	N	\$7.005	Over 2,000
WASTEWATER:	\$10.00		Y		
SURCHARGE:	0.50 % of monthly billing -- TCEQ assessment fees				

District employs winter averaging for wastewater usage: Yes No

Total charges per 10,000 gallons usage: Water: \$70.05 Wastewater: \$10.00 Surcharge: \$0.40

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191

SCHEDULE OF SERVICES AND RATES (Continued)

SEPTEMBER 30, 2022

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	0	0	1.0	0
< or = 3/4"	618	616	1.0	616
1"	26	26	2.5	65
1-1/2"	6	6	5.0	30
2"	51	51	8.0	408
3"	2	2	15.0	30
4"	4	4	25.0	100
6"	12	12	50.0	600
8"	5	5	80.0	400
10"	0	0	115.0	0
Total Water	<u>724</u>	<u>722</u>		<u>2,249</u>
Total Wastewater	<u>688</u>	<u>686</u>		

*Single family equivalents

3. Total Water Consumption during the Fiscal Year (rounded to thousands):

Gallons pumped into system (unaudited): 189,817
 Gallons billed to customers (unaudited): 177,836

Water Accountability Ratio
 (Gallons billed/ gallons pumped): 94%

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

Does the District have Debt Service standby fees? Yes No

If yes, date of the most recent Commission Order: _____

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

If yes, date of the most recent Commission Order: _____

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191

EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Totals (Memorandum Only)</u>
CURRENT				
Professional fees:				
Auditing	\$ 10,950	\$	\$	\$ 10,950
Legal	91,214			91,214
Engineering	45,877			45,877
	<u>148,041</u>	<u>0</u>	<u>0</u>	<u>148,041</u>
Contracted services:				
Bookkeeping	28,500			28,500
Operation and billing	34,901			34,901
Tax assessor-collector	16,043			16,043
Central appraisal district	7,119			7,119
SPA consultant	4,091			4,091
	<u>90,654</u>	<u>0</u>	<u>0</u>	<u>90,654</u>
Utilities	<u>86,811</u>	<u>0</u>	<u>0</u>	<u>86,811</u>
Surface water fees:				
Ground water pumpage fees	144,619			144,619
Purchased surface water	797,637			797,637
	<u>942,256</u>	<u>0</u>	<u>0</u>	<u>942,256</u>
Repairs and maintenance	<u>460,661</u>	<u>0</u>	<u>0</u>	<u>460,661</u>
Other operating expenditures:				
Sludge hauling	33,849			33,849
Chemicals	20,212			20,212
Laboratory costs	52,394			52,394
Inspection costs	7,355			7,355
Reconnection costs	4,829			4,829
TCEQ assessment	6,202			6,202
Other	3,431			3,431
	<u>128,272</u>	<u>0</u>	<u>0</u>	<u>128,272</u>
Constable service	<u>213,257</u>	<u>0</u>	<u>0</u>	<u>213,257</u>
Administrative expenditures:				
Director's fees	13,650			13,650
Office supplies and postage	22,658			22,658
Insurance	26,444			26,444
Permit fees	5,250			5,250
Other	13,397			13,397
	<u>81,399</u>	<u>0</u>	<u>0</u>	<u>81,399</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191EXPENDITURES (Continued)FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Totals (Memorandum Only)</u>
CAPITAL OUTLAY				
Authorized expenditures	\$ 99,109	\$ 0	\$ 0	\$ 99,109
TOTAL EXPENDITURES	<u>\$ 2,250,460</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,250,460</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191

ANALYSIS OF CHANGES IN DEPOSITS AND TEMPORARY INVESTMENTS
ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Totals (Memorandum Only)</u>
SOURCES OF DEPOSITS AND TEMPORARY INVESTMENTS				
Cash receipts from revenues	\$ 3,109,405	\$	\$	\$ 3,109,405
Repayment of chloramine const. credit principal	5,992			5,992
Increase in customer deposits	28,910			28,910
Overpayments from taxpayers	<u>19,310</u>			<u>19,310</u>
TOTAL DEPOSITS AND TEMPORARY INVESTMENTS PROVIDED	<u>3,163,617</u>	<u>0</u>	<u>0</u>	<u>3,163,617</u>
APPLICATIONS OF DEPOSITS AND TEMPORARY INVESTMENTS				
Cash disbursements for:				
Current expenditures	1,964,530			1,964,530
Capital outlay	99,109			99,109
Refund of taxpayer overpayments	<u>21,273</u>			<u>21,273</u>
TOTAL DEPOSITS AND TEMPORARY INVESTMENTS APPLIED	<u>2,084,912</u>	<u>0</u>	<u>0</u>	<u>2,084,912</u>
INCREASE (DECREASE) IN DEPOSITS AND TEMPORARY INVESTMENTS	1,078,705	0	0	1,078,705
DEPOSITS AND TEMPORARY INVESTMENTS BALANCES, BEGINNING OF YEAR	<u>5,304,348</u>	<u>0</u>	<u>0</u>	<u>5,304,348</u>
DEPOSITS AND TEMPORARY INVESTMENTS BALANCES, END OF YEAR	<u>\$ 6,383,053</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,383,053</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191SCHEDULE OF TEMPORARY INVESTMENTSSEPTEMBER 30, 2022

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Year End Balance</u>	<u>Accrued Interest Receivable</u>
GENERAL FUND				
TexPool				
No. 2562800011	Market	On demand	\$ <u>6,090,716</u>	\$ <u>0</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191TAXES LEVIED AND RECEIVABLEFOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Maintenance Taxes</u>
RECEIVABLE, BEGINNING OF YEAR	\$ 79,458
Additions and corrections to prior year taxes	<u>(6,366)</u>
Adjusted receivable, beginning of year	73,092
2021 ADJUSTED TAX ROLL	<u>969,022</u>
Total to be accounted for	1,042,114
Tax collections: Current tax year	(961,018)
Prior tax years	<u>(62,903)</u>
RECEIVABLE, END OF YEAR	<u>\$ 18,193</u>
RECEIVABLE, BY TAX YEAR	
2011 and prior	\$ 2,412
2012	270
2013	265
2014	246
2015	248
2016	157
2017	753
2018	2,567
2019	1,685
2020	1,586
2021	<u>8,004</u>
RECEIVABLE, END OF YEAR	<u>\$ 18,193</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191

TAXES LEVIED AND RECEIVABLE (Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2022

ADJUSTED PROPERTY VALUATIONS AS OF JANUARY 1 OF TAX YEAR	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Land	\$ 136,908,332	\$ 132,710,796	\$ 124,344,920	\$ 122,585,008
Improvements	328,131,640	324,456,386	319,616,748	292,706,425
Personal property	17,236,929	18,047,553	18,737,005	16,264,441
Less exemptions	<u>(86,757,716)</u>	<u>(83,253,754)</u>	<u>(83,049,384)</u>	<u>(77,168,105)</u>
 TOTAL PROPERTY VALUATIONS	 <u>\$ 395,519,185</u>	 <u>\$ 391,960,981</u>	 <u>\$ 379,649,289</u>	 <u>\$ 354,387,769</u>
 TAX RATES PER \$100 VALUATION				
Debt service tax rates	\$ 0.00000	\$ 0.00000	\$ 0.00000	\$ 0.00000
Maintenance tax rates*	<u>0.24500</u>	<u>0.25000</u>	<u>0.25000</u>	<u>0.25000</u>
 TOTAL TAX RATES PER \$100 VALUATION	 <u>\$ 0.24500</u>	 <u>\$ 0.25000</u>	 <u>\$ 0.25000</u>	 <u>\$ 0.25000</u>
 TAX ROLLS	 <u>\$ 969,022</u>	 <u>\$ 979,904</u>	 <u>\$ 949,124</u>	 <u>\$ 885,971</u>
 PERCENT OF TAXES COLLECTED TO TAXES LEVIED	 <u>99.2 %</u>	 <u>99.8 %</u>	 <u>99.8 %</u>	 <u>99.7 %</u>

*Maximum tax rate approved by voters on April 23, 1981: \$0.25

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES,
GENERAL FUND

FOR YEARS ENDED SEPTEMBER 30

	AMOUNT					PERCENT OF TOTAL REVENUES				
	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
REVENUES										
Property taxes	\$ 1,023,921	\$ 959,138	\$ 899,302	\$ 883,907	\$ 825,855	31.8 %	33.6 %	33.8 %	30.8 %	30.3 %
Water service	1,330,051	1,080,197	1,043,292	969,770	974,903	41.4	37.9	39.2	33.9	35.8
Sewer service	214,563	198,320	191,168	195,835	199,003	6.7	7.0	7.2	6.8	7.3
Industrial waste surcharge	55,295	49,882	39,042	46,623	72,209	1.7	1.7	1.5	1.6	2.6
Penalty and other	91,370	93,191	65,137	58,497	81,262	2.8	3.3	2.4	2.0	3.0
Tap connection and inspection fees	0	44,040	0	194,680	26,589	0.0	1.5	0.0	6.8	1.0
Sales and Use Taxes	447,621	409,999	376,291	430,769	483,758	13.9	14.4	14.1	15.0	17.7
Interest on surface water construction costs	13,060	13,413	13,745	14,058	14,353	0.4	0.5	0.5	0.5	0.5
Interest on deposits and investments	42,691	2,336	34,378	75,623	49,759	1.3	0.1	1.3	2.6	1.8
TOTAL REVENUES	3,218,572	2,850,516	2,662,355	2,869,762	2,727,691	100.0	100.0	100.0	100.0	100.0
EXPENDITURES										
Current:										
Professional fees	148,041	114,258	140,176	181,474	161,313	4.6	4.0	5.3	6.3	5.9
Contracted services	90,654	87,810	89,925	95,298	85,808	2.8	3.1	3.4	3.3	3.1
Utilities	86,811	79,035	76,580	67,929	88,984	2.7	2.8	2.9	2.4	3.3
Surface water fees	942,256	790,768	769,461	694,214	707,926	29.3	27.6	28.8	24.2	25.9
Repairs and maintenance	460,661	361,064	398,066	396,709	332,250	14.3	12.7	14.9	13.8	12.2
Other operating expenditures	128,272	129,544	121,957	122,391	118,919	4.0	4.5	4.6	4.3	4.4
Constable service	213,257	210,311	203,261	197,778	195,219	6.6	7.4	7.6	6.9	7.2
Administrative expenditures	81,399	75,634	68,622	70,963	66,409	2.5	2.7	2.6	2.5	2.4
Capital outlay	99,109	51,422	235,906	304,466	851,994	3.1	1.8	8.9	10.6	31.2
TOTAL EXPENDITURES	2,250,460	1,899,846	2,103,954	2,131,222	2,608,822	69.9	66.6	79.0	74.3	95.6
EXCESS REVENUES (EXPENDITURES)	\$ 968,112	\$ 950,670	\$ 558,401	\$ 738,540	\$ 118,869	30.1 %	33.4 %	21.0 %	25.7 %	4.4 %
TOTAL ACTIVE RETAIL WATER CONNECTIONS	722	723	720	720	717					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	686	687	684	685	684					

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTSSEPTEMBER 30, 2022

Complete District Mailing Address: Harris County Municipal Utility District No. 191
c/o James L. Dougherty, Jr.
12 Greenway Plaza, Suite 1100
Houston, Texas 77046

District Business Telephone No.: 713-880-8808

Submission date of the most recent District Registration Form: July 28, 2022

Limit on Fees of Office that a Director may receive during a fiscal year: \$7,200

BOARD MEMBERS

<u>Name and Address</u>	<u>Term of Office (Elected/ Appointed)</u>	<u>Fees of Office Paid</u>	<u>Expense Reimb.</u>	<u>Title at Year End</u>
Robert Price 7907 Terrace Glade Court Houston, Texas 77070	Elected 5/02/20- 5/04/24	\$ 4,650	\$ 0	President
Rob Harris 2 Stratford Way Lane Houston, Texas 77070	Elected 5/02/20- 5/04/24	2,550	0	Secretary
Vaughan G. Miller 7103 Centre Oaks Drive Houston, Texas 77069	Elected 5/07/22- 5/02/26	2,250	0	Treasurer
Ronald D. Young 7006 Champions Centre Drive Houston, Texas 77069	Elected 5/07/22- 5/02/26	2,400	0	Director
Deborah Umphry 13406 Pinnacle Place Houston, Texas 77069	Appointed 7/27/22- 5/02/26	600	0	Director

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (Continued)SEPTEMBER 30, 2022CONSULTANTS

<u>Name and Address</u>	<u>Date Hired</u>	<u>Fees and Expense Reimbursements</u>	<u>Title at Year End</u>
James L. Dougherty, Jr. 12 Greenway Plaza, Suite 1100 Houston, Texas 77046	6/24/15	\$ 69,085	Attorney
Perdue, Brandon, Fielder, Collins & Mott, L.L.P. 1235 North Loop West, Suite 600 Houston, Texas 77008	3/27/13	22,129	Delinquent Tax Attorney
Claudia Redden & Associates, L.L.C. P.O. Box 11890 Spring, Texas 77391	10/14/82	35,542	Bookkeeper
Claudia Redden P.O. Box 11890 Spring, Texas 77391	9/15/99	0	Investment Officer
H2O Innovation P.O. Box 1209 Spring, Texas 77383	7/01/10	572,958	Operator
Langford Engineering, Inc. 1080 West Sam Houston Parkway North Suite 200 Houston, Texas 77043	9/25/19	84,831	Engineer
Bob Leared 11111 Katy Freeway, Suite 725 Houston, Texas 77079	11/17/81	20,546 4,091 SPA	Tax Assessor- Collector
Harris County Appraisal District P.O. Box 900275 Houston, Texas 77292	Legislative Action	7,119	Central Appraisal District
The GMS Group, Inc. 5075 Westheimer, Suite 1175 Houston, Texas 77056	7/25/07	0	Financial Advisor
Mark C. Eyring, CPA, PLLC 12702 Century Drive, Suite C2 Stafford, Texas 77477	Prior to 1992	10,950	Independent Auditor

See accompanying independent auditor's report.