

**HARRIS COUNTY MUNICIPAL
UTILITY DISTRICT NO. 319**

HARRIS COUNTY, TEXAS

FINANCIAL REPORT

April 30, 2025

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Houston, Texas 77092

Independent Auditor's Report

Board of Directors
Harris County Municipal Utility District No. 319
Harris County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 319 (the "District"), as of and for the year ended April 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Harris County Municipal Utility District No. 319, as of April 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, the District implemented GASB Implementation Guide 2021-1, Question 5.1 during the current fiscal year. Our opinion is not modified with respect to this matter.

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.

***Board of Directors
Harris County Municipal Utility District No. 319
Harris County, Texas***

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

***Board of Directors
Harris County Municipal Utility District No. 319
Harris County, Texas***

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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

McGuire & Co, P.C.

Houston, Texas
August 21, 2025

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Management's Discussion and Analysis

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***Harris County Municipal Utility District No. 319
Management's Discussion and Analysis
April 30, 2025***

Using this Annual Report

This section of the financial report of Harris County Municipal Utility District No. 319 (the "District") provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended April 30, 2025. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

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

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

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

***Harris County Municipal Utility District No. 319
Management's Discussion and Analysis
April 30, 2025***

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

Fund Financial Statements

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

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

Financial Analysis of the District as a Whole

The District's net position at April 30, 2025, was negative \$41,704,161. The District's net position is negative because the District incurs debt to construct certain facilities which it conveys to other governmental entities. A comparative summary of the District's overall financial position, as of April 30, 2025 and 2024, is as follows:

| | 2025 | 2024 |
|----------------------------------|------------------------|------------------------|
| Current and other assets | \$ 22,586,768 | \$ 19,909,872 |
| Capital assets | 46,657,413 | 41,535,396 |
| Total assets | <u>69,244,181</u> | <u>61,445,268</u> |
| Current liabilities | 4,117,815 | 3,409,591 |
| Long-term liabilities | 106,830,527 | 99,386,697 |
| Total liabilities | <u>110,948,342</u> | <u>102,796,288</u> |
| Net position | | |
| Net investment in capital assets | (12,385,319) | (11,480,137) |
| Restricted | 5,733,229 | 4,575,320 |
| Unrestricted | (35,052,071) | (34,446,203) |
| Total net position | <u>\$ (41,704,161)</u> | <u>\$ (41,351,020)</u> |

During the current fiscal year, the District implemented GASB Implementation Guide ("GASBIG") 2021-1, Question 5.1, which requires the capitalization of a group of individual assets that are below the capitalization threshold when the cost of the acquisition of the assets in the aggregate is significant. In accordance with this standard, the District recognized, as infrastructure capital assets, water meters that were previously expensed in prior fiscal years, net of related accumulated depreciation, as of the beginning of the current fiscal year. Prior year data has not been restated to include values for these

Harris County Municipal Utility District No. 319
Management's Discussion and Analysis
April 30, 2025

infrastructure assets and, as a result, the presentation of prior year data as it relates to these assets is not consistent with the current year presentation (See Notes 3 and 6).

The total net position of the District decreased during the current fiscal year by \$1,634,067. A comparative summary of the District's *Statement of Activities* for the past two fiscal years is as follows:

| | 2025 | 2024 |
|---|------------------------|------------------------|
| Revenues | | |
| Property taxes, penalties and interest | \$ 8,319,055 | \$ 6,802,049 |
| Water and sewer service | 1,989,607 | 1,551,134 |
| Surface water fees | 817,162 | 879,223 |
| Tap connection and inspection | 1,121,907 | 838,882 |
| Other | 942,890 | 727,428 |
| Total revenues | <u>13,190,621</u> | <u>10,798,716</u> |
| Expenses | | |
| Current service operations | 3,433,004 | 3,399,570 |
| Debt interest and fees | 3,440,475 | 2,346,098 |
| Developer interest | 1,195,265 | 1,130,570 |
| Debt issuance costs | 1,152,618 | 1,778,070 |
| Depreciation and amortization | 1,900,754 | 1,234,688 |
| Total expenses | <u>11,122,116</u> | <u>9,888,996</u> |
| Change in net position before other item | 2,068,505 | 909,720 |
| Other item | | |
| Transfers to other governments | <u>(3,702,572)</u> | <u>(12,152,186)</u> |
| Change in net position | (1,634,067) | (11,242,466) |
| Net position, beginning of year (2025 restated) | <u>(40,070,094)</u> | <u>(30,108,554)</u> |
| Net position, end of year | <u>\$ (41,704,161)</u> | <u>\$ (41,351,020)</u> |

As previously noted, the District implemented GASBIG 2021-1, Question 5.1 during the current fiscal year and, as a result, has restated its beginning net position for the current fiscal year. Prior year data is not consistent with current year data due to the recognition of certain capital assets and the related accumulated depreciation at the beginning of the current fiscal year (See Notes 3 and 6).

Financial Analysis of the District's Funds

The District's combined fund balances, as of April 30, 2025, were \$21,517,200, which consists of \$9,486,950 in the General Fund, \$6,182,696 in the Debt Service Fund, and \$5,847,554 in the Capital Projects Fund.

***Harris County Municipal Utility District No. 319
Management's Discussion and Analysis
April 30, 2025***

General Fund

A comparative summary of the General Fund's financial position as of April 30, 2025 and 2024, is as follows:

| | 2025 | 2024 |
|--|----------------------|---------------------|
| Total assets | <u>\$ 10,287,377</u> | <u>\$ 8,610,814</u> |
| Total liabilities | \$ 745,411 | \$ 847,308 |
| Total deferred inflows | 55,016 | 110,989 |
| Total fund balance | <u>9,486,950</u> | <u>7,652,517</u> |
| Total liabilities, deferred inflows and fund balance | <u>\$ 10,287,377</u> | <u>\$ 8,610,814</u> |

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

| | 2025 | 2024 |
|-------------------------------|---------------------|---------------------|
| Total revenues | \$ 7,002,832 | \$ 5,898,403 |
| Total expenditures | <u>(5,319,688)</u> | <u>(4,862,583)</u> |
| Revenues over expenditures | 1,683,144 | 1,035,820 |
| Other changes in fund balance | <u>151,289</u> | <u>1,184,990</u> |
| Net change in fund balance | <u>\$ 1,834,433</u> | <u>\$ 2,220,810</u> |

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

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. While the District decreased its maintenance tax levy, property tax revenues increased because assessed values in the District increased from the prior year.
- Water, sewer and surface water revenues are dependent upon customer usage, which fluctuates from year to year as a result of factors beyond the District's control.
- Tap connection fees fluctuate with homebuilding activity within the District.

***Harris County Municipal Utility District No. 319
Management's Discussion and Analysis
April 30, 2025***

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of April 30, 2025 and 2024, is as follows:

| | 2025 | 2024 |
|--|---------------------|---------------------|
| Total assets | <u>\$ 6,364,138</u> | <u>\$ 5,086,522</u> |
| Total liabilities | \$ 46,616 | \$ 16,530 |
| Total deferred inflows | 134,826 | 240,157 |
| Total fund balance | <u>6,182,696</u> | <u>4,829,835</u> |
| Total liabilities, deferred inflows and fund balance | <u>\$ 6,364,138</u> | <u>\$ 5,086,522</u> |

A comparative summary of the Debt Service Fund's activities for the current and prior fiscal year is as follows:

| | 2025 | 2024 |
|-------------------------------|---------------------|---------------------|
| Total revenues | \$ 6,038,746 | \$ 4,474,286 |
| Total expenditures | <u>(4,994,135)</u> | <u>(3,290,397)</u> |
| Revenues over expenditures | 1,044,611 | 1,183,889 |
| Other changes in fund balance | 308,250 | 407,500 |
| Net change in fund balance | <u>\$ 1,352,861</u> | <u>\$ 1,591,389</u> |

The District's financial resources in the Debt Service Fund in both the current and prior fiscal year are from property tax revenues and capitalized interest from the sale of bonds. The difference between these financial resources and debt service requirements resulted in an increase in fund balance each year. It is important to note that the District sets its annual debt service tax rate as recommended by its financial advisor, who monitors projected cash flows in the Debt Service Fund to ensure that the District will be able to meet its future debt service requirements.

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of April 30, 2025 and 2024, is as follows:

| | 2025 | 2024 |
|------------------------------------|---------------------|---------------------|
| Total assets | <u>\$ 5,935,253</u> | <u>\$ 6,212,536</u> |
| Total liabilities | \$ 87,699 | \$ 208,056 |
| Total fund balance | <u>5,847,554</u> | <u>6,004,480</u> |
| Total liabilities and fund balance | <u>\$ 5,935,253</u> | <u>\$ 6,212,536</u> |

***Harris County Municipal Utility District No. 319
Management's Discussion and Analysis
April 30, 2025***

A comparative summary of activities in the Capital Projects Fund for the current and prior fiscal year is as follows:

| | 2025 | 2024 |
|-------------------------------|--------------|--------------|
| Total revenues | \$ 310,347 | \$ 221,382 |
| Total expenditures | (14,962,734) | (18,066,013) |
| Revenues under expenditures | (14,652,387) | (17,844,631) |
| Other changes in fund balance | 14,495,461 | 22,192,500 |
| Net change in fund balance | \$ (156,926) | \$ 4,347,869 |

The District has had considerable capital asset activity in the last two fiscal years, which was financed with proceeds from the issuance of its Series 2024 Unlimited Tax Bonds and Series 2024 Unlimited Tax Road Bonds in the current fiscal year and the sale of its Series 2023 Unlimited Tax Bonds and Series 2023A Unlimited Tax Road Bonds in the prior fiscal year.

General Fund Budgetary Highlights

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

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was \$245,340 less than budgeted. The *Budgetary Comparison Schedule* on page 42 of this report provides variance information per financial statement line item.

Capital Assets

The District has entered into financing agreements with its developers for the financing of the construction of capital assets within the District. Developers will be reimbursed from proceeds of future bond issues or other lawfully available funds. These developer funded capital assets are recorded on the District's financial statements upon completion of construction.

Harris County Municipal Utility District No. 319
Management's Discussion and Analysis
April 30, 2025

Capital assets held by the District at April 30, 2025 and 2024, are summarized as follows:

| | 2025 | 2024 |
|---|----------------------|----------------------|
| Capital assets not being depreciated | | |
| Land and improvements | \$ 3,385,771 | \$ 2,469,864 |
| Construction in progress | 2,811,830 | 1,313,179 |
| | <u>6,197,601</u> | <u>3,783,043</u> |
| Capital assets being depreciated/amortized | | |
| Infrastructure | 41,116,797 | 37,320,513 |
| Landscaping improvements | 5,720,388 | 4,260,639 |
| Right-to-use leased assets | 1,525,292 | 1,525,292 |
| | <u>48,362,477</u> | <u>43,106,444</u> |
| Less accumulated depreciation/amortization | | |
| Infrastructure | (5,379,194) | (3,618,853) |
| Landscaping improvements | (2,082,293) | (1,599,118) |
| Right-to-use leased assets | (441,178) | (136,120) |
| | <u>(7,902,665)</u> | <u>(5,354,091)</u> |
| Depreciable/amortizable capital assets, net | <u>40,459,812</u> | <u>37,752,353</u> |
| Capital assets, net | <u>\$ 46,657,413</u> | <u>\$ 41,535,396</u> |

As previously noted, the District implemented GASBIG 2021-1, Question 5.1 during the current fiscal year. As a result, prior year data is not consistent with current year data due to the recognition of certain capital assets and the related accumulated depreciation at the beginning of the current fiscal year (See Notes 3 and 6).

Capital asset additions during the current fiscal year include the following:

- Dellrose Sections 13, 14, 15, 16 and 14 Park – landscaping improvements
- Water plant no. 1 hydro tank addition
- Water plant no. 1 ground storage tank addition
- Water meters

The District's construction in progress is for engineering fees related to the water plant no. 2 project and the construction of:

- Wastewater treatment plant expansion phase 2
- Dellrose Section 20 – paving

Additionally, certain capital assets constructed by the District are conveyed to other governmental entities. The value of these assets is recorded as transfers to other governments upon completion of construction and trued-up when the developers are reimbursed. For the year ended April 30, 2025, capital assets in the amount of \$3,702,572 have been recorded as transfers to other governments in the government-wide statements. Additional information is presented in Note 11.

***Harris County Municipal Utility District No. 319
Management's Discussion and Analysis
April 30, 2025***

Lease Obligations

The District has entered into various equipment lease obligations for interim wastewater treatment plants. The District recognized right-to-use leased assets and lease obligations in the amount of \$1,525,292 for these leases. The balance due for the leases as of April 30, 2025, was \$1,218,240.

Long-Term Debt and Related Liabilities

As of April 30, 2025, the District owes approximately \$20,601,083 to developers for completed projects and operating advances. The initial cost of the completed project and related liability is estimated based on actual construction costs plus 10-15% for engineering and other fees and is recorded on the District's financial statements upon completion of construction. As discussed in Note 7, the District has an additional commitment in the amount of \$6,082,018 for projects under construction by the developers. As noted, the District will owe its developers for these projects upon completion of construction. The District intends to reimburse the developers from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developers is trued up when the developers are reimbursed.

At April 30, 2025 and 2024, the District had total bonded debt outstanding as shown below:

| Series | 2025 | 2024 |
|------------|----------------------|----------------------|
| 2018 | \$ 5,860,000 | \$ 6,055,000 |
| 2020 | 5,840,000 | 6,040,000 |
| 2020A Road | 4,525,000 | 4,680,000 |
| 2021 | 7,825,000 | 8,090,000 |
| 2022 | 11,685,000 | 12,035,000 |
| 2023 Road | 14,745,000 | 14,850,000 |
| 2023 | 6,195,000 | 6,300,000 |
| 2023A Road | 16,035,000 | 16,300,000 |
| 2024 | 10,330,000 | |
| 2024 Road | 4,625,000 | |
| | <u>\$ 87,665,000</u> | <u>\$ 74,350,000</u> |

During the current fiscal year, the District issued \$10,330,000 in unlimited tax bonds and \$4,625,000 in unlimited tax road bonds. At April 30, 2025, the District had \$151,805,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District and for the refunding of such bonds; \$96,300,000 for parks and recreational facilities and for the refunding of such bonds; and \$6,500,000 for road improvements and for the refunding of such bonds.

Property Taxes

The District's property tax base increased approximately \$89,123,000 for the 2025 tax year from \$646,853,094 to \$735,976,359, based on preliminary values. This increase was primarily due to new construction in the District and increased property values.

***Harris County Municipal Utility District No. 319
Management's Discussion and Analysis
April 30, 2025***

Next Year's Budget

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

| | <u>2025 Actual</u> | <u>2026 Budget</u> |
|-------------------------------|----------------------------|-----------------------------|
| Total revenues | \$ 7,002,832 | \$ 6,479,600 |
| Total expenditures | <u>(5,319,688)</u> | <u>(4,534,701)</u> |
| Revenues over expenditures | 1,683,144 | 1,944,899 |
| Other changes in fund balance | <u>151,289</u> | |
| Net change in fund balance | 1,834,433 | 1,944,899 |
| Beginning fund balance | <u>7,652,517</u> | <u>9,486,950</u> |
| Ending fund balance | <u><u>\$ 9,486,950</u></u> | <u><u>\$ 11,431,849</u></u> |

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Basic Financial Statements

Harris County Municipal Utility District No. 319
Statement of Net Position and Governmental Funds Balance Sheet
April 30, 2025

| | General Fund | Debt Service Fund | Capital Projects Fund | Total |
|---|----------------------|-------------------------|-----------------------------|----------------------|
| Assets | | | | |
| Cash | \$ 330,883 | \$ 167,267 | \$ 390 | \$ 498,540 |
| Investments | 9,362,965 | 6,071,451 | 5,969,760 | 21,404,176 |
| Taxes receivable | 55,016 | 134,826 | | 189,842 |
| Customer service receivables | 359,158 | | | 359,158 |
| Internal balances | 46,468 | (11,571) | (34,897) | |
| Prepaid items | 74,220 | | | 74,220 |
| Other receivables | 58,667 | 2,165 | | 60,832 |
| Capital assets not being depreciated | | | | |
| Capital assets, net | | | | |
| Total Assets | <u>\$ 10,287,377</u> | <u>\$ 6,364,138</u> | <u>\$ 5,935,253</u> | <u>\$ 22,586,768</u> |
| Liabilities | | | | |
| Accounts payable | \$ 312,337 | \$ - | \$ 33,731 | \$ 346,068 |
| Other payables | 3,448 | 46,616 | | 50,064 |
| Customer deposits | 258,187 | | | 258,187 |
| Retainage payable | 56,775 | | 53,968 | 110,743 |
| Unearned revenue | 114,664 | | | 114,664 |
| Accrued interest payable | | | | |
| Due to developers | | | | |
| Lease obligations | | | | |
| Due within one year | | | | |
| Due after one year | | | | |
| Long-term debt | | | | |
| Due within one year | | | | |
| Due after one year | | | | |
| Total Liabilities | <u>745,411</u> | <u>46,616</u> | <u>87,699</u> | <u>879,726</u> |
| Deferred Inflows of Resources | | | | |
| Deferred property taxes | <u>55,016</u> | <u>134,826</u> | | <u>189,842</u> |
| Fund Balances/Net Position | | | | |
| Fund Balances | | | | |
| Nonspendable | 74,220 | | | 74,220 |
| Restricted | | 6,182,696 | 5,847,554 | 12,030,250 |
| Unassigned | 9,412,730 | | | 9,412,730 |
| Total Fund Balances | <u>9,486,950</u> | <u>6,182,696</u> | <u>5,847,554</u> | <u>21,517,200</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 10,287,377</u> | <u>\$ 6,364,138</u> | <u>\$ 5,935,253</u> | <u>\$ 22,586,768</u> |
| Net Position | | | | |
| Net investment in capital assets | | | | |
| Restricted for debt service | | | | |
| Unrestricted | | | | |
| Total Net Position | | | | |

See notes to basic financial statements.

| Adjustments | Statement of Net Position |
|------------------------|------------------------------|
| \$ - | \$ 498,540 |
| | 21,404,176 |
| | 189,842 |
| | 359,158 |
| | 74,220 |
| | 60,832 |
| 6,197,601 | 6,197,601 |
| 40,459,812 | 40,459,812 |
| <u>46,657,413</u> | <u>69,244,181</u> |
| | 346,068 |
| | 50,064 |
| | 258,187 |
| | 110,743 |
| | 114,664 |
| 584,293 | 584,293 |
| 20,601,083 | 20,601,083 |
| 273,796 | 273,796 |
| 944,444 | 944,444 |
| 2,380,000 | 2,380,000 |
| 85,285,000 | 85,285,000 |
| <u>110,068,616</u> | <u>110,948,342</u> |
| <u>(189,842)</u> | |
| (74,220) | |
| (12,030,250) | |
| (9,412,730) | |
| <u>(21,517,200)</u> | |
| (12,385,319) | (12,385,319) |
| 5,733,229 | 5,733,229 |
| (35,052,071) | (35,052,071) |
| <u>\$ (41,704,161)</u> | <u>\$ (41,704,161)</u> |

Harris County Municipal Utility District No. 319

**Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended April 30, 2025**

| | General Fund | Debt Service Fund | Capital Projects Fund | Total |
|--|---------------------|-------------------------|-----------------------------|----------------------|
| Revenues | | | | |
| Water service | \$ 796,899 | \$ - | \$ - | \$ 796,899 |
| Sewer service | 1,192,708 | | | 1,192,708 |
| Property taxes | 2,576,047 | 5,778,311 | | 8,354,358 |
| Penalties and interest | 78,503 | 47,498 | | 126,001 |
| Surface water fees | 817,162 | | | 817,162 |
| Tap connection and inspection | 1,121,907 | | | 1,121,907 |
| Miscellaneous | 25,740 | 15,378 | | 41,118 |
| Investment earnings | 393,866 | 197,559 | 310,347 | 901,772 |
| Total Revenues | <u>7,002,832</u> | <u>6,038,746</u> | <u>310,347</u> | <u>13,351,925</u> |
| Expenditures/Expenses | | | | |
| Current service operations | | | | |
| Professional fees | 157,868 | | 250,447 | 408,315 |
| Contracted services | 1,318,976 | 104,418 | 2,521 | 1,425,915 |
| Repairs and maintenance | 408,332 | | | 408,332 |
| Utilities | 111,061 | | | 111,061 |
| Lease | 96,000 | | | 96,000 |
| Regional water authority fees | 784,303 | | | 784,303 |
| Administrative | 140,415 | 8,254 | | 148,669 |
| Other | 44,060 | 6,274 | 75 | 50,409 |
| Capital outlay | 1,939,983 | | 12,361,808 | 14,301,791 |
| Debt service | | | | |
| Principal | | 1,640,000 | | 1,640,000 |
| Interest and fees | | 3,235,189 | | 3,235,189 |
| Developer interest | | | 1,195,265 | 1,195,265 |
| Debt issuance costs | | | 1,152,618 | 1,152,618 |
| Lease - principal | 203,025 | | | 203,025 |
| Lease - interest | 115,665 | | | 115,665 |
| Depreciation and amortization | | | | |
| Total Expenditures/Expenses | <u>5,319,688</u> | <u>4,994,135</u> | <u>14,962,734</u> | <u>25,276,557</u> |
| Revenues Over (Under) Expenditures/Expenses | 1,683,144 | 1,044,611 | (14,652,387) | (11,924,632) |
| Other Financing Sources/(Uses) | | | | |
| Proceeds from sale of bonds | | 308,250 | 14,646,750 | 14,955,000 |
| Internal transfers | 151,289 | | (151,289) | |
| Other Item | | | | |
| Transfers to other governments | | | | |
| Net Change in Fund Balances | 1,834,433 | 1,352,861 | (156,926) | 3,030,368 |
| Change in Net Position | | | | |
| Fund Balance/Net Position | | | | |
| Beginning of the year, as reported | 7,652,517 | 4,829,835 | 6,004,480 | 18,486,832 |
| Change due to new accounting guidance (See Note 3) | | | | |
| Beginning of the year, as restated | <u>7,652,517</u> | <u>4,829,835</u> | <u>6,004,480</u> | <u>18,486,832</u> |
| End of the year | <u>\$ 9,486,950</u> | <u>\$ 6,182,696</u> | <u>\$ 5,847,554</u> | <u>\$ 21,517,200</u> |

See notes to basic financial statements.

| Adjustments | Statement of Activities |
|------------------------|----------------------------|
| \$ - | \$ 796,899 |
| | 1,192,708 |
| (148,987) | 8,205,371 |
| (12,317) | 113,684 |
| | 817,162 |
| | 1,121,907 |
| | 41,118 |
| | 901,772 |
| <u>(161,304)</u> | <u>13,190,621</u> |
| | 408,315 |
| | 1,425,915 |
| | 408,332 |
| | 111,061 |
| | 96,000 |
| | 784,303 |
| | 148,669 |
| | 50,409 |
| (14,301,791) | |
| (1,640,000) | |
| 89,621 | 3,324,810 |
| | 1,195,265 |
| | 1,152,618 |
| (203,025) | |
| | 115,665 |
| <u>1,900,754</u> | <u>1,900,754</u> |
| <u>(14,154,441)</u> | <u>11,122,116</u> |
| 13,993,137 | 2,068,505 |
| (14,955,000) | |
| <u>(3,702,572)</u> | <u>(3,702,572)</u> |
| (3,030,368) | |
| (1,634,067) | (1,634,067) |
| (59,837,852) | (41,351,020) |
| <u>1,280,926</u> | <u>1,280,926</u> |
| <u>(58,556,926)</u> | <u>(40,070,094)</u> |
| <u>\$ (63,221,361)</u> | <u>\$ (41,704,161)</u> |

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Harris County Municipal Utility District No. 319 (the “District”) conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to House Bill No. 2514, 69th Legislature, Regular Session, dates June 14, 1985, and operated in accordance with Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution. The Board of Directors held its first meeting on February 24, 2014, and the first bonds were issued on December 13, 2018.

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

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statements as component units.

Government-Wide and Fund Financial Statements

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

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

Harris County Municipal Utility District No. 319
Notes to Financial Statements
April 30, 2025

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

- The General Fund is used to account for the operations of the District's water and sewer system and all other financial transactions not reported in other funds. The principal sources of revenue are property taxes and water and sewer service fees. Expenditures include costs associated with the daily operations of the District.
- The Debt Service Fund is used to account for the payment of interest and principal on the District's general long-term debt. The primary source of revenue for debt service is property taxes. During the current fiscal year, financial resources also included capitalized interest from the sale of bonds. Expenditures include costs incurred in assessing and collecting these taxes.
- The Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the District's water, sewer and drainage facilities, park and recreational facilities and road improvements.

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

Measurement Focus and Basis of Accounting

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

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

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

Use of Restricted Resources

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

Harris County Municipal Utility District No. 319
Notes to Financial Statements
April 30, 2025

Prepaid Items

Certain payments made by the District reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At April 30, 2025, an allowance for uncollectible accounts was not considered necessary.

Unbilled Service Revenues

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

Interfund Activity

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

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost that exceeds the capitalization threshold for the asset class and an estimated useful life in excess of one year. Capital assets that individually are below the capitalization threshold but, in the aggregate, are above the threshold are capitalized. Subsequent replacements of these assets that do not exceed the threshold are not capitalized. The District's capitalization threshold for infrastructure assets is \$50,000. The threshold for subscription-based information technology arrangements (SBITAs) is \$250,000.

Capital assets are recorded at historical cost or estimated historical cost. Right-to-use leased assets are valued at the present value of future lease payments. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Harris County Municipal Utility District No. 319
Notes to Financial Statements
April 30, 2025

Depreciable capital assets, which primarily consist of water, wastewater and drainage facilities, are depreciated (or amortized in the case of intangible assets) using the straight-line method as follows:

| Assets | Useful Life |
|----------------------------|-------------|
| Infrastructure | 10-45 years |
| Landscaping improvements | 10-20 years |
| Right-to-use leased assets | 5 years |

The District's detention facilities and drainage channels are considered improvements to land and are non-depreciable.

Deferred Inflows and Outflows of Financial Resources

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

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

Net Position – Governmental Activities

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

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

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

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District's nonspendable fund balance consists of prepaid items.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District's restricted fund balances

Harris County Municipal Utility District No. 319
Notes to Financial Statements
April 30, 2025

consist of unspent bond proceeds in the Capital Projects Fund and property taxes levied for debt service in the Debt Service Fund.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District does not have any committed fund balances.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned - all other spendable amounts in the General Fund.

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include, among others, the collectability of receivables; the value of unbilled utility revenues and receivables; the useful lives and impairment of capital assets; the value of amounts due to developers; the value of capital assets transferred, and the value of capital assets for which the developers have not been fully reimbursed. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

Harris County Municipal Utility District No. 319
Notes to Financial Statements
April 30, 2025

Note 2 – Adjustment from Governmental to Government-wide Basis

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

| | |
|--|---------------|
| Total fund balance, governmental funds | \$ 21,517,200 |
|--|---------------|

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

| | | |
|--|--------------------|------------|
| Historical cost | \$ 54,560,078 | |
| Less accumulated depreciation/amortization | <u>(7,902,665)</u> | |
| | | 46,657,413 |

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.

The difference consists of:

| | | |
|--------------------------|---------------------|---------------|
| Accrued interest payable | (584,293) | |
| Lease obligations | (1,218,240) | |
| Due to developers | (20,601,083) | |
| Bonds payable | <u>(87,665,000)</u> | |
| | | (110,068,616) |

Deferred inflows in the fund statements consist of property taxes receivable that have been levied and are due, but are not available to pay current period expenditures. These amounts are included in revenues in the government-wide statements.

189,842

| | |
|--|-------------------------------|
| Total net position - governmental activities | <u><u>\$ (41,704,161)</u></u> |
|--|-------------------------------|

Harris County Municipal Utility District No. 319
Notes to Financial Statements
April 30, 2025

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

| | |
|--|--------------|
| Net change in fund balances - total governmental funds | \$ 3,030,368 |
|--|--------------|

| | |
|--|-----------|
| Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the <i>Statement of Activities</i> when earned. The difference is for property taxes and penalties and interest. | (161,304) |
|--|-----------|

Financial reporting for capital assets varies significantly between the fund statements and the government-wide statements. Reporting at the fund level focuses on the impact of transactions on financial resources (i.e., cash), while reporting at the government-wide level seeks to allocate the cost of the acquisition of capital assets over their useful lives and to measure the economic impact of developer financing of capital assets used by the District or conveyed to other governmental entities. Differences during the current fiscal year are for the following:

| | | |
|-----------------------------------|--------------------|-----------|
| Capital outlays | \$ 14,301,791 | |
| Transfers to other governments | (3,702,572) | |
| Depreciation/amortization expense | <u>(1,900,754)</u> | |
| | | 8,698,465 |

Financial reporting for long-term obligations varies between the fund statements and the government-wide statements. At the fund level, the focus is on increases and decreases of financial resources as liabilities are acquired and repaid. At the government-wide level, the focus is on measuring and reporting on changes in the District's obligation to repay liabilities in the future. Differences during the current fiscal year are for the following:

| | | |
|-----------------------------|-----------------|--------------|
| Principal payments - leases | 203,025 | |
| Issuance of long-term debt | (14,955,000) | |
| Principal payments - bonds | 1,640,000 | |
| Interest expense accrual | <u>(89,621)</u> | |
| | | (13,201,596) |

| | |
|---|------------------------------|
| Change in net position of governmental activities | <u><u>\$ (1,634,067)</u></u> |
|---|------------------------------|

Note 3 – Implementation of New Accounting Guidance

During the current fiscal year, the District implemented GASB Implementation Guide (“GASBIG”) 2021-1, Question 5.1, which requires the capitalization of the acquisition of a group of individual capital assets whose individual acquisition costs are less than the capitalization threshold when the

Harris County Municipal Utility District No. 319
Notes to Financial Statements
April 30, 2025

cost of the acquisition of the assets in the aggregate is significant. Under this new guidance, the District's acquisition of water meters that exceeds the capitalization threshold in the aggregate should be recorded as Capital outlays instead of Contracted services in the *Statement of Revenues, Expenditures and Changes in Fund Balances*. On the government-wide statements, the acquisition of water meters should not be recorded as an expense on the *Statement of Activities* but should be recorded as capital assets on the *Statement of Net Position*.

GASBIG 2021-1, Question 5.1 is required to be retroactively implemented, which means the District is required to record the acquisition of water meters that were expensed in previous fiscal years as infrastructure capital assets and to record the related accumulated depreciation at the beginning of the current fiscal year. Accordingly, the District has recorded a restatement to recognize \$1,280,926 in depreciable capital assets, which were measured at net book value (i.e., cost less accumulated depreciation) as of the beginning of the current fiscal year and increased its beginning net position by the same amount. Prior year amounts in the Management's Discussion and Analysis and supplementary schedules were not restated.

Note 4 – Deposits and Investments

Deposit Custodial Credit Risk

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

Investments

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

Harris County Municipal Utility District No. 319
Notes to Financial Statements
April 30, 2025

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

As of April 30, 2025, the District's investments consist of the following:

| <u>Type</u> | <u>Fund</u> | <u>Carrying Value</u> | <u>Percentage of Total</u> | <u>Rating</u> | <u>Weighted Average Maturity</u> |
|-------------------------|------------------|---------------------------|--------------------------------|---------------|--|
| Certificates of deposit | General | \$ 2,115,000 | | | |
| | Debt Service | 235,000 | | | |
| | | <u>2,350,000</u> | 11% | N/A | N/A |
| Texas CLASS | General | 7,247,965 | | | |
| | Debt Service | 5,836,451 | | | |
| | Capital Projects | 5,969,760 | | | |
| | | <u>19,054,176</u> | 89% | AAAm | 41 days |
| Total | | <u>\$ 21,404,176</u> | <u>100%</u> | | |

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

Texas CLASS

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

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

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

Harris County Municipal Utility District No. 319
Notes to Financial Statements
April 30, 2025

Investment Credit and Interest Rate Risk

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

Note 5 – Interfund Balances and Transactions

Amounts due to/from other funds at April 30, 2025, consist of the following:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amounts</u> | <u>Purpose</u> |
|------------------------|-----------------------|----------------|---|
| General Fund | Debt Service Fund | \$ 11,571 | Maintenance tax collections not remitted as of year end |
| General Fund | Capital Projects Fund | 34,897 | Bond application fees paid by the General Fund |

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

A summary of internal transfers for the current fiscal year is as follows:

| <u>Transfers Out</u> | <u>Transfers In</u> | <u>Amounts</u> | <u>Purpose</u> |
|-----------------------|-----------------------|----------------|---|
| Capital Projects Fund | General Fund | \$ 195,050 | To provide funds for construction costs incurred in the current fiscal year |
| General Fund | Capital Projects Fund | 43,761 | To finance a portion of bond application fees incurred in the prior fiscal year |

Harris County Municipal Utility District No. 319
Notes to Financial Statements
April 30, 2025

Note 6 – Capital Assets

A summary of changes in capital assets, for the year ended April 30, 2025, is as follows:

| | Beginning Balances | Additions/ Adjustments | Ending Balances |
|--|-----------------------|---------------------------|----------------------|
| Capital assets not being depreciated | | | |
| Land and improvements | \$ 2,469,864 | \$ 915,907 | \$ 3,385,771 |
| Construction in progress | 1,313,179 | 1,498,651 | 2,811,830 |
| | <u>3,783,043</u> | <u>2,414,558</u> | <u>6,197,601</u> |
| Capital assets being depreciated/amortized | | | |
| Infrastructure | 39,249,259 | 1,867,538 | 41,116,797 |
| Landscaping improvements | 4,260,639 | 1,459,749 | 5,720,388 |
| Right-to-use leased assets | 1,525,292 | | 1,525,292 |
| | <u>45,035,190</u> | <u>3,327,287</u> | <u>48,362,477</u> |
| Less accumulated depreciation/amortization | | | |
| Infrastructure | (4,266,673) | (1,112,521) | (5,379,194) |
| Landscaping improvements | (1,599,118) | (483,175) | (2,082,293) |
| Right-to-use leased assets | (136,120) | (305,058) | (441,178) |
| | <u>(6,001,911)</u> | <u>(1,900,754)</u> | <u>(7,902,665)</u> |
| Subtotal depreciable capital assets, net | <u>39,033,279</u> | <u>3,841,091</u> | <u>40,459,812</u> |
| Capital assets, net | <u>\$ 42,816,322</u> | <u>\$ 6,255,649</u> | <u>\$ 46,657,413</u> |

Depreciation/amortization expense for the current fiscal year was \$1,900,754.

As discussed in Note 3, the District recorded a restatement to capitalize the acquisition of certain capital assets and accumulated depreciation at the beginning of the current fiscal year. In previous fiscal years, these costs were expensed. As a result, beginning balances for infrastructure capital assets in the current fiscal year are not consistent with prior year data.

The District has contractual commitments for construction projects as follows:

| | Contract Amount | Paid To Date | Remaining Amount * |
|--|---------------------|---------------------|-----------------------|
| Wastewater treatment plant expansion phase 2 | \$ 1,138,732 | \$ 1,078,731 | \$ 60,001 |
| Water plant no. 2 | 5,670,900 | | 5,670,900 |
| Paving to serve Dellrose Section 20 | 1,127,156 | 1,025,393 | 101,763 |
| | <u>\$ 7,936,788</u> | <u>\$ 2,104,124</u> | <u>\$ 5,832,664</u> |

* Includes retainage

Harris County Municipal Utility District No. 319
Notes to Financial Statements
April 30, 2025

Note 7 – Due to Developers

The District has entered into financing agreements with its developers for the financing of the construction of water, sewer, drainage, and park and recreational facilities and road improvements. Under the agreements, the developers will advance funds for the construction of facilities to serve the District. The developers will be reimbursed from proceeds of future bond issues or other lawfully available funds, subject to approval by TCEQ, as applicable. The District does not record the capital asset and related liability on the government-wide statements until construction of the facilities is complete. The initial cost is estimated based on construction costs plus 10-15% for engineering and other fees. Estimates are trued up when the developers are reimbursed.

The District's developers have also advanced funds to the District for operating expenses.

Changes in the estimated amounts due to developers during the fiscal year are as follows:

| | |
|---|-----------------------------|
| Due to developers, beginning of year | \$ 25,458,457 |
| Developer funded construction and adjustments | 5,873,797 |
| Developer reimbursements | <u>(10,731,171)</u> |
| Due to developers, end of year | <u><u>\$ 20,601,083</u></u> |

In addition, the District will owe the developers approximately \$6,082,018, which is included in the following schedule of contractual commitments. The exact amount is not known until approved by the TCEQ and verified by the District's auditor. As previously noted, these projects will be reported in the government-wide financial statements upon completion of construction.

| | Contract Amount | Percent Complete |
|---|----------------------------|---------------------|
| Dellrose Section 18 - utilities | \$ 530,000 | 95% |
| Dellrose Section 19 - utilities | 2,996,443 | 84% |
| Dellrose Section 20 - utilities | 996,759 | 94% |
| Dellrose Sections 17, 18 and 19 - landscaping | 953,615 | 85% |
| Dellrose Section 20 - landscaping | 605,201 | 0% |
| | <u><u>\$ 6,082,018</u></u> | |

Note 8 – Lease Obligations

The District has entered into multiple equipment lease agreements for interim wastewater treatment plants. The terms of certain of these leases resulted in the recognition of right-to-use leased assets and lease obligations in the government-wide statements measured at the present value of future lease payments. See Note 12 for discussion of leases that did not result in the recognition of assets and liabilities.

Harris County Municipal Utility District No. 319
Notes to Financial Statements
April 30, 2025

The following table summarizes the key terms of the District's lease obligations:

| Description | Gallons Per Day | Effective Date | Term | Interest Rate | Annual Payment | Original Liability | Remaining Balance |
|-------------|--------------------|-------------------|---------|------------------|-------------------|-----------------------|----------------------|
| Phase 2 | 150,000 | 8/1/2022 | 5 years | 8.00% | \$ 82,800 | \$ 340,302 | \$ 169,980 |
| Phase 3 | 250,000 | 8/1/2024 | 5 years | 11.75% | 314,520 | 1,184,990 | 1,048,260 |
| | | | | | <u>\$ 397,320</u> | <u>\$ 1,525,292</u> | <u>\$ 1,218,240</u> |

Annual requirements to amortize long-term lease obligations and related interest are as follows:

| Year Ended | Principal | Interest | Total |
|---------------------|---------------------|-------------------|---------------------|
| 2026 | \$ 273,796 | \$ 123,524 | \$ 397,320 |
| 2027 | 304,809 | 92,511 | 397,320 |
| 2028 | 275,648 | 59,572 | 335,220 |
| 2029 | 286,877 | 27,643 | 314,520 |
| 2030 | 77,110 | 1,520 | 78,630 |
| | <u>\$ 1,218,240</u> | <u>\$ 304,770</u> | <u>\$ 1,523,010</u> |
| Due within one year | <u>\$ 273,796</u> | <u>\$ 123,524</u> | <u>\$ 397,320</u> |

All leases contain standard lease terms that state that the leases shall automatically be extended on a month-to-month basis after the initial term of the lease, unless otherwise terminated.

The District is responsible for all ordinary expenses related to repairing and maintaining the equipment under all leases. Additionally, all leases required the pre-payment of the first and last month's lease payment, which is included with lease payments for \$74,220 in Prepaid items on the *Balance Sheet* and *Statement of Net Position*.

The allocation of lease payments between principal and interest for the current fiscal year is as follows:

| Description | Annual Payment | Principal | Interest |
|-------------|-------------------|-------------------|-------------------|
| Phase 2 | \$ 82,800 | \$ 66,295 | \$ 16,505 |
| Phase 3 | 235,890 | 136,730 | 99,160 |
| Totals | <u>\$ 318,690</u> | <u>\$ 203,025</u> | <u>\$ 115,665</u> |

Note 9 – Long-Term Debt

Long-term debt is comprised of the following:

| | |
|---------------------|----------------------|
| Bonds payable | <u>\$ 87,665,000</u> |
| Due within one year | <u>\$ 2,380,000</u> |

Harris County Municipal Utility District No. 319
Notes to Financial Statements
April 30, 2025

The District's bonds payable at April 30, 2025, consists of unlimited tax bonds as follows:

| Series | Amounts Outstanding | Original Issue | Interest Rates | Maturity Date, Beginning/ Ending | Interest Payment Dates | Call Dates |
|---------------|------------------------|-------------------|-------------------|--|------------------------------|----------------------|
| 2018 | \$ 5,860,000 | \$ 6,745,000 | 3.00% - 4.50% | September 1, 2020/2043 | September 1, March 1 | September 1, 2023 |
| 2020 | 5,840,000 | 6,600,000 | 2.00% - 4.50% | September 1, 2021/2044 | September 1, March 1 | September 1, 2025 |
| 2020A Road | 4,525,000 | 4,975,000 | 2.00% - 4.50% | September 1, 2022/2045 | September 1, March 1 | September 1, 2025 |
| 2021 | 7,825,000 | 8,350,000 | 1.00% - 3.00% | September 1, 2023/2046 | September 1, March 1 | September 1, 2026 |
| 2022 | 11,685,000 | 12,370,000 | 3.00% - 5.50% | September 1, 2023/2047 | September 1, March 1 | May 1, 2027 |
| 2023 Road | 14,745,000 | 14,850,000 | 4.00% - 6.50% | September 1, 2024/2048 | September 1, March 1 | April 1, 2028 |
| 2023 | 6,195,000 | 6,300,000 | 5.00% - 6.00% | September 1, 2024/2048 | September 1, March 1 | September 1, 2028 |
| 2023A Road | 16,035,000 | 16,300,000 | 5.00% - 6.75% | September 1, 2024/2048 | September 1, March 1 | September 1, 2028 |
| 2024 | 10,330,000 | 10,330,000 | 4.00% - 5.00% | September 1, 2025/2048 | September 1, March 1 | September 1, 2029 |
| 2024 Road | 4,625,000 | 4,625,000 | 3.50% - 6.00% | September 1, 2025/2048 | September 1, March 1 | September 1, 2030 |
| | <u>\$ 87,665,000</u> | | | | | |

Payments of principal and interest on all series of bonds are to be provided from taxes levied on all properties within the District. Investment income realized by the Debt Service Fund from investment of idle funds will be used to pay outstanding bond principal and interest. The District is in compliance with the terms of its bond resolutions.

At April 30, 2025, the District had authorized but unissued bonds in the amount of \$151,805,000 for water, sewer and drainage facilities and the refunding of such bonds; \$96,300,000 for park and recreational facilities and the refunding of such bonds; and \$6,500,000 for road improvements and the refunding of such bonds.

On August 15, 2024, the District issued its \$10,330,000 Series 2024 Unlimited Tax Bonds at a net effective interest rate of 4.155013%. Proceeds of the bonds were used (1) to reimburse developers for the following: the construction of capital assets within the District; engineering, and other costs associated with the construction of capital assets; and the acquisition of land for certain District facilities, (2) to pay developer interest at the net effective interest rate of the bonds and (3) to pay capitalized interest into the Debt Service Fund.

Harris County Municipal Utility District No. 319
Notes to Financial Statements
April 30, 2025

Additionally, on October 17, 2024, the District issued its \$4,625,000 Series 2024 Unlimited Tax Road Bonds at a net effective interest rate of 4.035354%. Proceeds of the bonds were used (1) to reimburse developers for road facilities and right-of-way land acquisitions, (2) to pay developer interest at the net effective interest rate of the bonds and (3) to pay capitalized interest into the Debt Service Fund.

The change in the District's long-term debt during the fiscal year is as follows:

| | |
|----------------------------------|-----------------------------|
| Bonds payable, beginning of year | \$ 74,350,000 |
| Bonds issued | 14,955,000 |
| Bonds retired | <u>(1,640,000)</u> |
| Bonds payable, end of year | <u><u>\$ 87,665,000</u></u> |

As of April 30, 2025, annual debt service requirements on bonds outstanding are as follows:

| Year | Principal | Interest | Totals |
|------|-----------------------------|-----------------------------|------------------------------|
| 2026 | \$ 2,380,000 | \$ 3,445,570 | \$ 5,825,570 |
| 2027 | 2,500,000 | 3,323,687 | 5,823,687 |
| 2028 | 2,600,000 | 3,202,450 | 5,802,450 |
| 2029 | 2,700,000 | 3,082,182 | 5,782,182 |
| 2030 | 2,805,000 | 2,969,006 | 5,774,006 |
| 2031 | 2,920,000 | 2,862,205 | 5,782,205 |
| 2032 | 3,040,000 | 2,751,994 | 5,791,994 |
| 2033 | 3,150,000 | 2,639,047 | 5,789,047 |
| 2034 | 3,285,000 | 2,521,997 | 5,806,997 |
| 2035 | 3,410,000 | 2,399,406 | 5,809,406 |
| 2036 | 3,545,000 | 2,270,756 | 5,815,756 |
| 2037 | 3,685,000 | 2,135,581 | 5,820,581 |
| 2038 | 3,835,000 | 1,993,853 | 5,828,853 |
| 2039 | 3,985,000 | 1,845,273 | 5,830,273 |
| 2040 | 4,155,000 | 1,689,411 | 5,844,411 |
| 2041 | 4,325,000 | 1,525,278 | 5,850,278 |
| 2042 | 4,505,000 | 1,352,838 | 5,857,838 |
| 2043 | 4,690,000 | 1,172,439 | 5,862,439 |
| 2044 | 4,905,000 | 983,923 | 5,888,923 |
| 2045 | 4,715,000 | 795,691 | 5,510,691 |
| 2046 | 4,525,000 | 612,920 | 5,137,920 |
| 2047 | 4,420,000 | 430,778 | 4,850,778 |
| 2048 | 4,150,000 | 248,807 | 4,398,807 |
| 2049 | 3,435,000 | 79,075 | 3,514,075 |
| | <u><u>\$ 87,665,000</u></u> | <u><u>\$ 46,334,167</u></u> | <u><u>\$ 133,999,167</u></u> |

Harris County Municipal Utility District No. 319
Notes to Financial Statements
April 30, 2025

Note 10 – Property Taxes

On November 3, 2015, the voters of the District authorized the District's Board of Directors to levy taxes annually for use in financing general operations limited to \$1.50 per \$100 of assessed value. In addition, the voters of the District authorized the District's Board of Directors to levy taxes annually for road maintenance limited to \$0.25 per \$100 of assessed value. The District's bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

All property values and exempt status, if any, are determined by the Harris Central Appraisal District. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

Property taxes are collected based on rates adopted in the year of the levy. The District's 2025 fiscal year was financed through the 2024 tax levy, pursuant to which the District levied property taxes of \$1.27 per \$100 of assessed value, of which \$0.39 was allocated to maintenance and operations, \$0.46 was allocated to debt service, and \$0.42 was allocated to road debt service. The resulting tax levy was \$8,215,034 on the adjusted taxable value of \$646,853,094.

Property taxes receivable, at April 30, 2025, consisted of the following:

| | |
|---------------------------------|-------------------|
| Current year taxes receivable | \$ 119,295 |
| Prior years taxes receivable | 42,018 |
| | <hr/> |
| | 161,313 |
| Penalty and interest receivable | 28,529 |
| Property taxes receivable | <hr/> |
| | <u>\$ 189,842</u> |

Note 11 – Transfers to Other Governments

Harris County assumes responsibility for the maintenance of public roads constructed within the county limits. Accordingly, road facilities are considered to be capital assets of Harris County, not the District and are recorded as transfers to other governments on the *Statement of Activities* upon completion of construction. Additionally, the District has completed certain regional detention facilities which were conveyed to Harris County Flood Control District. The estimated cost of each project is trued-up when the developers are subsequently reimbursed. For the year ended April 30, 2025, the District recorded transfers to other governments in the amount of \$3,702,572 for right-of-way land acquisitions and road facilities constructed by a developer within the District.

Note 12 – Lease Agreement

On December 31, 2015, the District entered into a lease agreement for a temporary wastewater treatment plant. The initial term of this 60-months lease expired on July 1, 2022. The lease is currently on a month-to-month basis. Accordingly, the District does not have an associated lease obligation

Harris County Municipal Utility District No. 319
Notes to Financial Statements
April 30, 2025

because the payments are month to month. Monthly payments for the lease are \$8,000 with a total cost for the current fiscal year of \$96,000. Standard lease terms required the District to prepay the last month's lease payment upon inception of the lease. All such amounts are recorded as a prepaid expense on the *Statement of Net Position*. The District is responsible for all ordinary expenses related to repairing and maintaining the equipment.

Note 13 – Interim and Emergency Water Supply Agreement

On February 25, 2015, the District and Northwest Freeway Municipal Utility District (“Northwest MUD”) entered into an Interim and Emergency Water Supply Agreement for the purchase of water supply not to exceed 15,000 gallons per month. During the current fiscal year, the District did not purchase emergency water supply from Northwest MUD.

Pursuant to the agreement, each District agrees to temporarily supply water to the other District in the event of an emergency at a rate of \$1.00 per 1,000 gallons of water delivered plus any groundwater pumpage fees imposed on the supplying District. The term of this provision for emergency water supply is 40 years.

Note 14 – Water, Wastewater, and Operations Cost Sharing Agreement

On May 11, 2017, subsequently amended November 18, 2021, the District entered into a 40-year term Water, Wastewater, and Operations Cost Sharing Agreement with the Cypress 600 Development Partners (“Cypress 600”) and Pulte Homes of Texas (“Pulte”). Pulte acquired a portion of existing capacity by reimbursing Cypress 600 a share of construction costs. Pursuant to the agreement, Cypress 600 and Pulte shall split future construction costs of additional facilities based on projected ESFCs of 63% and 37%, respectively.

Note 15 – Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

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Required Supplementary Information

***Harris County Municipal Utility District No. 319
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended April 30, 2025***

| | Original and Final Budget | Actual | Variance Positive (Negative) |
|-----------------------------------|------------------------------|---------------------|------------------------------------|
| Revenues | | | |
| Water service | \$ 658,000 | \$ 796,899 | \$ 138,899 |
| Sewer service | 945,000 | 1,192,708 | 247,708 |
| Property taxes | 1,972,000 | 2,576,047 | 604,047 |
| Penalties and interest | 65,000 | 78,503 | 13,503 |
| Surface water fees | 986,000 | 817,162 | (168,838) |
| Tap connection and inspection | 1,031,000 | 1,121,907 | 90,907 |
| Miscellaneous | 22,000 | 25,740 | 3,740 |
| Investment earnings | 372,400 | 393,866 | 21,466 |
| Total Revenues | <u>6,051,400</u> | <u>7,002,832</u> | <u>951,432</u> |
| Expenditures | | | |
| Current service operations | | | |
| Professional fees | 118,000 | 157,868 | (39,868) |
| Contracted services | 1,227,260 | 1,318,976 | (91,716) |
| Repairs and maintenance | 450,542 | 408,332 | 42,210 |
| Utilities | 107,900 | 111,061 | (3,161) |
| Lease | 178,800 | 96,000 | 82,800 |
| Regional water authority fees | 986,000 | 784,303 | 201,697 |
| Administrative | 99,600 | 140,415 | (40,815) |
| Other | 35,605 | 44,060 | (8,455) |
| Capital outlay | 843,000 | 1,939,983 | (1,096,983) |
| Debt service | | | |
| Lease - principal | | 203,025 | (203,025) |
| Lease - interest | | 115,665 | (115,665) |
| Total Expenditures | <u>4,046,707</u> | <u>5,319,688</u> | <u>(1,272,981)</u> |
| Revenues Over Expenditures | 2,004,693 | 1,683,144 | (321,549) |
| Other Financing Sources | | | |
| Internal transfers | <u>75,080</u> | <u>151,289</u> | <u>76,209</u> |
| Net Change in Fund Balance | 2,079,773 | 1,834,433 | (245,340) |
| Fund Balance | | | |
| Beginning of the year | <u>7,652,517</u> | <u>7,652,517</u> | |
| End of the year | <u>\$ 9,732,290</u> | <u>\$ 9,486,950</u> | <u>\$ (245,340)</u> |

Harris County Municipal Utility District No. 319
Notes to Required Supplementary Information
April 30, 2025

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. There were no amendments to the budget during the fiscal year.

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Texas Supplementary Information

Harris County Municipal Utility District No. 319
TSI-1. Services and Rates
April 30, 2025

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

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

2. Retail Service Providers

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

| | Minimum Charge | Minimum Usage | Flat Rate (Y / N) | Rate per 1,000 Gallons Over Minimum Usage | Usage Levels | |
|---|-------------------|------------------|----------------------|---|--|--------------|
| Water: | \$ 18.00 | 5,000 | N | \$ 1.75 | 5,000 | to 10,000 |
| | | | | \$ 2.00 | 10,001 | to 20,000 |
| | | | | \$ 2.50 | 20,001 | to unlimited |
| Wastewater: | \$ 42.13 | N/A | Y | | | to |
| Surcharge: | \$ 2.86 | 1,000 | N | \$ 2.86 | 1,001 | to unlimited |
| District employs winter averaging for wastewater usage? | | | | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| Total charges per 10,000 gallons usage: | | | | Water \$ 55.35 | Wastewater \$ 42.13 | |

b. Water and Wastewater Retail Connections:

| Meter Size | Total Connections | Active Connections | ESFC Factor | Active ESFC'S |
|------------------|----------------------|-----------------------|-------------|------------------|
| Unmetered | | | x 1.0 | |
| less than 3/4" | 2,485 | 2,466 | x 1.0 | 2,466 |
| 1" | 102 | 102 | x 2.5 | 255 |
| 1.5" | | | x 5.0 | |
| 2" | 32 | 30 | x 8.0 | 240 |
| 3" | | | x 15.0 | |
| 4" | | | x 25.0 | |
| 6" | | | x 50.0 | |
| 8" | 2 | 2 | x 80.0 | 160 |
| 10" | | | x 115.0 | |
| Total Water | 2,621 | 2,600 | | 3,121 |
| Total Wastewater | 2,621 | 2,598 | x 1.0 | 2,598 |

See accompanying auditor's report.

Harris County Municipal Utility District No. 319
TSI-1. Services and Rates
April 30, 2025

3. Total Water Consumption during the fiscal year (rounded to the nearest thousand):

| | | |
|------------------------------|--------------------|-----------------------------------|
| Gallons pumped into system: | <u>255,270,000</u> | Water Accountability Ratio: |
| Gallons billed to customers: | <u>235,440,000</u> | (Gallons billed / Gallons pumped) |
| | | <u>92.23%</u> |

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: _____

5. Location of District:

Is the District located entirely within one county? Yes ☒ No ☐

County(ies) in which the District is located: Harris County

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

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

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

Entirely ☒ Partly ☐ Not at all ☐

ETJs in which the District is located: City of Houston

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

If Yes, by whom? _____

See accompanying auditor's report.

Harris County Municipal Utility District No. 319
TSI-2. General Fund Expenditures
For the Year Ended April 30, 2025

| | |
|-------------------------------|----------------------------|
| Professional fees | |
| Legal | \$ 88,547 |
| Audit | 15,000 |
| Engineering | 54,321 |
| | <u>157,868</u> |
| Contracted services | |
| Bookkeeping | 91,096 |
| Operator | 175,921 |
| Garbage collection | 701,563 |
| Security | 206,608 |
| Tap inspection | 143,788 |
| | <u>1,318,976</u> |
| Repairs and maintenance | <u>408,332</u> |
| Utilities | <u>111,061</u> |
| Lease | <u>96,000</u> |
| Regional water authority fees | <u>784,303</u> |
| Administrative | |
| Directors fees | 17,238 |
| Printing and office supplies | 8,884 |
| Insurance | 37,175 |
| Other | 77,118 |
| | <u>140,415</u> |
| Other | <u>44,060</u> |
| Capital outlay | <u>1,939,983</u> |
| Debt service | |
| Lease - principal | 203,025 |
| Lease - interest | 115,665 |
| | <u>318,690</u> |
| Total expenditures | <u><u>\$ 5,319,688</u></u> |

See accompanying auditor's report.

Harris County Municipal Utility District No. 319

TSI-3. Investments

April 30, 2025

| <u>Fund</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Balance at End of Year</u> | <u>Interest Receivable</u> |
|------------------------|--------------------------|--------------------------|-----------------------------------|--------------------------------|
| General | | | | |
| Texas CLASS | Variable | N/A | \$ 7,247,965 | \$ - |
| Certificate of deposit | 5.25% | 07/22/25 | 235,000 | 9,532 |
| Certificate of deposit | 5.25% | 05/27/25 | 235,000 | 11,425 |
| Certificate of deposit | 4.56% | 09/15/25 | 235,000 | 1,233 |
| Certificate of deposit | 5.00% | 06/14/25 | 235,000 | 10,301 |
| Certificate of deposit | 4.43% | 06/07/25 | 235,000 | 4,050 |
| Certificate of deposit | 4.22% | 06/07/25 | 235,000 | 3,931 |
| Certificate of deposit | 5.25% | 08/21/25 | 235,000 | 8,518 |
| Certificate of deposit | 4.65% | 10/14/25 | 235,000 | 5,928 |
| Certificate of deposit | 4.25% | 12/16/25 | 235,000 | 3,749 |
| | | | <u>9,362,965</u> | <u>58,667</u> |
| Debt Service | | | | |
| Texas CLASS | Variable | N/A | 3,402,663 | |
| Texas CLASS | Variable | N/A | 2,433,788 | |
| Certificate of deposit | 4.02% | 08/06/25 | 235,000 | 2,165 |
| | | | <u>6,071,451</u> | <u>2,165</u> |
| Capital Projects | | | | |
| Texas CLASS | Variable | N/A | 5,736,733 | |
| Texas CLASS | Variable | N/A | 233,027 | |
| | | | <u>5,969,760</u> | |
| Total - All Funds | | | <u>\$ 21,404,176</u> | <u>\$ 60,832</u> |

See accompanying auditor's report.

Harris County Municipal Utility District No. 319
TSI-4. Taxes Levied and Receivable
April 30, 2025

| | Maintenance Taxes | Debt Service Taxes | Road Debt Service Taxes | Totals |
|--|----------------------|-----------------------|----------------------------|----------------|
| Taxes Receivable, Beginning of Year | \$ 110,989 | \$ 104,351 | \$ 94,960 | \$ 310,300 |
| Adjustments to Prior Year Tax Levy | (2,653) | (3,202) | (3,807) | (9,662) |
| Adjusted Receivable | 108,336 | 101,149 | 91,153 | 300,638 |
| 2024 Original Tax Levy | 2,367,566 | 2,792,513 | 2,549,686 | 7,709,765 |
| Adjustments | 155,161 | 183,011 | 167,097 | 505,269 |
| Adjusted Tax Levy | 2,522,727 | 2,975,524 | 2,716,783 | 8,215,034 |
| Total to be accounted for | 2,631,063 | 3,076,673 | 2,807,936 | 8,515,672 |
| Tax collections: | | | | |
| Current year | 2,486,093 | 2,932,315 | 2,677,331 | 8,095,739 |
| Prior years | 89,954 | 85,210 | 83,456 | 258,620 |
| Total Collections | 2,576,047 | 3,017,525 | 2,760,787 | 8,354,359 |
| Taxes Receivable, End of Year | \$ 55,016 | \$ 59,148 | \$ 47,149 | \$ 161,313 |
| Taxes Receivable, By Years | | | | |
| 2024 | \$ 36,634 | \$ 43,209 | \$ 39,452 | \$ 119,295 |
| 2023 | 6,025 | 5,748 | 5,817 | 17,590 |
| 2022 | 2,596 | 3,415 | 250 | 6,261 |
| 2021 and prior | 9,761 | 6,776 | 1,630 | 18,167 |
| Taxes Receivable, End of Year | \$ 55,016 | \$ 59,148 | \$ 47,149 | \$ 161,313 |
| | 2024 | 2023 | 2022 | 2021 |
| Property Valuations: | | | | |
| Land | \$ 147,327,405 | \$ 140,028,552 | \$ 98,498,848 | \$ 67,618,653 |
| Improvements | 529,532,238 | 424,080,672 | 293,476,954 | 171,677,191 |
| Personal Property | 7,998,289 | 4,795,685 | 1,895,875 | 1,263,306 |
| Exemptions | (38,004,838) | (41,256,288) | (36,777,976) | (17,860,454) |
| Total Property Valuations | \$ 646,853,094 | \$ 527,648,621 | \$ 357,093,701 | \$ 222,698,696 |
| Tax Rates per \$100 Valuation: | | | | |
| Maintenance tax rates | \$ 0.39 | \$ 0.435 | \$ 0.570 | \$ 0.80 |
| WSD debt service tax rates | 0.46 | 0.415 | 0.750 | 0.51 |
| Road debt service tax rates | 0.42 | 0.420 | 0.055 | 0.11 |
| Total Tax Rates per \$100 Valuation | \$ 1.27 | \$ 1.270 | \$ 1.375 | \$ 1.42 |
| Adjusted Tax Levy: | \$ 8,215,034 | \$ 6,701,137 | \$ 4,910,038 | \$ 3,162,321 |
| Percentage of Taxes Collected to Taxes Levied *** | 98.55% | 99.74% | 99.87% | 99.59% |

* Maximum Maintenance Tax Rate Approved by Voters: \$1.50 on November 3, 2015

** Maximum Road Maintenance Tax Rate Approved by Voters: \$0.25 on November 3, 2015

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

See accompanying auditor's report.

Harris County Municipal Utility District No. 319
TSI-5. Long-Term Debt Service Requirements
Series 2018--by Years
April 30, 2025

| <u>Due During Fiscal Years Ending</u> | <u>Principal Due September 1</u> | <u>Interest Due September 1, March 1</u> | <u>Total</u> |
|---|--------------------------------------|--|---------------------|
| 2026 | \$ 200,000 | \$ 244,200 | \$ 444,200 |
| 2027 | 210,000 | 237,025 | 447,025 |
| 2028 | 220,000 | 229,363 | 449,363 |
| 2029 | 230,000 | 221,063 | 451,063 |
| 2030 | 240,000 | 211,950 | 451,950 |
| 2031 | 250,000 | 202,150 | 452,150 |
| 2032 | 265,000 | 191,850 | 456,850 |
| 2033 | 275,000 | 180,878 | 455,878 |
| 2034 | 285,000 | 169,328 | 454,328 |
| 2035 | 300,000 | 157,075 | 457,075 |
| 2036 | 315,000 | 144,006 | 459,006 |
| 2037 | 330,000 | 130,094 | 460,094 |
| 2038 | 340,000 | 115,438 | 455,438 |
| 2039 | 355,000 | 100,013 | 455,013 |
| 2040 | 375,000 | 83,588 | 458,588 |
| 2041 | 390,000 | 66,375 | 456,375 |
| 2042 | 410,000 | 48,375 | 458,375 |
| 2043 | 425,000 | 29,588 | 454,588 |
| 2044 | 445,000 | 10,013 | 455,013 |
| | <u>\$ 5,860,000</u> | <u>\$ 2,772,372</u> | <u>\$ 8,632,372</u> |

See accompanying auditor's report.

Harris County Municipal Utility District No. 319
TSI-5. Long-Term Debt Service Requirements
Series 2020--by Years
April 30, 2025

| Due During Fiscal Years Ending | Principal Due September 1 | Interest Due September 1, March 1 | Total |
|-----------------------------------|------------------------------|---|---------------------|
| 2026 | \$ 205,000 | \$ 132,263 | \$ 337,263 |
| 2027 | 215,000 | 124,425 | 339,425 |
| 2028 | 220,000 | 119,000 | 339,000 |
| 2029 | 230,000 | 114,500 | 344,500 |
| 2030 | 235,000 | 109,850 | 344,850 |
| 2031 | 245,000 | 105,050 | 350,050 |
| 2032 | 255,000 | 100,050 | 355,050 |
| 2033 | 265,000 | 94,850 | 359,850 |
| 2034 | 275,000 | 89,450 | 364,450 |
| 2035 | 280,000 | 83,900 | 363,900 |
| 2036 | 290,000 | 78,019 | 368,019 |
| 2037 | 300,000 | 71,562 | 371,562 |
| 2038 | 310,000 | 64,700 | 374,700 |
| 2039 | 325,000 | 57,556 | 382,556 |
| 2040 | 335,000 | 49,922 | 384,922 |
| 2041 | 345,000 | 41,847 | 386,847 |
| 2042 | 360,000 | 33,250 | 393,250 |
| 2043 | 370,000 | 24,125 | 394,125 |
| 2044 | 385,000 | 14,688 | 399,688 |
| 2045 | 395,000 | 4,937 | 399,937 |
| | <u>\$ 5,840,000</u> | <u>\$ 1,513,944</u> | <u>\$ 7,353,944</u> |

See accompanying auditor's report.

Harris County Municipal Utility District No. 319
TSI-5. Long-Term Debt Service Requirements
Series 2020A Road--by Years
April 30, 2025

| Due During Fiscal Years Ending | Principal Due September 1 | Interest Due September 1, March 1 | Total |
|-----------------------------------|------------------------------|---|---------------------|
| 2026 | \$ 160,000 | \$ 93,631 | \$ 253,631 |
| 2027 | 165,000 | 89,981 | 254,981 |
| 2028 | 165,000 | 86,681 | 251,681 |
| 2029 | 170,000 | 83,331 | 253,331 |
| 2030 | 175,000 | 79,881 | 254,881 |
| 2031 | 185,000 | 76,281 | 261,281 |
| 2032 | 190,000 | 72,531 | 262,531 |
| 2033 | 195,000 | 68,681 | 263,681 |
| 2034 | 200,000 | 64,731 | 264,731 |
| 2035 | 205,000 | 60,681 | 265,681 |
| 2036 | 210,000 | 56,531 | 266,531 |
| 2037 | 220,000 | 52,231 | 272,231 |
| 2038 | 225,000 | 47,781 | 272,781 |
| 2039 | 230,000 | 43,232 | 273,232 |
| 2040 | 240,000 | 38,532 | 278,532 |
| 2041 | 245,000 | 33,375 | 278,375 |
| 2042 | 255,000 | 27,750 | 282,750 |
| 2043 | 260,000 | 21,957 | 281,957 |
| 2044 | 270,000 | 15,994 | 285,994 |
| 2045 | 275,000 | 9,863 | 284,863 |
| 2046 | 285,000 | 3,385 | 288,385 |
| | <u>\$ 4,525,000</u> | <u>\$ 1,127,041</u> | <u>\$ 5,652,041</u> |

See accompanying auditor's report.

Harris County Municipal Utility District No. 319
TSI-5. Long-Term Debt Service Requirements
Series 2021--by Years
April 30, 2025

| Due During Fiscal Years Ending | Principal Due September 1 | Interest Due September 1, March 1 | Total |
|-----------------------------------|------------------------------|---|---------------------|
| 2026 | \$ 270,000 | \$ 164,812 | \$ 434,812 |
| 2027 | 280,000 | 156,562 | 436,562 |
| 2028 | 285,000 | 149,512 | 434,512 |
| 2029 | 290,000 | 145,212 | 435,212 |
| 2030 | 300,000 | 141,888 | 441,888 |
| 2031 | 305,000 | 136,962 | 441,962 |
| 2032 | 315,000 | 130,763 | 445,763 |
| 2033 | 320,000 | 124,413 | 444,413 |
| 2034 | 330,000 | 117,913 | 447,913 |
| 2035 | 340,000 | 111,213 | 451,213 |
| 2036 | 345,000 | 104,363 | 449,363 |
| 2037 | 355,000 | 97,363 | 452,363 |
| 2038 | 365,000 | 89,934 | 454,934 |
| 2039 | 375,000 | 82,072 | 457,072 |
| 2040 | 385,000 | 73,756 | 458,756 |
| 2041 | 395,000 | 64,981 | 459,981 |
| 2042 | 400,000 | 56,038 | 456,038 |
| 2043 | 410,000 | 46,669 | 456,669 |
| 2044 | 425,000 | 36,753 | 461,753 |
| 2045 | 435,000 | 26,541 | 461,541 |
| 2046 | 445,000 | 16,091 | 461,091 |
| 2047 | 455,000 | 5,403 | 460,403 |
| | <u>\$ 7,825,000</u> | <u>\$ 2,079,214</u> | <u>\$ 9,904,214</u> |

See accompanying auditor's report.

Harris County Municipal Utility District No. 319
TSI-5. Long-Term Debt Service Requirements
Series 2022--by Years
April 30, 2025

| Due During Fiscal Years Ending | Principal Due September 1 | Interest Due September 1, March 1 | Total |
|-----------------------------------|------------------------------|---|----------------------|
| 2026 | \$ 375,000 | \$ 445,063 | \$ 820,063 |
| 2027 | 380,000 | 424,300 | 804,300 |
| 2028 | 400,000 | 405,350 | 805,350 |
| 2029 | 405,000 | 388,244 | 793,244 |
| 2030 | 410,000 | 373,487 | 783,487 |
| 2031 | 420,000 | 361,037 | 781,037 |
| 2032 | 425,000 | 347,831 | 772,831 |
| 2033 | 435,000 | 333,856 | 768,856 |
| 2034 | 445,000 | 319,000 | 764,000 |
| 2035 | 455,000 | 303,250 | 758,250 |
| 2036 | 470,000 | 286,475 | 756,475 |
| 2037 | 475,000 | 268,756 | 743,756 |
| 2038 | 490,000 | 250,663 | 740,663 |
| 2039 | 500,000 | 232,100 | 732,100 |
| 2040 | 510,000 | 213,163 | 723,163 |
| 2041 | 530,000 | 193,000 | 723,000 |
| 2042 | 545,000 | 171,500 | 716,500 |
| 2043 | 565,000 | 149,300 | 714,300 |
| 2044 | 575,000 | 126,500 | 701,500 |
| 2045 | 675,000 | 101,500 | 776,500 |
| 2046 | 705,000 | 73,900 | 778,900 |
| 2047 | 735,000 | 45,100 | 780,100 |
| 2048 | 760,000 | 15,200 | 775,200 |
| | <u>\$ 11,685,000</u> | <u>\$ 5,828,575</u> | <u>\$ 17,513,575</u> |

See accompanying auditor's report.

Harris County Municipal Utility District No. 319
TSI-5. Long-Term Debt Service Requirements
Series 2023 Road--by Years
April 30, 2025

| Due During Fiscal Years Ending | Principal Due September 1 | Interest Due September 1, March 1 | Total |
|-----------------------------------|------------------------------|---|----------------------|
| 2026 | \$ 355,000 | \$ 616,138 | \$ 971,138 |
| 2027 | 370,000 | 592,575 | 962,575 |
| 2028 | 385,000 | 568,038 | 953,038 |
| 2029 | 405,000 | 542,363 | 947,363 |
| 2030 | 420,000 | 520,800 | 940,800 |
| 2031 | 440,000 | 503,600 | 943,600 |
| 2032 | 460,000 | 485,600 | 945,600 |
| 2033 | 480,000 | 466,800 | 946,800 |
| 2034 | 505,000 | 447,100 | 952,100 |
| 2035 | 525,000 | 426,500 | 951,500 |
| 2036 | 550,000 | 405,000 | 955,000 |
| 2037 | 575,000 | 382,500 | 957,500 |
| 2038 | 600,000 | 359,000 | 959,000 |
| 2039 | 625,000 | 334,500 | 959,500 |
| 2040 | 655,000 | 308,900 | 963,900 |
| 2041 | 685,000 | 282,100 | 967,100 |
| 2042 | 715,000 | 254,100 | 969,100 |
| 2043 | 750,000 | 224,800 | 974,800 |
| 2044 | 780,000 | 194,200 | 974,200 |
| 2045 | 815,000 | 162,300 | 977,300 |
| 2046 | 855,000 | 128,900 | 983,900 |
| 2047 | 890,000 | 94,000 | 984,000 |
| 2048 | 930,000 | 57,600 | 987,600 |
| 2049 | 975,000 | 19,500 | 994,500 |
| | <u>\$ 14,745,000</u> | <u>\$ 8,376,914</u> | <u>\$ 23,121,914</u> |

See accompanying auditor's report.

Harris County Municipal Utility District No. 319
TSI-5. Long-Term Debt Service Requirements
Series 2023--by Years
April 30, 2025

| Due During Fiscal Years Ending | Principal Due September 1 | Interest Due September 1, March 1 | Total |
|-----------------------------------|------------------------------|---|----------------------|
| 2026 | \$ 135,000 | \$ 315,850 | \$ 450,850 |
| 2027 | 140,000 | 307,600 | 447,600 |
| 2028 | 150,000 | 298,900 | 448,900 |
| 2029 | 155,000 | 289,750 | 444,750 |
| 2030 | 165,000 | 280,150 | 445,150 |
| 2031 | 175,000 | 269,950 | 444,950 |
| 2032 | 185,000 | 259,844 | 444,844 |
| 2033 | 195,000 | 249,869 | 444,869 |
| 2034 | 205,000 | 239,625 | 444,625 |
| 2035 | 215,000 | 229,125 | 444,125 |
| 2036 | 225,000 | 218,125 | 443,125 |
| 2037 | 235,000 | 206,625 | 441,625 |
| 2038 | 250,000 | 194,500 | 444,500 |
| 2039 | 260,000 | 181,750 | 441,750 |
| 2040 | 275,000 | 168,375 | 443,375 |
| 2041 | 290,000 | 154,250 | 444,250 |
| 2042 | 305,000 | 139,375 | 444,375 |
| 2043 | 320,000 | 123,750 | 443,750 |
| 2044 | 355,000 | 107,250 | 462,250 |
| 2045 | 375,000 | 89,875 | 464,875 |
| 2046 | 395,000 | 71,625 | 466,625 |
| 2047 | 415,000 | 52,375 | 467,375 |
| 2048 | 435,000 | 32,125 | 467,125 |
| 2049 | 340,000 | 10,875 | 350,875 |
| | <u>\$ 6,195,000</u> | <u>\$ 4,491,538</u> | <u>\$ 10,686,538</u> |

See accompanying auditor's report.

Harris County Municipal Utility District No. 319
TSI-5. Long-Term Debt Service Requirements
Series 2023A Road--by Years
April 30, 2025

| Due During Fiscal Years Ending | Principal Due September 1 | Interest Due September 1, March 1 | Total |
|-----------------------------------|------------------------------|---|----------------------|
| 2026 | \$ 350,000 | \$ 825,425 | \$ 1,175,425 |
| 2027 | 365,000 | 801,294 | 1,166,294 |
| 2028 | 385,000 | 775,981 | 1,160,981 |
| 2029 | 405,000 | 749,319 | 1,154,319 |
| 2030 | 430,000 | 724,900 | 1,154,900 |
| 2031 | 450,000 | 702,900 | 1,152,900 |
| 2032 | 475,000 | 679,775 | 1,154,775 |
| 2033 | 500,000 | 655,400 | 1,155,400 |
| 2034 | 525,000 | 629,775 | 1,154,775 |
| 2035 | 555,000 | 602,775 | 1,157,775 |
| 2036 | 580,000 | 574,400 | 1,154,400 |
| 2037 | 615,000 | 544,525 | 1,159,525 |
| 2038 | 645,000 | 513,025 | 1,158,025 |
| 2039 | 680,000 | 479,900 | 1,159,900 |
| 2040 | 715,000 | 445,025 | 1,160,025 |
| 2041 | 750,000 | 408,400 | 1,158,400 |
| 2042 | 790,000 | 369,900 | 1,159,900 |
| 2043 | 830,000 | 329,400 | 1,159,400 |
| 2044 | 875,000 | 286,775 | 1,161,775 |
| 2045 | 920,000 | 241,325 | 1,161,325 |
| 2046 | 970,000 | 192,894 | 1,162,894 |
| 2047 | 1,020,000 | 141,900 | 1,161,900 |
| 2048 | 1,075,000 | 87,544 | 1,162,544 |
| 2049 | 1,130,000 | 29,662 | 1,159,662 |
| | <u>\$ 16,035,000</u> | <u>\$ 11,792,219</u> | <u>\$ 27,827,219</u> |

See accompanying auditor's report.

Harris County Municipal Utility District No. 319
TSI-5. Long-Term Debt Service Requirements
Series 2024--by Years
April 30, 2025

| Due During Fiscal Years Ending | Principal Due September 1 | Interest Due September 1, March 1 | Total |
|-----------------------------------|------------------------------|---|----------------------|
| 2026 | \$ 230,000 | \$ 420,850 | \$ 650,850 |
| 2027 | 260,000 | 408,600 | 668,600 |
| 2028 | 270,000 | 395,350 | 665,350 |
| 2029 | 285,000 | 381,475 | 666,475 |
| 2030 | 295,000 | 366,975 | 661,975 |
| 2031 | 310,000 | 353,400 | 663,400 |
| 2032 | 325,000 | 340,700 | 665,700 |
| 2033 | 335,000 | 327,500 | 662,500 |
| 2034 | 355,000 | 313,700 | 668,700 |
| 2035 | 370,000 | 299,200 | 669,200 |
| 2036 | 385,000 | 284,100 | 669,100 |
| 2037 | 400,000 | 268,400 | 668,400 |
| 2038 | 420,000 | 252,000 | 672,000 |
| 2039 | 440,000 | 234,800 | 674,800 |
| 2040 | 460,000 | 216,800 | 676,800 |
| 2041 | 480,000 | 198,000 | 678,000 |
| 2042 | 500,000 | 178,400 | 678,400 |
| 2043 | 525,000 | 157,900 | 682,900 |
| 2044 | 550,000 | 136,400 | 686,400 |
| 2045 | 570,000 | 114,000 | 684,000 |
| 2046 | 600,000 | 90,600 | 690,600 |
| 2047 | 625,000 | 66,100 | 691,100 |
| 2048 | 655,000 | 40,500 | 695,500 |
| 2049 | 685,000 | 13,700 | 698,700 |
| | <u>\$ 10,330,000</u> | <u>\$ 5,859,450</u> | <u>\$ 16,189,450</u> |

See accompanying auditor's report.

Harris County Municipal Utility District No. 319
TSI-5. Long-Term Debt Service Requirements
Series 2024 Road--by Years
April 30, 2025

| <u>Due During Fiscal Years Ending</u> | <u>Principal Due September 1</u> | <u>Interest Due September 1, March 1</u> | <u>Total</u> |
|---|--------------------------------------|--|---------------------|
| 2026 | \$ 100,000 | \$ 187,338 | \$ 287,338 |
| 2027 | 115,000 | 181,325 | 296,325 |
| 2028 | 120,000 | 174,275 | 294,275 |
| 2029 | 125,000 | 166,925 | 291,925 |
| 2030 | 135,000 | 159,125 | 294,125 |
| 2031 | 140,000 | 150,875 | 290,875 |
| 2032 | 145,000 | 143,050 | 288,050 |
| 2033 | 150,000 | 136,800 | 286,800 |
| 2034 | 160,000 | 131,375 | 291,375 |
| 2035 | 165,000 | 125,687 | 290,687 |
| 2036 | 175,000 | 119,737 | 294,737 |
| 2037 | 180,000 | 113,525 | 293,525 |
| 2038 | 190,000 | 106,812 | 296,812 |
| 2039 | 195,000 | 99,350 | 294,350 |
| 2040 | 205,000 | 91,350 | 296,350 |
| 2041 | 215,000 | 82,950 | 297,950 |
| 2042 | 225,000 | 74,150 | 299,150 |
| 2043 | 235,000 | 64,950 | 299,950 |
| 2044 | 245,000 | 55,350 | 300,350 |
| 2045 | 255,000 | 45,350 | 300,350 |
| 2046 | 270,000 | 35,525 | 305,525 |
| 2047 | 280,000 | 25,900 | 305,900 |
| 2048 | 295,000 | 15,838 | 310,838 |
| 2049 | 305,000 | 5,338 | 310,338 |
| | <u>\$ 4,625,000</u> | <u>\$ 2,492,900</u> | <u>\$ 7,117,900</u> |

See accompanying auditor's report.

Harris County Municipal Utility District No. 319
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
April 30, 2025

| Due During Fiscal Years Ending | Principal Due September 1 | Interest Due September 1, March 1 | Total |
|-----------------------------------|------------------------------|---|-----------------------|
| 2026 | \$ 2,380,000 | \$ 3,445,570 | \$ 5,825,570 |
| 2027 | 2,500,000 | 3,323,687 | 5,823,687 |
| 2028 | 2,600,000 | 3,202,450 | 5,802,450 |
| 2029 | 2,700,000 | 3,082,182 | 5,782,182 |
| 2030 | 2,805,000 | 2,969,006 | 5,774,006 |
| 2031 | 2,920,000 | 2,862,205 | 5,782,205 |
| 2032 | 3,040,000 | 2,751,994 | 5,791,994 |
| 2033 | 3,150,000 | 2,639,047 | 5,789,047 |
| 2034 | 3,285,000 | 2,521,997 | 5,806,997 |
| 2035 | 3,410,000 | 2,399,406 | 5,809,406 |
| 2036 | 3,545,000 | 2,270,756 | 5,815,756 |
| 2037 | 3,685,000 | 2,135,581 | 5,820,581 |
| 2038 | 3,835,000 | 1,993,853 | 5,828,853 |
| 2039 | 3,985,000 | 1,845,273 | 5,830,273 |
| 2040 | 4,155,000 | 1,689,411 | 5,844,411 |
| 2041 | 4,325,000 | 1,525,278 | 5,850,278 |
| 2042 | 4,505,000 | 1,352,838 | 5,857,838 |
| 2043 | 4,690,000 | 1,172,439 | 5,862,439 |
| 2044 | 4,905,000 | 983,923 | 5,888,923 |
| 2045 | 4,715,000 | 795,691 | 5,510,691 |
| 2046 | 4,525,000 | 612,920 | 5,137,920 |
| 2047 | 4,420,000 | 430,778 | 4,850,778 |
| 2048 | 4,150,000 | 248,807 | 4,398,807 |
| 2049 | 3,435,000 | 79,075 | 3,514,075 |
| | <u>\$ 87,665,000</u> | <u>\$ 46,334,167</u> | <u>\$ 133,999,167</u> |

See accompanying auditor's report.

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| | Bond Issue | | | |
|----------------------------------|---|---------------------|----------------------|---------------------|
| | Series 2018 | Series 2020 | Series 2020A Road | Series 2021 |
| Interest rate | 3.00% - 4.50% | 2.00% - 4.50% | 2.00% - 4.50% | 1.00% - 3.00% |
| Dates interest payable | 9/1; 3/1 | 9/1; 3/1 | 9/1; 3/1 | 9/1; 3/1 |
| Maturity dates | 9/1/20 - 9/1/43 | 9/1/21 - 9/1/44 | 9/1/22 - 9/1/45 | 9/1/23 - 9/1/46 |
| Beginning bonds outstanding | \$ 6,055,000 | \$ 6,040,000 | \$ 4,680,000 | \$ 8,090,000 |
| Bonds issued | | | | |
| Bonds retired | <u>(195,000)</u> | <u>(200,000)</u> | <u>(155,000)</u> | <u>(265,000)</u> |
| Ending bonds outstanding | <u>\$ 5,860,000</u> | <u>\$ 5,840,000</u> | <u>\$ 4,525,000</u> | <u>\$ 7,825,000</u> |
| Interest paid during fiscal year | <u>\$ 250,869</u> | <u>\$ 141,374</u> | <u>\$ 99,119</u> | <u>\$ 172,837</u> |
| Paying agent's name and city | | | | |
| All Series | <u>Zions Bancorporation, National Association, Houston, Texas</u> | | | |

| | Water, Sewer, Drainage and Refunding Bonds | Road and Refunding Bonds | Parks and Recreational and Refunding Bonds |
|-----------------------------|--|-----------------------------|--|
| Bond Authority: | | | |
| Amount Authorized by Voters | \$ 202,500,000 | \$ 47,250,000 | \$ 96,300,000 |
| Amount Issued | <u>(50,695,000)</u> | <u>(40,750,000)</u> | |
| Remaining To Be Issued | <u>\$ 151,805,000</u> | <u>\$ 6,500,000</u> | <u>\$ 96,300,000</u> |

All bonds are secured with tax revenues. Bonds may also be secured with other revenues in combination with taxes.

Debt Service Fund cash and investments balance as of April 30, 2025: \$ 6,238,718

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 5,583,299

See accompanying auditor's report.

| | Bond Issue | | | |
|----------------------------------|----------------------|----------------------|---------------------|----------------------|
| | Series 2022 | Series 2023 Road | Series 2023 | Series 2023A Road |
| Interest rate | 3.00% - 5.50% | 4.00% - 6.50% | 5.00% - 6.00% | 5.00% - 6.75% |
| Dates interest payable | 9/1; 3/1 | 9/1; 3/1 | 9/1; 3/1 | 9/1; 3/1 |
| Maturity dates | 9/1/23 - 9/1/47 | 9/1/24 - 9/1/48 | 9/1/24 - 9/1/48 | 9/1/24 - 9/1/48 |
| Beginning bonds outstanding | \$ 12,035,000 | \$ 14,850,000 | \$ 6,300,000 | \$ 16,300,000 |
| Bonds issued | | | | |
| Bonds retired | <u>(350,000)</u> | <u>(105,000)</u> | <u>(105,000)</u> | <u>(265,000)</u> |
| Ending bonds outstanding | <u>\$ 11,685,000</u> | <u>\$ 14,745,000</u> | <u>\$ 6,195,000</u> | <u>\$ 16,035,000</u> |
| Interest paid during fiscal year | <u>\$ 464,125</u> | <u>\$ 631,088</u> | <u>\$ 323,050</u> | <u>\$ 846,181</u> |

See accompanying auditor's report.

| Bond Issue | | |
|----------------------|----------------------|----------------------|
| Series 2024 | Series 2024A Road | Totals |
| 4.00% - 5.00% | 3.50% - 6.00% | |
| 9/1; 3/1 | 9/1; 3/1 | |
| 9/1/25 - 9/1/48 | 9/1/25 - 9/1/48 | |
| \$ - | \$ - | \$ 74,350,000 |
| 10,330,000 | 4,625,000 | 14,955,000 |
| | | (1,640,000) |
| <u>\$ 10,330,000</u> | <u>\$ 4,625,000</u> | <u>\$ 87,665,000</u> |
| <u>\$ 232,260</u> | <u>\$ 70,685</u> | <u>\$ 3,231,588</u> |

Harris County Municipal Utility District No. 319**TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years**

| | Amounts | | | | |
|--|--------------|--------------|--------------|--------------|------------|
| | 2025 | 2024 | 2023 | 2022 | 2021 |
| Revenues | | | | | |
| Water service | \$ 796,899 | \$ 638,069 | \$ 547,763 | \$ 385,156 | \$ 270,374 |
| Sewer service | 1,192,708 | 913,065 | 741,255 | 543,130 | 342,668 |
| Property taxes | 2,576,047 | 2,239,806 | 2,045,511 | 1,755,883 | 1,020,570 |
| Penalties and interest | 78,503 | 60,226 | 50,494 | 26,792 | 16,974 |
| Surface water fees | 817,162 | 879,223 | 878,478 | 571,203 | 429,846 |
| Tap connection and inspection | 1,121,907 | 838,882 | 870,651 | 660,158 | 681,148 |
| Miscellaneous | 25,740 | 19,637 | 29,210 | 11,621 | 9,780 |
| Investment earnings | 393,866 | 309,495 | 126,589 | 6,127 | 3,508 |
| Total Revenues | 7,002,832 | 5,898,403 | 5,289,951 | 3,960,070 | 2,774,868 |
| Expenditures | | | | | |
| Current service operations | | | | | |
| Professional fees | 157,868 | 96,761 | 110,666 | 106,400 | 106,081 |
| Contracted services | 1,318,976 | 1,428,322 | 1,363,411 | 886,297 | 687,518 |
| Repairs and maintenance | 408,332 | 448,963 | 432,588 | 526,631 | 268,995 |
| Utilities | 111,061 | 102,319 | 83,955 | 70,712 | 63,025 |
| Lease | 96,000 | 96,000 | 130,500 | 234,000 | 234,000 |
| Regional water authority fees | 784,303 | 890,746 | 865,420 | 554,631 | 450,785 |
| Administrative | 140,415 | 91,985 | 75,453 | 56,835 | 48,313 |
| Other | 44,060 | 38,614 | 34,401 | 21,278 | 24,899 |
| Capital | | | | | |
| Capital outlay | 1,939,983 | 346,083 | 63,961 | | 30,255 |
| Right-to-use leased asset | | 1,184,990 | | 340,302 | |
| Debt service | | | | | |
| Developer interest | | 55,000 | | | |
| Lease - principal | 203,025 | 61,216 | 42,811 | | |
| Lease - interest | 115,665 | 21,584 | 19,289 | | |
| Total Expenditures | 5,319,688 | 4,862,583 | 3,222,455 | 2,797,086 | 1,913,871 |
| Revenues Over Expenditures | \$ 1,683,144 | \$ 1,035,820 | \$ 2,067,496 | \$ 1,162,984 | \$ 860,997 |
| Total Active Retail Water Connections | 2,600 | 2,220 | 1,834 | 1,482 | 1,025 |
| Total Active Retail Wastewater Connections | 2,598 | 2,206 | 1,834 | 1,418 | 1,016 |

*Percentage is negligible

** Expenditures related to capital outlays for right-to-use leased assets have been restated to reflect retrospective implementation of GASB 87 in FYE 2022.

See accompanying auditor's report.

| Percent of Fund Total Revenues | | | | |
|--------------------------------|------|------|------|------|
| 2025 | 2024 | 2023 | 2022 | 2021 |
| 11% | 12% | 10% | 10% | 10% |
| 17% | 15% | 14% | 14% | 12% |
| 37% | 38% | 39% | 44% | 37% |
| 1% | 1% | 1% | 1% | 1% |
| 12% | 15% | 17% | 14% | 15% |
| 16% | 14% | 16% | 17% | 25% |
| * | * | 1% | * | * |
| 6% | 5% | 2% | * | * |
| 100% | 100% | 100% | 100% | 100% |

| | | | | |
|-----|-----|-----|-----|-----|
| 2% | 2% | 2% | 3% | 4% |
| 19% | 24% | 26% | 22% | 25% |
| 6% | 8% | 8% | 13% | 10% |
| 2% | 2% | 2% | 2% | 2% |
| 1% | 2% | 2% | 6% | 8% |
| 11% | 15% | 16% | 14% | 16% |
| 2% | 2% | 1% | 1% | 2% |
| 1% | 1% | 1% | 1% | 1% |
| 28% | 6% | 1% | | 1% |
| | 20% | | 9% | |
| | 1% | | | |
| 3% | 1% | 1% | | |
| 2% | * | * | | |
| 77% | 84% | 60% | 71% | 69% |
| 23% | 16% | 40% | 29% | 31% |

Harris County Municipal Utility District No. 319

TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund

For the Last Five Fiscal Years

| | Amounts | | | | |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| | 2025 | 2024 | 2023 | 2022 | 2021 |
| Revenues | | | | | |
| Property taxes | \$ 5,778,311 | \$ 4,278,182 | \$ 2,860,158 | \$ 1,368,097 | \$ 1,116,478 |
| Penalties and interest | 47,498 | 19,190 | 14,235 | 12,038 | 10,917 |
| Miscellaneous | 15,378 | 9,423 | 8,679 | 492 | 4,640 |
| Investment earnings | 197,559 | 167,491 | 69,066 | 4,267 | 2,646 |
| Total Revenues | 6,038,746 | 4,474,286 | 2,952,138 | 1,384,894 | 1,134,681 |
| Expenditures | | | | | |
| Tax collection services | 112,672 | 91,781 | 67,969 | 38,999 | 28,418 |
| Other | 6,274 | 3,191 | 4,119 | 218 | 11,792 |
| Debt service | | | | | |
| Principal | 1,640,000 | 1,125,000 | 505,000 | 350,000 | 160,000 |
| Interest and fees | 3,235,189 | 2,070,425 | 1,096,842 | 633,805 | 410,178 |
| Total Expenditures | 4,994,135 | 3,290,397 | 1,673,930 | 1,023,022 | 610,388 |
| Revenues Over Expenditures | \$ 1,044,611 | \$ 1,183,889 | \$ 1,278,208 | \$ 361,872 | \$ 524,293 |

*Percentage is negligible

See accompanying auditor's report.

| Percent of Fund Total Revenues | | | | |
|--------------------------------|------|------|------|------|
| 2025 | 2024 | 2023 | 2022 | 2021 |
| 96% | 96% | 98% | 99% | 99% |
| 1% | * | * | 1% | 1% |
| * | * | * | * | * |
| 3% | 4% | 2% | * | * |
| 100% | 100% | 100% | 100% | 100% |
| 2% | 2% | 2% | 3% | 3% |
| * | * | * | * | 1% |
| 27% | 25% | 17% | 25% | 14% |
| 54% | 46% | 37% | 46% | 36% |
| 83% | 73% | 56% | 74% | 54% |
| 17% | 27% | 44% | 26% | 46% |

Harris County Municipal Utility District No. 319
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended April 30, 2025

Complete District Mailing Address: 3200 Southwest Freeway, Suite 2600, Houston, TX 77027
District Business Telephone Number: (713) 860-6400
Submission Date of the most recent District Registration Form
(TWC Sections 36.054 and 49.054): November 21, 2024
Limit on Fees of Office that a Director may receive during a fiscal year: \$ 7,200
(Set by Board Resolution -- TWC Section 49.060)

| Names: | Term of Office (Elected or Appointed) or Date Hired | Fees of Office Paid * | Expense Reimburse- ments | Title at Year End |
|--|--|-----------------------------|--------------------------------|-----------------------------|
| Board Members | | | | |
| Mark Janik | 05/24 - 05/28 | \$ 3,757 | \$ 282 | President |
| Justin Smith | 11/24 - 05/26 | 3,094 | 428 | Vice President |
| Lynn Kurtz | 02/24 - 05/26 | 4,420 | 617 | Secretary |
| Ruth Palmer | 05/22 - 05/26 | 2,873 | 303 | Assistant Secretary |
| Pam Brownshadel | 06/24 - 05/28 | 2,652 | 294 | Assistant Vice President |
| Timothy Gandre | 05/22 - 11/24 | 442 | 112 | Former Director |
| Consultants | | | | |
| Allen Boone Humphries Robinson LLP | 2014 | Amounts Paid | | Attorney |
| <i>General legal fees</i> | | \$ 96,571 | | |
| <i>Bond counsel</i> | | 391,501 | | |
| Regional Water Corporation | 2014 | 1,359,660 | | Operator |
| Municipal Accounts & Consulting, L.P. | 2019 | 106,551 | | Bookkeeper |
| Assessments of the Southwest, Inc. | 2014 | 37,425 | | Tax Collector |
| Harris Central Appraisal District | Legislation | 58,672 | | Property Valuation |
| Perdue, Brandon, Fielder, Collins & Mott, LLP | 2016 | 8,322 | | Delinquent Tax Attorney |
| Gannett Fleming, Inc. | 2014 | 246,005 | | Engineer |
| McGrath & Co., PLLC | 2017 | 34,250 | | Auditor |
| Robert W. Baird & Co | 2015 | 303,250 | | Financial Advisor |

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

See accompanying auditor's report.