




# **Harris County Municipal Utility District No. 493 Harris County, Texas**

## **Independent Auditor's Report and Financial Statements**

May 31, 2024



**Harris County Municipal Utility District No. 493**  
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**May 31, 2024**

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## **Independent Auditor's Report**

Board of Directors  
Harris County Municipal Utility District No. 493  
Harris County, Texas

### ***Opinions***

We have audited the financial statements of the governmental activities and general fund of Harris County Municipal Utility District No. 493 (the District), as of and for the year ended May 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the District, as of May 31, 2024, 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 (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 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 GAAS 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 GAAS, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule, as listed in the table of contents, 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 accompanying schedules required by the Texas Commission on Environmental Quality listed in the table of contents 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Forvis Mazars, LLP**

**Houston, Texas  
October 7, 2024**

### ***Overview of the Financial Statements***

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and by the District's state oversight agency, the Texas Commission on Environmental Quality (the Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, sanitary sewer and drainage services. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

### ***Government-Wide Financial Statements***

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

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

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

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

### ***Fund Financial Statements***

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

**Governmental Funds**

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

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

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

**Notes to Financial Statements**

The notes to financial statements provide additional information that is essential to a full understanding of the data found in the government-wide and fund financial statements.

**Financial Analysis of the District as a Whole**

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

**Summary of Net Position**

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 438,470	\$ 74,744
Capital assets	2,921,306	1,822,990
Total assets	<u>\$ 3,359,776</u>	<u>\$ 1,897,734</u>
Long-term liabilities	\$ 6,114,185	\$ 3,989,957
Other liabilities	434,440	192,125
Total liabilities	<u>6,548,625</u>	<u>4,182,082</u>
Net position:		
Net investment in capital assets	(108,766)	(41,432)
Unrestricted	<u>(3,080,083)</u>	<u>(2,242,916)</u>
Total net position	<u>\$ (3,188,849)</u>	<u>\$ (2,284,348)</u>

The total net position of the District decreased by \$904,501, or about 40%. The majority of the decrease in net position is related to the conveyance of capital assets funded by the developer of the District to another governmental entity for ownership and maintenance. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Summary of Changes in Net Position**

	<u>2024</u>	<u>2023</u>
Revenues:		
Property taxes	\$ 93,784	\$ 43,929
Charges for services	179,759	34,088
Other revenues	<u>361,348</u>	<u>166,689</u>
Total revenues	<u>634,891</u>	<u>244,706</u>
Expenses:		
Services	693,480	444,042
Conveyance of capital assets	778,578	1,681,258
Depreciation	<u>67,334</u>	<u>41,432</u>
Total expenses	<u>1,539,392</u>	<u>2,166,732</u>
Change in net position	(904,501)	(1,922,026)
Net position, beginning of year	<u>(2,284,348)</u>	<u>(362,322)</u>
Net position, end of year	<u>\$ (3,188,849)</u>	<u>\$ (2,284,348)</u>

***Financial Analysis of the District's Fund***

The general fund's fund balance increased by \$120,884, primarily due to tap connection and inspection fees revenues exceeding the related tap connection expenditures.

***General Fund Budgetary Highlights***

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to repairs and maintenance expenditures and tap connection and inspection fees revenues and tap connection expenditures being less than anticipated. The fund balance as of May 31, 2024, was expected to be \$(62,533) and the actual end-of-year fund balance was \$3,503.

***Capital Assets and Related Debt***

***Capital Assets***

Capital assets held by the District at the end of the current and previous fiscal years are summarized below.



**Capital Assets (Net of Accumulated Depreciation)**

	<u>2024</u>	<u>2023</u>
Water facilities	\$ 614,491	\$ 404,798
Wastewater facilities	826,998	449,085
Drainage facilities	<u>1,479,817</u>	<u>969,107</u>
Total capital assets	<u>\$ 2,921,306</u>	<u>\$ 1,822,990</u>

During the current year, additions to capital assets were as follows:

Water, wastewater and drainage facilities for Bridgeland Peek Road Street dedication, Section 5	<u>\$ 1,165,650</u>
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The developer within the District has constructed water, wastewater, drainage, recreational and road facilities on behalf of the District under the terms of contracts with the District. The District has agreed to purchase these facilities from the proceeds of future bond issues, subject to the approval of the Commission, as and if such approval is required by law. As of May 31, 2024, a liability for developer-constructed capital assets of \$5,489,908 was recorded in the government-wide financial statements.

***Debt***

The changes in the debt position of the District during the fiscal year ended May 31, 2024, are summarized as follows:

Long-term debt payable, beginning of year	\$ 3,989,957
Increases in long-term debt	<u>2,124,228</u>
Long-term debt payable, end of year	<u>\$ 6,114,185</u>

At May 31, 2024, the District had \$198,000,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District, \$80,000,000 of unlimited tax bonds authorized, but unissued, for the purpose of constructing roads and \$69,000,000 of unlimited tax bonds authorized, but unissued, for the purposes of constructing park and recreational facilities.

***Other Relevant Factors***

***Relationship to the City of Houston***

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (the City), the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City without the District's consent. Effective December 1, 2017, prior to annexation, the City would be required to hold an election in the District whereby the qualified voters of the District would approve the annexation. If the District is annexed, the City must assume the District's assets and obligations (including any bonded indebtedness) and abolish the District within 90 days.

***Economic Dependency***

The District's developers own the majority of the taxable property in the District. The District's ability to meet its obligations is dependent on the developers' ability to pay future property taxes.

Since inception, the developers have advanced \$624,277 to the District for operations. The District does not have sufficient funds nor anticipated revenues sufficient to liquidate these advances during the forthcoming fiscal year. These advances have been recorded as liabilities in the government-wide financial statements.

***Contingencies***

The developer of the District is constructing water, wastewater, drainage, recreational and road facilities to serve the District. The District has agreed to reimburse the developer for a portion of these costs, plus interest, from the proceeds from future bond sales, to the extent approved by the Commission, as and if such approval is required by law. The District's engineer has stated that current construction amounts are approximately \$19,660,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

***Subsequent Event***

On September 24, 2024, the District awarded the sale of its Unlimited Tax Road Bonds, Series 2024, at a net effective interest rate of approximately 4.38%. The bonds were sold to reimburse the developer for road construction projects constructed in the District.

**Harris County Municipal Utility District No. 493**  
**Statement of Net Position and Governmental Fund Balance Sheet**  
**May 31, 2024**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>Assets</b>			
Cash	\$ 390,118	\$ -	\$ 390,118
Receivables:			
Property taxes	527	-	527
Service accounts	10,586	-	10,586
Prepaid expenditures	7,076	-	7,076
Operating reserves	30,163	-	30,163
Capital assets (net of accumulated depreciation):			
Infrastructure	-	2,921,306	2,921,306
Total assets	<u>\$ 438,470</u>	<u>\$ 2,921,306</u>	<u>\$ 3,359,776</u>
<b>Liabilities</b>			
Accounts payable	\$ 141,160	\$ -	\$ 141,160
Customer deposits	19,250	-	19,250
Unearned tap connection fees	273,732	-	273,732
Due to others	298	-	298
Long-term liabilities, due after one year	-	6,114,185	6,114,185
Total liabilities	<u>434,440</u>	<u>6,114,185</u>	<u>6,548,625</u>
<b>Deferred Inflows of Resources</b>			
Deferred property tax revenues	<u>527</u>	<u>(527)</u>	<u>-</u>
<b>Fund Balance/Net Position</b>			
Fund balance:			
Nonspendable, prepaid expenditures	7,076	(7,076)	-
Assigned, operating reserves	30,163	(30,163)	-
Unassigned	<u>(33,736)</u>	<u>33,736</u>	<u>-</u>
Total fund balance	<u>3,503</u>	<u>(3,503)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 438,470</u>		
<b>Net position:</b>			
Net investment in capital assets		(108,766)	(108,766)
Unrestricted		<u>(3,080,083)</u>	<u>(3,080,083)</u>
Total net position		<u>\$ (3,188,849)</u>	<u>\$ (3,188,849)</u>

**Harris County Municipal Utility District No. 493  
Statement of Activities and Governmental Fund Revenues,  
Expenditures and Changes in Fund Balance  
Year Ended May 31, 2024**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>			
Property taxes	\$ 93,257	\$ 527	\$ 93,784
Water service	47,373	-	47,373
Sewer service	88,495	-	88,495
Regional water fee	43,891	-	43,891
Penalty and interest	6,747	-	6,747
Tap connection and inspection fees	345,723	-	345,723
Investment income	8	-	8
Other income	8,870	-	8,870
	<u>634,364</u>	<u>527</u>	<u>634,891</u>
<b>Total revenues</b>			
	<u>634,364</u>	<u>527</u>	<u>634,891</u>
<b>Expenditures/Expenses</b>			
Service operations:			
Purchased services	46,440	-	46,440
Regional water fee	40,182	-	40,182
Professional fees	113,148	-	113,148
Contracted services	153,978	-	153,978
Utilities	2,950	-	2,950
Repairs and maintenance	126,215	-	126,215
Other expenditures	42,749	-	42,749
Tap connections	167,818	-	167,818
Conveyance of capital assets	-	778,578	778,578
Depreciation	-	67,334	67,334
	<u>693,480</u>	<u>845,912</u>	<u>1,539,392</u>
<b>Total expenditures/expenses</b>			
	<u>693,480</u>	<u>845,912</u>	<u>1,539,392</u>
<b>Deficiency of Revenues Over Expenditures</b>	(59,116)	(845,385)	
<b>Other Financing Sources</b>			
Developer advances	180,000	(180,000)	
	<u>180,000</u>	<u>(180,000)</u>	
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	120,884	(120,884)	
<b>Change in Net Position</b>		(904,501)	(904,501)
<b>Fund Balance (Deficit)/Net Position</b>			
Beginning of year	(117,381)	-	(2,284,348)
	<u>(117,381)</u>	<u>-</u>	<u>(2,284,348)</u>
End of year	\$ 3,503	\$ -	\$ (3,188,849)
	<u>\$ 3,503</u>	<u>\$ -</u>	<u>\$ (3,188,849)</u>

## **Note 1. Nature of Operations and Summary of Significant Accounting Policies**

Harris County Municipal Utility District No. 493 (the District) was created by an order of the Texas Commission on Environmental Quality (the Commission), effective August 2, 2007, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and Article XVI, Section 59, of the Constitution of the State of Texas and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate waterworks, wastewater and drainage facilities and to provide such facilities and services to the customers of the District. The District is also authorized by the Texas Water Code, Chapter 49, to provide recreational facilities and has acquired the authority to provide road facilities under the Texas Water Code, Chapter 54.

The District is governed by a Board of Directors (the Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

### ***Reporting Entity***

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for which the District is considered to be financially accountable. Accountability is defined as the District's substantive appointment of the voting majority of the component unit's governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

### ***Government-Wide and Fund Financial Statements***

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, wastewater, drainage and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, charges for services and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District.

The fund financial statements provide information about the District's governmental fund. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental fund:

*General Fund* – The general fund is the primary operating fund of the District which accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, charges for services and interest income.

**Harris County Municipal Utility District No. 493**  
**Notes to Financial Statements**  
**May 31, 2024**

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***Fund Balance – Governmental Fund***

The fund balance for the District's governmental fund can be displayed in up to five components:

*Nonspendable* – Amounts that are not in a spendable form or are required to be maintained intact.

*Restricted* – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

*Committed* – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by issuance of a resolution by the District's Board.

*Assigned* – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

*Unassigned* – The residual classification for the general fund and includes all amounts not contained in the other classifications.

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

***Measurement Focus and Basis of Accounting***

***Government-Wide Financial Statements***

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as liabilities. Intergovernmental revenues are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted.

***Fund Financial Statements***

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services and investment income.

**Harris County Municipal Utility District No. 493**  
**Notes to Financial Statements**  
**May 31, 2024**

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Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

***Deferred Outflows and Inflows of Resources***

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

***Pension Costs***

The District does not participate in a pension plan and, therefore, has no pension costs.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

***Investments and Investment Income***

Investments in certificates of deposit, U.S. Government and agency securities, and certain pooled funds, which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

***Property Taxes***

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes, penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended May 31, 2024, include collections during the current period or within 60 days of year-end related to the 2023 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended May 31, 2024, the 2023 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

***Capital Assets***

Capital assets, which include property, plant, equipment and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of \$5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

**Harris County Municipal Utility District No. 493**  
**Notes to Financial Statements**  
**May 31, 2024**

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The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Water production and distribution facilities	10-45
Wastewater collection and treatment facilities	10-45
Drainage facilities	10-45
Parks and recreational facilities	10-30

***Debt Issuance Costs***

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and, therefore, are recognized as an expense/expenditure in the period incurred.

***Long-Term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on bonds are recognized as a component of long-term liabilities and amortized over the life of the related debt using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

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

***Net Position/Fund Balance***

Fund balance and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, generally, it is the District's policy to use restricted resources first.

***Reconciliation of Government-Wide and Fund Financial Statements***

Amounts reported for net position of governmental activities in the statement of net position and fund balance in the governmental fund balance sheet are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the fund financial statements.	\$ 2,921,306
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	527



**Harris County Municipal Utility District No. 493**  
**Notes to Financial Statements**  
**May 31, 2024**

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Long-term debt obligations are not due and payable in the current period and are not reported in the fund financial statements.	<u>\$ (6,114,185)</u>
Adjustment to fund balance to arrive at net position.	<u><u>\$ (3,192,352)</u></u>

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balance in the governmental fund statement of revenues, expenditures and changes in fund balance because:

Change in fund balance.	\$ 120,884
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense or conveyed to another governmental entity for maintenance. This is the amount of conveyance of capital assets and depreciation expense in the current period.	(845,912)
Governmental funds report developer advances as other financing sources or uses as amounts are received or paid. However, for government-wide financial statements, these amounts are recorded as an increase or decrease in due to developer.	(180,000)
Revenues that do not provide current financial resources are not reported as revenues for the funds, but are reported as revenues in the statement of activities.	<u>527</u>
Change in net position of governmental activities.	<u><u>\$ (904,501)</u></u>

**Note 2. Deposits, Investments and Investment Income**

***Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, a government’s deposits may not be returned to it. The District’s deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; or certain collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.

At May 31, 2024, none of the District’s bank balances were exposed to custodial credit risk.

***Investments***

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an

**Harris County Municipal Utility District No. 493**  
**Notes to Financial Statements**  
**May 31, 2024**

agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and 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, obligations of states, agencies and counties and other political subdivisions with an investment rating not less than "A," insured or collateralized certificates of deposit, and certain bankers' acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts and investment pools.

The District's investment policy may be more restrictive than the Public Funds Investment Act.

At May 31, 2024, the District had no investments.

**Note 3. Capital Assets**

A summary of changes in capital assets for the year ended May 31, 2024, is presented below:

<u>Governmental Activities</u>	<u>Balances, Beginning of Year</u>	<u>Additions</u>	<u>Balances, End of Year</u>
Capital assets, depreciable:			
Water production and distribution facilities	\$ 413,998	\$ 223,867	\$ 637,865
Wastewater collection and treatment facilities	459,292	396,940	856,232
Drainage facilities	991,132	544,843	1,535,975
Total capital assets, depreciable	<u>1,864,422</u>	<u>1,165,650</u>	<u>3,030,072</u>
Less accumulated depreciation:			
Water production and distribution facilities	(9,200)	(14,174)	(23,374)
Wastewater collection and treatment facilities	(10,207)	(19,027)	(29,234)
Drainage facilities	(22,025)	(34,133)	(56,158)
Total accumulated depreciation	<u>(41,432)</u>	<u>(67,334)</u>	<u>(108,766)</u>
Total governmental activities, net	<u>\$ 1,822,990</u>	<u>\$ 1,098,316</u>	<u>\$ 2,921,306</u>

**Note 4. Long-Term Liabilities**

Changes in long-term liabilities for the year ended May 31, 2024, were as follows:

<u>Governmental Activities</u>	<u>Balances, Beginning of Year</u>	<u>Increases</u>	<u>Balances, End of Year</u>	<u>Amounts Due in One Year</u>
Due to developer, advances	\$ 444,277	\$ 180,000	\$ 624,277	\$ -
Due to developer, construction	3,545,680	1,944,228	5,489,908	-
Total governmental activities long-term liabilities	<u>\$ 3,989,957</u>	<u>\$ 2,124,228</u>	<u>\$ 6,114,185</u>	<u>\$ -</u>

**Harris County Municipal Utility District No. 493**  
**Notes to Financial Statements**  
**May 31, 2024**

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Bonds voted:

Water, sewer and drainage facilities	\$ 198,000,000
Recreational facilities	69,000,000
Road facilities	80,000,000

Refunding bonds voted:

Water, sewer, drainage or recreational facilities bonds	133,500,000
Road facilities bonds	40,000,000

***Due to Developer***

The developer of the District has constructed water, wastewater, drainage, recreational and road facilities on behalf of the District under the terms of contracts with the District. The District has agreed to purchase these facilities from the proceeds of future bond issues, subject to the approval of the Commission, as and if such approval is required by law. As of May 31, 2024, a liability for developer-constructed capital assets of \$5,489,908 was recorded in the government-wide financial statements.

**Note 5. Maintenance Taxes**

At an election held May 6, 2017, voters authorized a maintenance tax not to exceed \$1.00 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended May 31, 2024, the District levied an ad valorem maintenance tax at the rate of \$1.0000 per \$100 of assessed valuation, which resulted in a tax levy of \$93,784 on the taxable valuation of \$9,378,394 for the 2023 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

**Note 6. Contracts With Other Districts**

The District is served by a regional water supply and wastewater treatment system that is owned and operated by Harris County Municipal Utility District No. 418 (District No. 418), in its capacity as "Master District," pursuant to that certain Contract for Financing, Operation and Maintenance of Master Water and Sanitary Sewer Facilities, dated August 1, 2006, as amended from time to time, by and between District No. 418, the District and other participating districts. District No. 418 will acquire, construct, own, operate and/or maintain central water supply and wastewater treatment facilities, as well as major trunk lines related to said facilities necessary to serve itself, the District and other municipal utility districts that comprise the Bridgeland community.

District No. 418 charges a connection charge to pay for the costs of constructing regional facilities. The current charge is \$5,012 per equivalent single-family connection for water supply capacity and \$3,848 for wastewater treatment capacity. District No. 418 also charges a wastewater collection connection charge, which varies based on the location of the area to be served by the system, ranging from \$0 to \$5,217 per equivalent single-family connection. These charges are subject to adjustment annually. As of May 31, 2024, the District has not purchased any water and sewer connections. In addition, District No. 418 is authorized, in certain circumstances, to issue contract revenue bonds sufficient to complete acquisition and construction of the facilities, as needed, to serve all districts in the service area. Once bonds are issued, each participating district would contribute to the debt service requirements of the bonds. The District's voters have approved such a contract-revenue tax proposition.

**Harris County Municipal Utility District No. 493**  
**Notes to Financial Statements**  
**May 31, 2024**

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The contract requires that operations and maintenance costs and a percentage of the administrative costs be paid to the Master District on a monthly basis. Additionally, each participant is required to advance funds to the Master District to create a reserve for the benefit of such participant in an amount equal to the participant's projected share of operations and maintenance costs for a two-month period commencing at the beginning of the Master District's fiscal year (currently June 1).

During the current year, the District incurred operating charges of \$18,433 for water supply and \$26,185 for wastewater services. In addition, the District has contributed \$13,670 for its share of the water supply reserve and \$6,493 for the wastewater treatment reserve. The reserves are subject to adjustment annually.

During the year ended May 31, 2024, the District entered into a contract with District Nos. 418, 419, 489, 490, 491, and 492, as well as Harris County Water Control and Improvement District Nos. 158 and 159 (the WCIDs), which created the Bridgeland Water Agency. The Agency was created to facilitate and coordinate public communications, sharing of costs and expenses and to provide supporting administrative functions to the Districts and the WCIDs, and to acquire and maintain lands, buildings or office space, equipment, materials and supplies necessary to carry out the provisions of the contract. For the year ended May 31, 2024, the District incurred costs of \$1,822 and has contributed \$10,000 for its share of a reserve.

**Note 7. 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 natural disasters for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three fiscal years.

**Note 8. Economic Dependency**

The District's developers own the majority of the taxable property in the District. The District's ability to meet its obligations is dependent on the developers' ability to pay future property taxes.

Since inception, the developers have advanced \$624,277 to the District for operations. The District does not have sufficient funds nor anticipated revenues sufficient to liquidate these advances during the forthcoming fiscal year. These advances have been recorded as liabilities in the government-wide financial statements.

**Note 9. Contingencies**

The developer of the District is constructing water, wastewater, drainage, recreational and road facilities to serve the District. The District has agreed to reimburse the developer for a portion of these costs, plus interest, from the proceeds from future bond sales, to the extent approved by the Commission, as and if such approval is required by law. The District's engineer has stated that current construction amounts are approximately \$19,660,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

**Note 10. Subsequent Event**

On September 24, 2024, the District awarded the sale of its Unlimited Tax Road Bonds, Series 2024, at a net effective interest rate of approximately 4.38%. The bonds were sold to reimburse the developer for road construction projects constructed in the District.

***Required Supplementary Information***

**Harris County Municipal Utility District No. 493  
 Budgetary Comparison Schedule – General Fund  
 Year Ended May 31, 2024**

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Property taxes	\$ 285,632	\$ 85,000	\$ 93,257	\$ 8,257
Water service	15,000	43,000	47,373	4,373
Sewer service	30,000	82,000	88,495	6,495
Regional water fee	59,522	35,000	43,891	8,891
Penalty and interest	500	7,800	6,747	(1,053)
Tap connection and inspection fees	281,550	465,000	345,723	(119,277)
Investment income	-	-	8	8
Other income	-	-	8,870	8,870
	<u>672,204</u>	<u>717,800</u>	<u>634,364</u>	<u>(83,436)</u>
<b>Total revenues</b>				
<b>Expenditures</b>				
Service operations:				
Purchased services	74,301	60,000	46,440	13,560
Regional water fee	59,522	40,000	40,182	(182)
Professional fees	125,000	123,500	113,148	10,352
Contracted services	57,500	153,820	153,978	(158)
Utilities	-	3,200	2,950	250
Repairs and maintenance	70,000	173,000	126,215	46,785
Other expenditures	58,050	67,432	42,749	24,683
Tap connections	180,000	250,000	167,818	82,182
	<u>624,373</u>	<u>870,952</u>	<u>693,480</u>	<u>177,472</u>
<b>Total expenditures</b>				
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	47,831	(153,152)	(59,116)	94,036
<b>Other Financing Sources</b>				
Developer advances	-	208,000	180,000	(28,000)
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>				
	47,831	54,848	120,884	66,036
<b>Fund Balance (Deficit), Beginning of Year</b>	<u>(117,381)</u>	<u>(117,381)</u>	<u>(117,381)</u>	<u>-</u>
<b>Fund Balance (Deficit), End of Year</b>	<u>\$ (69,550)</u>	<u>\$ (62,533)</u>	<u>\$ 3,503</u>	<u>\$ 66,036</u>

***Budgets and Budgetary Accounting***

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was amended during fiscal 2024.

The District prepares its annual operating budget on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedule – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

***Supplementary Information***



**Harris County Municipal Utility District No. 493  
Other Schedules Included Within This Report  
May 31, 2024**

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

- Notes Required by the Water District Accounting Manual  
See "Notes to Financial Statements," Pages 11-18
- Schedule of Services and Rates
- Schedule of General Fund Expenditures
- Schedule of Temporary Investments – Not Applicable
- Analysis of Taxes Levied and Receivable
- Schedule of Long-Term Debt Service Requirements by Years – Not Applicable
- Changes in Long-Term Bonded Debt – Not Applicable
- Comparative Schedule of Revenues and Expenditures – General Fund – Two Years
- Board Members, Key Personnel and Consultants

**Harris County Municipal Utility District No. 493**  
**Schedule of Services and Rates**  
**Year Ended May 31, 2024**

1. Services provided by the District:

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

2. Retail service providers

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

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate Per 1,000 Gallons Over Minimum</u>	<u>Usage Levels</u>
Water:	\$ 18.00	5,000	N	\$ 1.75 \$ 2.00 \$ 2.50	5,001 to 10,000 10,001 to 20,000 20,000 to No Limit
Wastewater:	\$ 62.63	0	Y		
Regional water fee:	\$ 4.66	1	N	\$ 4.66	1,001 to No Limit
Does the District employ winter averaging for wastewater usage?					Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Total charges per 10,000 gallons usage (including fees):			Water	\$ 73.35	Wastewater \$ 62.63

b. Water and wastewater retail connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFC*</u>
Unmetered	-	-	x1.0	-
≤ 3/4"	5	5	x1.0	5
1"	132	132	x2.5	330
1 1/2"	20	20	x5.0	100
2"	24	24	x8.0	192
3"	-	-	x15.0	-
4"	-	-	x25.0	-
6"	-	-	x50.0	-
8"	-	-	x80.0	-
10"	-	-	x115.0	-
Total water	181	181		627
Total wastewater	160	160	x1.0	160

3. Total water consumption (in thousands) during the fiscal year:

Gallons pumped into the system:	10,539
Gallons billed to customers:	10,539
Water accountability ratio (gallons billed/gallons pumped):	100.00%

\*"ESFC" means equivalent single-family connections

**Harris County Municipal Utility District No. 493**  
**Schedule of General Fund Expenditures**  
**Year Ended May 31, 2024**

<b>Personnel (including benefits)</b>		\$	-
<b>Professional Fees</b>			
Auditing	\$	14,100	
Legal		45,333	
Engineering		53,715	
Financial advisor		-	113,148
<b>Purchased Services for Resale</b>			46,440
Bulk water and wastewater service purchases			46,440
<b>Regional Water Fee</b>			40,182
<b>Contracted Services</b>			
Bookkeeping		38,843	
General manager		-	
Appraisal district		547	
Tax collector		7,626	
Security		54,320	
Other contracted services		42,678	144,014
<b>Utilities</b>			2,950
<b>Repairs and Maintenance</b>			126,215
<b>Administrative Expenditures</b>			
Directors' fees		13,189	
Office supplies		4,647	
Insurance		3,570	
Other administrative expenditures		21,343	42,749
<b>Capital Outlay</b>			
Capitalized assets		-	
Expenditures not capitalized		-	-
<b>Tap Connection Expenditures</b>			167,818
<b>Solid Waste Disposal</b>			9,964
<b>Fire Fighting</b>			-
<b>Parks and Recreation</b>			-
<b>Other Expenditures</b>			-
Total expenditures		\$	<u><u>693,480</u></u>

**Harris County Municipal Utility District No. 493  
 Analysis of Taxes Levied and Receivable  
 Year Ended May 31, 2024**

	<b>Maintenance Taxes</b>
<b>Receivable, Beginning of Year</b>	\$ -
Additions and corrections to prior years' taxes	-
Adjusted receivable, beginning of year	-
<b>2023 Original Tax Levy</b>	92,271
Additions and corrections	1,513
Adjusted tax levy	93,784
Total to be accounted for	93,784
Tax collections: Current year	(93,257)
Prior years	-
Receivable, end of year	<u>\$ 527</u>

<b>Receivable, by Years</b>	
2023	<u>\$ 527</u>

	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Property Valuations</b>			
Land	\$ 7,932,856	\$ 4,620,416	\$ 1,475,036
Improvements	1,832,377	-	-
Personal property	37,577	-	-
Exemptions	(424,416)	(422,954)	(3)
Total property valuations	<u>\$ 9,378,394</u>	<u>\$ 4,197,462</u>	<u>\$ 1,475,033</u>

<b>Tax Rates per \$100 Valuation</b>			
Maintenance tax rates*	<u>\$ 1.0000</u>	<u>\$ 1.0000</u>	<u>\$ 1.0000</u>

<b>Tax Levy</b>	<u>\$ 93,784</u>	<u>\$ 41,975</u>	<u>\$ 14,750</u>
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<b>Percent of Taxes Collected to Taxes Levied**</b>	<u>99%</u>	<u>100%</u>	<u>100%</u>
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\*Maximum tax rate approved by voters: \$1.00 on May 6, 2017

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

**Harris County Municipal Utility District No. 493**  
**Comparative Schedule of Revenues and Expenditures – General Fund**  
**Two Years Ended May 31,**

	Amounts		Percent of Fund Total Revenues	
	2024	2023	2024	2023
<b>General Fund</b>				
<b>Revenues</b>				
Property taxes	\$ 93,257	\$ 59,333	14.7 %	22.8 %
Water service	47,373	8,843	7.5	3.4
Sewer service	88,495	23,671	13.9	9.1
Regional water fee	43,891	1,574	6.9	0.6
Penalty and interest	6,747	703	1.1	0.3
Tap connection and inspection fees	345,723	165,960	54.5	63.8
Investment income	8	-	0.0	-
Other income	8,870	26	1.4	0.0
<b>Total revenues</b>	<b>634,364</b>	<b>260,110</b>	<b>100.0</b>	<b>100.0</b>
<b>Expenditures</b>				
Service operations:				
Purchased services	46,440	7,763	7.3	2.6
Regional water fee	40,182	1,157	6.3	0.5
Professional fees	113,148	92,209	17.8	35.5
Contracted services	153,978	57,303	24.3	22.0
Utilities	2,950	-	0.5	-
Repairs and maintenance	126,215	58,598	19.9	22.5
Other expenditures	42,749	35,482	6.7	14.0
Tap connections	167,818	191,530	26.5	73.6
<b>Total expenditures</b>	<b>693,480</b>	<b>444,042</b>	<b>109.3</b>	<b>170.7</b>
<b>Deficiency of Revenues Over Expenditures</b>	<b>(59,116)</b>	<b>(183,932)</b>	<b>(9.3) %</b>	<b>(70.7) %</b>
<b>Other Financing Sources</b>				
Developer advances	180,000	70,000		
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>120,884</b>	<b>(113,932)</b>		
<b>Fund Balance (Deficit), Beginning of Year</b>	<b>(117,381)</b>	<b>(3,449)</b>		
<b>Fund Balance (Deficit), End of Year</b>	<b>\$ 3,503</b>	<b>\$ (117,381)</b>		
<b>Total Active Retail Water Connections</b>	<b>181</b>	<b>100</b>		
<b>Total Active Retail Wastewater Connections</b>	<b>160</b>	<b>99</b>		

**Harris County Municipal Utility District No. 493  
Board Members, Key Personnel and Consultants  
Year Ended May 31, 2024**

Complete District mailing address:	Harris County Municipal Utility District No. 493 c/o Schwartz, Page & Harding, L.L.P. 1300 Post Oak Boulevard, Suite 2400 Houston, Texas 77056
District business telephone number:	713.623.4531
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	May 28, 2024
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

<u>Board Members</u>	<u>Term of Office Elected &amp; Expires</u>	<u>Fees*</u>	<u>Expense Reimbursements</u>	<u>Title at Year-End</u>
Burt Lazar	Elected 05/22- 05/26	\$ 2,431	\$ 364	President
Tommy J. Vicknair	Elected 05/24- 05/28	3,536	53	Vice President
Kaci Schlachter	Elected 05/22- 05/26	1,989	310	Secretary
Greg Garner, Jr.	Elected 05/24- 05/28	2,210	133	Assistant Secretary
Summer Guderian	Elected 05/24- 05/28	3,023	86	Assistant Secretary

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

**Harris County Municipal Utility District No. 493  
Board Members, Key Personnel and Consultants  
Year Ended May 31, 2024**

**(Continued)**

<b>Consultants</b>	<b>Date Hired</b>	<b>Fees and Expense Reimbursements</b>	<b>Title</b>
B&A Municipal Tax Services, LLC	05/25/21	\$ 11,154	Tax Assessor/ Collector
BGE, Inc.	05/05/08	53,715	Engineer
FORVIS, LLP	05/23/23	14,100	Auditor
Harris Central Appraisal District	Legislative Action	547	Appraiser
Inframark, LLC	05/25/21	339,681	Operator
Masterson Advisors LLC	05/15/18	-	Financial Advisor
Municipal Accounts & Consulting, L.P.	10/29/19	40,835	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	05/25/21	-	Delinquent Tax Attorney
Schwartz, Page & Harding, L.L.P.	05/05/08	54,766	General Counsel
<b>Investment Officers</b>			
Mark M. Burton and Ghia Lewis	10/29/19	N/A	Bookkeepers