

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, 2025

Fiscal year (FY) ending September 30, 2026 ("current year")

Information required by Sec. 26.18, Texas Tax Code, by paragraph 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 (same as for taxing unit, except home address and telephone).
(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 \$3,517,406 to \$3,519,152, an increase of \$1,746 or 0.0496% --- <i>Ordinary Expense + Other Expense</i> changed from \$3,529,406 to 3,349,152, a decrease of \$180,254 or 5.12%
(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> \$1,000,000 for FY 2024 \$1,000,000 for FY 2025 \$1,000,000 for FY 2026
(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 2024 \$-0- for FY 2025 \$-0- for FY 2026
(9)	the tax rate for maintenance and operations adopted by the taxing unit for the preceding two years	\$0.217/\$100 for TY 2023 \$0.207/\$100 for TY 2024
(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 2023 \$0.00/\$100 for TY 2024
(12)	the tax rate for maintenance and operations proposed by the taxing unit for the current year	\$0.215/\$100 for TY 2025
(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 2025
(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@jldir.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>			TERM OF OFFICE		
			Business	Fax	Home	Elected(E) Appointed (A) Elected by Precinct (P)	Term Begins (mm/dd/yyyy)	Term Ends (mm/dd/yyyy)
President or Chairman	Vaughan G. Miller	7 103 Centre Oaks Dr., Houston, TX 77069			281-537-6264	(E)	05/2022	05/2026
Secretary	Deborah Umphry	13406 Pinnacle Pl., Houston, TX 77069			832-768-1409	(A)	07/2022	05/2026
Vice President	Robert D. Harris	2 Stratford Way Ln., Houston, TX 77070			281-970-3350	(E)	05/2024	05/2028
Treasurer	Brett L. Brown	7027 Centre Oaks Dr., Houston, TX 77069		—	(918) 261-8357	(A)	05/2025	05/2028
Sasst. Secretary	Ronald D. Young	7006 Champions Centre Ct, Houston, TX 77069			281-587-0838	(E)	05/2022	05/2026

EXHIBIT B (part of TAX RATE AND BUDGET INFORMATION)*Budgets for two years preceding current year:*

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

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>
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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 1,083,106

Total Other Expense 1,083,106

(694,256)

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

OPERATING ACCOUNT	FY 2025 Budget
Ordinary Income/Expense	
Income	
41000 · WATER SERVICE REVENUE	1,100,000
41100 · TAP CONNECTION FEES	
41400 · FIRE LINE	30,000
42000 · SEWER SERVICE REVENUES	200,000
42020-G · GREASE TRAP INSPECTIONS	15,000
42020 · SEWER INSPECTION FEES	
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 CRE...	19,056
57000 · SALES TAX REVENUE	400,000
Total Income	3,128,556
Gross Profit	3,128,556
Expense	
61000 · BULK WATER PURCHASES	750,000
61260 · WATER PERMIT FEES	
61260-N · NHCRWA ASSESSMENT	130,000
61260 · WATER PERMIT FEES - Other	2,000
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 EXPE...	10,000
62750 · SEWER INSPECTION EXPENSES	5,000
63000 · REGULATORY ASSESSMENT	7,000
63100 · DIRECTOR FEES	17,000
63200 · LEGAL FEES	150,000
63210 · AUDITING FEES	11,000
63220-F · ENGINEERING-FM 1960 CONSULTI...	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 INDUSTR...	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	50,000
63350 · REPAIRS & MAINTENANCE - Other	
Total 63350 · REPAIRS & MAINTENANCE	50,000

Continued on next page

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

63380 - LEGALLY REQ'D NEWSP NOTICES (1)	2,250
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)	0
63580 - RENT ON MEETING PLACE	3,000
63590 - OTHER EXPENSES	6,000
63990 - GARBAGE EXPENSES	600
64000 - CONSTABLE SERVICES	248,000
65600 - PAYROLL EXPENSES	950
Total Expense	2,446,300
Net Ordinary Income	682,256
Other Income/Expense	
Other Income	
39999 - TRANSFER FROM RESERVE FOR RRI	388,850
Total Other Income	388,850
Other Expense	
73600 - CAPITAL EXPENDITURES	
73600-E - EXTENSIONS, ENLARGE, EXPAN...	883,106
73600-R - REPAIRS AND REPLACEMENTS	200,000
73600 - CAPITAL EXPENDITURES - Other	
Total 73600 - CAPITAL EXPENDITURES	1,083,106
Total Other Expense	1,083,106

OPERATING ACCOUNT

FY 2026 Budget, adopted August 27, 2025

Ordinary Income/Expense

Income	
41000 · WATER SERVICE REVENUE	1,100,000
41100 · TAP CONNECTION FEES	
41400 · FIRE LINE	30,000
42000 · SEWER SERVICE REVENUES	210,000
42020-G · GREASE TRAP INSPECTIONS	15,000
42050 · INDUSTRIAL WASTE SURCHARGE (X)	65,000
43300 · PENALTY & INTEREST INCOME	15,000
44000 · TRANSFER FEES	1,000
45000 · PERMIT APPLICATION FEES	7,000
53800 · MISCELLANEOUS INCOME	6,000
53910 · INTEREST INCOME	275,000
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	375,000
Total Income	3,146,556
Gross Profit	3,146,556
Expense	
61000 · BULK WATER PURCHASES	360,000
61260 · WATER PERMIT FEES	
61260-N · NHCRWA ASSESSMENT	150,000
61260 · WATER PERMIT FEES - Other	2,000
Total 61260 · WATER PERMIT FEES	152,000
61320 · WTR MONTHLY SERVICE	30,000
61350 · WTR-REPAIRS & MAINTENANCE	105,000
61420 · WTR-CHEMICALS	3,500
61520 · WTR-UTILITIES EXPENSE	50,000
61710 · TAP CONNECTION EXPENSE	
61800 · RECONNECTION EXPENSES	5,000
62260 · SEWER PERMIT FEES	6,000
62320 · SWR-MONTHLY SERVICES	22,000
62350 · SWR-MAINTENANCE & REPAIRS	225,000
62420 · SWR-CHEMICALS	20,000
62520 · SWR-UTILITIES	60,000
62570 · SLUDGE REMOVAL	100,000
62750-G · GREASE TRAP INSPECTION EXPENSE	10,000
62750 · SEWER INSPECTION EXPENSES	5,000
63000 · REGULATORY ASSESSMENT	7,500
63100 · DIRECTOR FEES	17,000
63200 · LEGAL FEES	150,000

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

63210 · AUDITING FEES	15,000
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	20,000
63220 · ENGINEERING	140,000
63240-I · LABORATORY FEES FOR INDUSTRIAL	60,000
63240 · LABORATORY FEES	55,000
63300 · BOOKKEEPING FEES	30,000
63340 · SPA ANALYSIS EXPENSES	5,500
63350 · REPAIRS & MAINTENANCE	
63350-L · LANDSCAPE BEAUTIFICATION	65,000
Total 63350 · REPAIRS & MAINTENANCE	65,000
63380 · LEGALLY REQ'D NEWSP NOTICES (1)	2,250
63400 · PRINTING & OFFICE SUPPLIES	10,000
63500 · POSTAGE	2,000
63510 · TELEPHONE EXPENSES	9,000
63530 · INSURANCE & SURETY BONDS	40,000
63570 · LOBBYING, ETC. (2)	0
63580 · RENT ON MEETING PLACE	3,000
63590 · OTHER EXPENSES	6,500
63990 · GARBAGE EXPENSES	600
64000 · CONSTABLE SERVICES	248,196
65600 · PAYROLL EXPENSES	
Total Expense	2,166,046
Net Ordinary Income	980,510
Other Income/Expense	
Other Income	
39999 · TRANSFER FROM RESERVE FOR RRI	372,596
55001 · PROCEEDS FROM TEXDOT	
Total Other Income	372,596
Other Expense	
63200L · LEGAL FEES - LITIGATION	
73600 · CAPITAL EXPENDITURES	
73600-R · REPAIRS AND REPLACEMENTS	883,106
73600 · CAPITAL EXPENDITURES - Other	300,000
Total 73600 · CAPITAL EXPENDITURES	1,183,106
Total Other Expense	1,183,106
Net Other Income	(810,510)
Net Income	170,000

HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 191
HARRIS COUNTY, TEXAS
ANNUAL AUDIT REPORT
SEPTEMBER 30, 2024

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Mark C. Eyring, CPA, PLLC

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

January 29, 2025

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, 2024, 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, 2024, 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 dark ink, appearing to read "M. G. J.", is located in the lower right portion of 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, 2024.

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>2024</u>	<u>2023</u>	<u>Change</u>
Current and other assets	\$ 9,165,871	\$ 8,251,324	\$ 914,547
Capital assets	7,165,063	6,013,003	1,152,060
Total assets	<u>16,330,934</u>	<u>14,264,327</u>	<u>2,066,607</u>
Long-term liabilities	319,106	319,106	0
Other liabilities	1,525,043	498,864	1,026,179
Total liabilities	<u>1,844,149</u>	<u>817,970</u>	<u>1,026,179</u>
Net position:			
Invested in capital assets, net of related debt	6,845,957	5,693,897	1,152,060
Restricted	198,009	204,775	(6,766)
Unrestricted	7,442,819	7,547,685	(104,866)
Total net position	<u>\$ 14,486,785</u>	<u>\$ 13,446,357</u>	<u>\$ 1,040,428</u>

Summary of Changes in Net Position

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Revenues:			
Property taxes, including related penalty and interest	\$ 987,138	\$ 954,787	\$ 32,351
Sales and Use taxes	370,127	404,596	(34,469)
Charges for services	1,503,502	1,626,048	(122,546)
Other revenues	335,156	301,482	33,674
Total revenues	<u>3,195,923</u>	<u>3,286,913</u>	<u>(90,990)</u>
Expenses:			
Service operations	2,155,495	2,218,968	(63,473)
Total expenses	<u>2,155,495</u>	<u>2,218,968</u>	<u>(63,473)</u>
Change in net position	1,040,428	1,067,945	(27,517)
Net position, beginning of year	<u>13,446,357</u>	<u>12,378,412</u>	<u>1,067,945</u>
Net position, end of year	<u>\$ 14,486,785</u>	<u>\$ 13,446,357</u>	<u>\$ 1,040,428</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, 2024, was \$7,592,523. The General Fund balance decreased by \$113,298, primarily due to 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 21 of this report. The budgetary fund balance as of September 30, 2024, was expected to be \$7,316,971 and the actual end of year fund balance was \$7,592,523.

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>2024</u>	<u>2023</u>	<u>Change</u>
Land and easements	\$ 765,996	\$ 765,996	\$ 0
Detention ponds	1,448,375	1,448,375	0
Construction in progress	1,478,140	120,143	1,357,997
Water facilities	640,920	692,926	(52,006)
Sewer facilities	2,831,632	2,985,563	(153,931)
Totals	<u>\$ 7,165,063</u>	<u>\$ 6,013,003</u>	<u>\$ 1,152,060</u>

*Restated. See Note 11 of the Notes to the Financial Statements.

Changes to capital assets during the fiscal year ended September 30, 2024, are summarized as follows:

Additions:

Water system improvements	\$ 56,420
Sewer system improvements	<u>1,301,577</u>
	1,357,997

Decreases:

Depreciation	<u>(205,937)</u>
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Net change to capital assets	<u>\$ 1,152,060</u>
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Debt

At September 30, 2024, 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, 2024, 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 increased by approximately \$41,995,000 for the 2023 tax year (approximately 10%), due to the increase in average assessed valuations on existing property and the addition of new taxable property within the District.

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, 2024, the groundwater pumpage fee was \$3.60 per 1,000 gallons pumped. At September 30, 2024, the Authority's surface water fee, which applies to most of the District's normal water supply, was \$4.05 per 1,000 gallons. 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") 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, the other 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 in the two contract are \$3,636,984 (water facilities) and \$1,963,480 (sewer facilities). The amount receivable from TxDOT was \$2,735,280 at September 30, 2024.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

SEPTEMBER 30, 2024

	General	Debt Service	Capital Projects	Total	Adjustments (Note 3)	Statement of Net Position
ASSETS						
Cash, including interest-bearing accounts, Note 7	\$ 367,186	\$	\$	\$ 367,186	\$	\$ 367,186
Temporary investments, at cost, Note 7	5,489,938			5,489,938		5,489,938
Receivables:						
Property taxes	17,249			17,249		17,249
Accrued penalty and interest on property taxes				0	31,056	31,056
Service accounts	164,563			164,563		164,563
Sales and Use Taxes, Note 10	84,113			84,113		84,113
Other	37,111			37,111		37,111
Due from TxDOT, Note 11	2,735,280			2,735,280		2,735,280
Due from regional authority, Note 9	198,009			198,009		198,009
Prepaid expenditures	41,366			41,366		41,366
Capital assets, net of accumulated depreciation, Note 4:						
Capital assets not being depreciated				0	3,692,511	3,692,511
Depreciable capital assets				0	3,472,552	3,472,552
Total assets	<u>\$ 9,134,815</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,134,815</u>	<u>7,196,119</u>	<u>16,330,934</u>
LIABILITIES						
Accounts payable	\$ 214,856	\$	\$	\$ 214,856		214,856
Construction contracts payable	449,128			449,128		449,128
Condemnation deposit	595,000			595,000		595,000
Customer deposits	266,059			266,059		266,059
Long-term liabilities, Note 5:						
Due in more than one year				0	319,106	319,106
Total liabilities	<u>1,525,043</u>	<u>0</u>	<u>0</u>	<u>1,525,043</u>	<u>319,106</u>	<u>1,844,149</u>
DEFERRED INFLOWS OF RESOURCES						
Property tax revenues	<u>17,249</u>	<u>0</u>	<u>0</u>	<u>17,249</u>	<u>(17,249)</u>	<u>0</u>
FUND BALANCES / NET POSITION						
Fund balances:						
Non-spendable:						
Due from regional authority, Note 9	198,009			198,009	(198,009)	0
Due from TxDOT, Note 11	2,735,280			2,735,280	(2,735,280)	0
Committed to:						
Construction contracts in progress	176,450			176,450	(176,450)	0
Reserve for contractual and other contingencies	300,000			300,000	(300,000)	0
Reserve for repairs, replacements and improvements	2,539,484			2,539,484	(2,539,484)	0
Reserve for operating expenses	2,263,300			2,263,300	(2,263,300)	0
Total fund balances	<u>8,212,523</u>	<u>0</u>	<u>0</u>	<u>8,212,523</u>	<u>(8,212,523)</u>	<u>0</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 9,754,815</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,754,815</u>		
Net position:						
Invested in capital assets, net of related debt					6,845,957	6,845,957
Restricted for due from regional authority					198,009	198,009
Unrestricted					7,442,819	7,442,819
Total net position					<u>\$ 14,486,785</u>	<u>\$ 14,486,785</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, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Note 3)	Statement of Activities
REVENUES						
Property taxes	\$ 985,472	\$	\$	\$ 985,472	\$ (1,179)	\$ 984,293
Water service	1,082,347			1,082,347		1,082,347
Sewer service	201,398			201,398		201,398
Industrial waste surcharge	61,141			61,141		61,141
Penalty, interest and other	111,188			111,188	2,845	114,033
Tap connection and inspection fees	35,142			35,142		35,142
Sales and Use Taxes, Note 10	370,127			370,127		370,127
Interest on surface water construction costs, Note 9	12,286			12,286		12,286
Interest on deposits and investments	335,156			335,156		335,156
Total revenues	<u>3,194,257</u>	<u>0</u>	<u>0</u>	<u>3,194,257</u>	<u>1,666</u>	<u>3,195,923</u>
EXPENDITURES / EXPENSES						
Service operations:						
Professional fees	140,443			140,443		140,443
Contracted services	101,832			101,832		101,832
Utilities	100,750			100,750		100,750
Surface water fees, Note 9	635,135			635,135		635,135
Repairs and maintenance	485,507			485,507		485,507
Other operating expenditures	154,048			154,048		154,048
Constable service	232,800			232,800		232,800
Administrative expenditures	93,273			93,273		93,273
Depreciation				0	205,937	205,937
Capital outlay / non-capital outlay	<u>1,363,767</u>	<u></u>	<u></u>	<u>1,363,767</u>	<u>(1,357,997)</u>	<u>5,770</u>
Total expenditures / expenses	<u>3,307,555</u>	<u>0</u>	<u>0</u>	<u>3,307,555</u>	<u>(1,152,060)</u>	<u>2,155,495</u>
Excess (deficiency) of revenues over expenditures	<u>(113,298)</u>	<u>0</u>	<u>0</u>	<u>(113,298)</u>	<u>1,153,726</u>	<u>1,040,428</u>
Net change in fund balances / net position	(113,298)	0	0	(113,298)	1,153,726	1,040,428
Beginning of year, Restated, Note 11	<u>7,705,821</u>	<u>0</u>	<u>0</u>	<u>7,705,821</u>	<u>5,740,536</u>	<u>13,446,357</u>
End of year	<u>\$ 7,592,523</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,592,523</u>	<u>\$ 6,894,262</u>	<u>\$ 14,486,785</u>

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191NOTES TO THE FINANCIAL STATEMENTSSEPTEMBER 30, 2024

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 reported as nonspendable, 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			\$ 7,592,523
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:			
Total capital assets, net			7,165,063
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	\$	31,056	
Uncollected property taxes		17,249	48,305
Net position, end of year			<u>\$ 14,486,785</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		\$ (113,298)
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:		
Capital outlay	\$ 1,357,997	
Depreciation	<u>(205,937)</u>	1,152,060
Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the funds:		
Accrued penalty and interest on property taxes receivable	2,845	
Uncollected property taxes	<u>(1,179)</u>	<u>1,666</u>
Change in net position		<u>\$ 1,040,428</u>

NOTE 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land and easements	\$ 765,996	\$	\$	\$ 765,996
Detention ponds*	1,448,375			1,448,375
Construction in progress	<u>120,143</u>	<u>1,357,997</u>		<u>1,478,140</u>
Total capital assets not being depreciated	<u>2,334,514</u>	<u>1,357,997</u>	<u>0</u>	<u>3,692,511</u>
Depreciable capital assets:				
Water system	2,453,287			2,453,287
Sewer system	<u>6,981,723</u>			<u>6,981,723</u>
Total depreciable capital assets	<u>9,435,010</u>	<u>0</u>	<u>0</u>	<u>9,435,010</u>
Less accumulated depreciation for:				
Water system	(1,760,361)	(52,006)		(1,812,367)
Sewer system	<u>(3,996,160)</u>	<u>(153,931)</u>		<u>(4,150,091)</u>
Total accumulated depreciation	<u>(5,756,521)</u>	<u>(205,937)</u>	<u>0</u>	<u>(5,962,458)</u>
Total depreciable capital assets, net	<u>3,678,489</u>	<u>(205,937)</u>	<u>0</u>	<u>3,472,552</u>
Total capital assets, net	<u>\$ 6,013,003</u>	<u>\$ 1,152,060</u>	<u>\$ 0</u>	<u>\$ 7,165,063</u>
Changes to capital assets:				
Capital outlay		\$ 1,357,997	\$	
Less depreciation expense for the fiscal year		<u>(205,937)</u>		
Net increases / decreases to capital assets		<u>\$ 1,152,060</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, 2024, 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.

As discussed further in Note 11, the costs of certain easements the District is in process of acquiring have been appealed by the landowners. The appealing parties are seeking payments greater than the amounts deposited into the court registries.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

On October 25, 2023, the District levied the following ad valorem taxes for the 2023 tax year on the adjusted taxable valuation of \$466,150,416:

	<u>Rate</u>	<u>Amount</u>
Maintenance	\$ 0.2170	\$ 1,011,547

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

2023 tax year total property tax levy	\$ 1,011,547
Appraisal district adjustments to prior year taxes	<u>(27,254)</u>
Statement of Activities property tax revenues	<u>\$ 984,293</u>

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 \$5,489,938.

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, 2024, 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, 2024, the Authority had established a well pumpage fee of \$3.60 per 1,000 gallons of water pumped from each regulated well and a surface water usage fee of \$4.05 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, 2024, were \$635,135.

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, 2024, the District received chloramine credits of \$19,052. Of this amount, \$6,766 was principal and \$12,286 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
2025	\$ 7,190	\$ 11,862	\$ 19,052
2026	7,641	11,411	19,052
2027	8,119	10,933	19,052
2028	8,628	10,424	19,052
2029	9,168	9,884	19,052
2030-2034	55,210	40,050	95,260
2035-2039	74,807	20,453	95,260
2040-2041	27,246	1,332	28,578
	<u>\$ 198,009</u>	<u>\$ 116,349</u>	<u>\$ 314,358</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 \$370,127 from the City for the fiscal year ended September 30, 2024. \$84,113 of this amount was receivable at that date.

NOTE 11: TEXAS DEPARTMENT OF TRANSPORTATION PROJECT

The Texas Department of Transportation ("TxDOT") 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, the other 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 in the two contracts are \$3,636,984 (water facilities) and \$1,963,480 (sewer facilities). At September 30, 2024, the project costs incurred and receivable were \$2,735,280.

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, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property taxes	\$ 1,000,000	\$ 1,000,000	\$ 985,472	\$ (14,528)
Water service	1,130,000	1,130,000	1,082,347	(47,653)
Sewer service	200,000	200,000	201,398	1,398
Industrial waste surcharge	65,000	65,000	61,141	(3,859)
Penalty and other	64,500	64,500	111,188	46,688
Tap connection and inspection fees	0	0	35,142	35,142
Sales and Use Taxes	400,000	400,000	370,127	(29,873)
Interest on surface water construction costs	19,056	19,056	12,286	(6,770)
Interest on deposits and investments	<u>250,000</u>	<u>250,000</u>	<u>335,156</u>	<u>85,156</u>
TOTAL REVENUES	<u>3,128,556</u>	<u>3,128,556</u>	<u>3,194,257</u>	<u>65,701</u>
EXPENDITURES				
Service operations:				
Professional fees	286,000	286,000	140,443	(145,557)
Contracted services	75,500	75,500	101,832	26,332
Utilities	95,000	95,000	100,750	5,750
Surface water fees	880,000	880,000	635,135	(244,865)
Repairs and maintenance	425,000	425,000	485,507	60,507
Other operating expenditures	176,600	176,600	154,048	(22,552)
Constable service	232,000	232,000	232,800	800
Administrative expenditures	93,200	93,200	93,273	73
Capital outlay	<u>1,254,106</u>	<u>1,254,106</u>	<u>1,363,767</u>	<u>109,661</u>
TOTAL EXPENDITURES	<u>3,517,406</u>	<u>3,517,406</u>	<u>3,307,555</u>	<u>(209,851)</u>
EXCESS REVENUES (EXPENDITURES)	<u>(388,850)</u>	<u>(388,850)</u>	<u>(113,298)</u>	<u>275,552</u>
FUND BALANCE, BEGINNING OF YEAR	<u>7,705,821</u>	<u>7,705,821</u>	<u>7,705,821</u>	<u>0</u>
FUND BALANCE, END OF YEAR	<u>\$ 7,316,971</u>	<u>\$ 7,316,971</u>	<u>\$ 7,592,523</u>	<u>\$ 275,552</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, 2024

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

- [X] TSI-1. Services and Rates
- [X] TSI-2. General Fund Expenditures
- [X] TSI-3. Temporary Investments
- [X] TSI-4. Taxes Levied and Receivable
- [] TSI-5. Long-Term Debt Service Requirements by Years
None at September 30, 2024.
- [] TSI-6. Changes in Long-Term Bonded Debt
Not applicable.
- [X] TSI-7. Comparative Schedule of Revenues and Expenditures -
General Fund and Debt Service Fund - Five Year
- [X] TSI-8. Board Members, Key Personnel and Consultants

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191

SCHEDULE OF SERVICES AND RATES

SEPTEMBER 30, 2024

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

- ☒ Retail Water
- ☒ Wholesale Water
- ☒ Drainage
- ☒ Retail Wastewater
- ☒ Wholesale Wastewater
- ☐ Irrigation
- ☒ Parks/Recreation
- ☐ Fire Protection
- ☒ Security (Constable)
- ☐ Solid Waste/Garbage
- ☐ Flood Control
- ☐ Roads
- ☒ Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)
- ☒ 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:	\$12.90	2,000	N	\$6.45	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: \$64.50 Wastewater: \$10.00 Surcharge: \$0.37

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191

SCHEDULE OF SERVICES AND RATES (Continued)

SEPTEMBER 30, 2024

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"	620	614	1.0	614
1"	27	27	2.5	68
1-1/2"	6	6	5.0	30
2"	53	53	8.0	424
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>729</u>	<u>723</u>		<u>2,266</u>
Total Wastewater	<u>693</u>	<u>687</u>		

*Single family equivalents

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

Gallons pumped into system (unaudited): 172,564
 Gallons billed to customers (unaudited): 167,228

Water Accountability Ratio
 (Gallons billed/ gallons pumped): 97%

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: _____

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191

EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<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	83,971			83,971
Engineering	45,522			45,522
	<u>140,443</u>	<u>0</u>	<u>0</u>	<u>140,443</u>
Contracted services:				
Bookkeeping	30,450			30,450
Operation and billing	43,502			43,502
Tax assessor-collector	15,995			15,995
Central appraisal district	8,711			8,711
SPA consultant	3,174			3,174
	<u>101,832</u>	<u>0</u>	<u>0</u>	<u>101,832</u>
Utilities	<u>100,750</u>	<u>0</u>	<u>0</u>	<u>100,750</u>
Surface water fees:				
Ground water pumpage fees	144,972			144,972
Purchased surface water	490,163			490,163
	<u>635,135</u>	<u>0</u>	<u>0</u>	<u>635,135</u>
Repairs and maintenance	<u>485,507</u>	<u>0</u>	<u>0</u>	<u>485,507</u>
Other operating expenditures:				
Sludge hauling	35,879			35,879
Chemicals	21,783			21,783
Laboratory costs	70,479			70,479
Inspection costs	8,140			8,140
Reconnection costs	3,473			3,473
TCEQ assessment	7,441			7,441
Other	6,853			6,853
	<u>154,048</u>	<u>0</u>	<u>0</u>	<u>154,048</u>
Constable service	<u>232,800</u>	<u>0</u>	<u>0</u>	<u>232,800</u>
Administrative expenditures:				
Director's fees	18,692			18,692
Office supplies and postage	20,030			20,030
Insurance	35,988			35,988
Permit fees	6,303			6,303
Other	12,260			12,260
	<u>93,273</u>	<u>0</u>	<u>0</u>	<u>93,273</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191EXPENDITURES (Continued)FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Totals (Memorandum Only)</u>
CAPITAL OUTLAY				
Authorized expenditures	\$ 1,357,997	\$	\$	\$ 1,357,997
Tap connection costs	5,770			5,770
	<u>1,363,767</u>	<u>0</u>	<u>0</u>	<u>1,363,767</u>
 TOTAL EXPENDITURES	 <u>\$ 3,307,555</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 3,307,555</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, 2024

	<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	\$ 3,235,170	\$	\$	\$ 3,235,170
Repayment of chloramine const. credit principal	6,766			6,766
TxDOT condemnation proceeds	595,000			595,000
Increase in customer deposits	44,609			44,609
Overpayments from taxpayers	<u>59,405</u>			<u>59,405</u>
TOTAL DEPOSITS AND TEMPORARY INVESTMENTS PROVIDED	<u>3,940,950</u>	<u>0</u>	<u>0</u>	<u>3,940,950</u>
APPLICATIONS OF DEPOSITS AND TEMPORARY INVESTMENTS				
Cash disbursements for:				
Current expenditures	2,008,136			2,008,136
Capital outlay	914,639			914,639
TxDOT projects	1,988,456			1,988,456
Refund of taxpayer overpayments	<u>60,181</u>			<u>60,181</u>
TOTAL DEPOSITS AND TEMPORARY INVESTMENTS APPLIED	<u>4,971,412</u>	<u>0</u>	<u>0</u>	<u>4,971,412</u>
INCREASE (DECREASE) IN DEPOSITS AND TEMPORARY INVESTMENTS	(1,030,462)	0	0	(1,030,462)
DEPOSITS AND TEMPORARY INVESTMENTS BALANCES, BEGINNING OF YEAR	<u>6,887,586</u>	<u>0</u>	<u>0</u>	<u>6,887,586</u>
DEPOSITS AND TEMPORARY INVESTMENTS BALANCES, END OF YEAR	<u>\$ 5,857,124</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,857,124</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191SCHEDULE OF TEMPORARY INVESTMENTSSEPTEMBER 30, 2024

	<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>\$ 5,489,938</u>	<u>\$ 0</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191

TAXES LEVIED AND RECEIVABLE

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Maintenance Taxes</u>
RECEIVABLE, BEGINNING OF YEAR	\$ 18,428
Additions and corrections to prior year taxes	<u>(27,254)</u>
Adjusted receivable, beginning of year	(8,826)
2023 ADJUSTED TAX ROLL	<u>1,011,547</u>
Total to be accounted for	1,002,721
Refund of prior year taxes collected in prior years	21,217
Tax collections: Current tax year	(1,006,677)
Prior tax years	<u>(12)</u>
RECEIVABLE, END OF YEAR	<u>\$ 17,249</u>
RECEIVABLE, BY TAX YEAR	
2013 and prior	\$ 2,933
2014	244
2015	246
2016	156
2017	670
2018	2,073
2019	932
2020	1,372
2021	1,615
2022	2,138
2023	<u>4,870</u>
RECEIVABLE, END OF YEAR	<u>\$ 17,249</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, 2024

ADJUSTED PROPERTY VALUATIONS AS OF JANUARY 1 OF TAX YEAR	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Land	\$ 143,436,830	\$ 137,933,616	\$ 136,904,332	\$ 132,238,677
Improvements	418,146,359	380,344,810	321,404,834	317,340,571
Personal property	20,715,318	19,734,765	18,402,640	18,118,865
Less exemptions	<u>(116,148,091)</u>	<u>(113,858,034)</u>	<u>(88,393,661)</u>	<u>(83,280,859)</u>
 TOTAL PROPERTY VALUATIONS	 <u>\$ 466,150,416</u>	 <u>\$ 424,155,157</u>	 <u>\$ 388,318,145</u>	 <u>\$ 384,417,254</u>
 TAX RATES PER \$100 VALUATION				
Debt service tax rates	\$ 0.00000	\$ 0.00000	\$ 0.00000	\$ 0.00000
Maintenance tax rates*	<u>0.21700</u>	<u>0.22700</u>	<u>0.24500</u>	<u>0.25000</u>
 TOTAL TAX RATES PER \$100 VALUATION	 <u>\$ 0.21700</u>	 <u>\$ 0.22700</u>	 <u>\$ 0.24500</u>	 <u>\$ 0.25000</u>
 TAX ROLLS	 <u>\$ 1,011,547</u>	 <u>\$ 962,832</u>	 <u>\$ 951,379</u>	 <u>\$ 961,045</u>
 PERCENT OF TAXES COLLECTED TO TAXES LEVIED	 <u>99.5 %</u>	 <u>99.8 %</u>	 <u>99.8 %</u>	 <u>99.9 %</u>

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

See accompanying independent auditor's report.

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				
	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
REVENUES										
Property taxes	\$ 985,472	\$ 951,968	\$ 1,023,921	\$ 959,138	\$ 899,302	30.9 %	29.0 %	31.8 %	33.6 %	33.8 %
Water service	1,082,347	1,272,196	1,330,051	1,080,197	1,043,292	33.8	38.6	41.4	37.9	39.2
Sewer service	201,398	189,433	214,563	198,320	191,168	6.3	5.8	6.7	7.0	7.2
Industrial waste surcharge	61,141	64,181	55,295	49,882	39,042	1.9	2.0	1.7	1.7	1.5
Penalty and other	111,188	87,554	91,370	93,191	65,137	3.5	2.7	2.8	3.3	2.4
Tap connection and inspection fees	35,142	0	0	44,040	0	1.1	0.0	0.0	1.5	0.0
Sales and Use Taxes	370,127	404,596	447,621	409,999	376,291	11.6	12.3	13.9	14.4	14.1
Interest on surface water construction costs	12,286	12,684	13,060	13,413	13,745	0.4	0.4	0.4	0.5	0.5
Interest on deposits and investments	335,156	301,482	42,691	2,336	34,378	10.5	9.2	1.3	0.1	1.3
TOTAL REVENUES	3,194,257	3,284,094	3,218,572	2,850,516	2,662,355	100.0	100.0	100.0	100.0	100.0
EXPENDITURES										
Current:										
Professional fees	140,443	118,455	148,041	114,258	140,176	4.4	3.6	4.6	4.0	5.3
Contracted services	101,832	93,499	90,654	87,810	89,925	3.2	2.8	2.8	3.1	3.4
Utilities	100,750	89,126	86,811	79,035	76,580	3.2	2.7	2.7	2.8	2.9
Surface water fees	635,135	879,571	942,256	790,768	769,461	19.9	26.8	29.3	27.6	28.8
Repairs and maintenance	485,507	358,283	460,661	361,064	398,066	15.2	10.9	14.3	12.7	14.9
Other operating expenditures	154,048	152,705	128,272	129,544	121,957	4.8	4.6	4.0	4.5	4.6
Constable service	232,800	221,796	213,257	210,311	203,261	7.3	6.8	6.6	7.4	7.6
Administrative expenditures	93,273	79,091	81,399	75,634	68,622	2.9	2.4	2.5	2.7	2.6
Capital outlay	1,363,767	136,836	99,109	51,422	235,906	42.6	4.2	3.1	1.8	8.9
TOTAL EXPENDITURES	3,307,555	2,129,362	2,250,460	1,899,846	2,103,954	103.5	64.8	69.9	66.6	79.0
EXCESS REVENUES (EXPENDITURES)	\$ (113,298)	\$ 1,154,732	\$ 968,112	\$ 950,670	\$ 558,401	(3.5) %	35.2 %	30.1 %	33.4 %	21.0 %
TOTAL ACTIVE RETAIL WATER CONNECTIONS	723	726	722	723	720					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	687	690	686	687	684					

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTSSEPTEMBER 30, 2024

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: May 30, 2024

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 5/04/24- 5/06/28	\$ 7,200	\$ 0	President
Vaughan G. Miller 7103 Centre Oaks Drive Houston, Texas 77069	Elected 5/07/22- 5/02/26	3,094	0	Vice President
Rob Harris 2 Stratford Way Lane Houston, Texas 77070	Elected 5/04/24- 5/06/28	3,094	0	Secretary
Ronald D. Young 7006 Champions Centre Drive Houston, Texas 77069	Elected 5/07/22- 5/02/26	2,873	0	Treasurer
Deborah Umphry 13406 Pinnacle Place Houston, Texas 77069	Appointed 7/27/22- 5/02/26	2,431	0	Assistant Secretary

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (Continued)SEPTEMBER 30, 2024CONSULTANTS

<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	\$ 82,420	Attorney
Perdue, Brandon, Fielder, Collins & Mott, L.L.P. 1235 North Loop West, Suite 600 Houston, Texas 77008	3/27/13	1,551	Delinquent Tax Attorney
Claudia Redden & Associates, L.L.C. P.O. Box 11890 Spring, Texas 77391	10/14/82	38,544	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	632,593	Operator
Langford Engineering, Inc. 1080 West Sam Houston Parkway North Suite 200 Houston, Texas 77043	9/25/19	249,183	Engineer
Bob Leared 11111 Katy Freeway, Suite 725 Houston, Texas 77079	11/17/81	21,405 3,174 SPA	Tax Assessor- Collector
Harris County Appraisal District P.O. Box 900275 Houston, Texas 77292	Legislative Action	8,711	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.