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# **Harris County Municipal Utility District No. 419 Harris County, Texas**

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

May 31, 2023

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**Harris County Municipal Utility District No. 419**  
**May 31, 2023**

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## Independent Auditor's Report

Board of Directors  
Harris County Municipal Utility District No. 419  
Harris County, Texas

### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 419 (the District), as of and for the year ended May 31, 2023, 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 each major fund of the District, as of May 31, 2023, 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, LLP**

Houston, Texas  
October 10, 2023

# Harris County Municipal Utility District No. 419

## Management's Discussion and Analysis

### May 31, 2023

#### **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 other information required 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 total 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.

**Harris County Municipal Utility District No. 419**  
**Management's Discussion and Analysis (Continued)**  
**May 31, 2023**

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 total 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.

**Harris County Municipal Utility District No. 419**  
**Management's Discussion and Analysis (Continued)**  
**May 31, 2023**

**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**

	<b><u>2023</u></b>	<b><u>2022</u></b>
Current and other assets	\$ 24,411,018	\$ 21,351,907
Capital assets	<u>63,120,281</u>	<u>65,717,090</u>
Total assets	<u>87,531,299</u>	<u>87,068,997</u>
Deferred outflows of resources	<u>2,993,776</u>	<u>3,171,481</u>
Total assets and deferred outflows of resources	<u>\$ 90,525,075</u>	<u>\$ 90,240,478</u>
Long-term liabilities	\$ 132,080,224	\$ 137,949,780
Other liabilities	<u>2,150,366</u>	<u>2,174,452</u>
Total liabilities	<u>134,230,590</u>	<u>140,124,232</u>
Net position:		
Net investment in capital assets	(65,176,075)	(68,163,047)
Restricted	10,883,955	10,443,804
Unrestricted	<u>10,586,605</u>	<u>7,835,489</u>
Total net position	<u>\$ (43,705,515)</u>	<u>\$ (49,883,754)</u>

The total net position of the District increased by \$6,178,239, or about 12 percent. The majority of the increase in net position is related to tax revenues intended to pay principal on the District's bonded indebtedness, which is shown as long-term liabilities in the government-wide financial statements. 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.

At May 31, 2023, the net investment in capital assets was \$(65,176,075). This amount was negative because not all expenditures from long-term debt were for the acquisition of capital assets. Within Harris County, the county government assumes the maintenance and other incidents of ownership of most storm sewer facilities constructed by the District. Accordingly, these assets are not recorded in the financial statements of the District.



**Harris County Municipal Utility District No. 419**  
**Management's Discussion and Analysis (Continued)**  
**May 31, 2023**

**Summary of Changes in Net Position**

	<b><u>2023</u></b>	<b><u>2022</u></b>
Revenues:		
Property taxes	\$ 13,788,430	\$ 12,844,514
Charges for services	5,996,094	5,156,658
Other revenues	<u>845,542</u>	<u>162,244</u>
Total revenues	<u>20,630,066</u>	<u>18,163,416</u>
Expenses:		
Services	7,327,715	6,652,829
Conveyance of capital assets	99,208	-
Connection fees	-	3,677,290
Depreciation	3,088,645	3,068,168
Debt service	<u>3,936,259</u>	<u>4,505,357</u>
Total expenses	<u>14,451,827</u>	<u>17,903,644</u>
Change in net position	6,178,239	259,772
Net position, beginning of year	<u>(49,883,754)</u>	<u>(50,143,526)</u>
Net position, end of year	<u>\$ (43,705,515)</u>	<u>\$ (49,883,754)</u>

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

The District's combined fund balances as of the end of the fiscal year ended May 31, 2023, were \$22,823,307, an increase of \$2,904,098 from the prior year.

The general fund's fund balance increased by \$2,723,694, primarily due to property taxes and service revenues exceeding service operation expenditures.

The debt service fund's fund balance increased by \$254,561 due to property tax revenues and investment income exceeding bond principal and interest requirements.

The capital projects fund's fund balance decreased by \$74,157, primarily due to capital outlay expenditures exceeding investment income.

**Harris County Municipal Utility District No. 419**  
**Management's Discussion and Analysis (Continued)**  
**May 31, 2023**

**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 water service and regional water fee revenues being greater than anticipated and purchased services and repairs and maintenance expenditures being less than anticipated. The fund balance as of May 31, 2023, was expected to be \$9,822,962 and the actual end-of-year fund balance was \$10,527,378.

**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:

	<b><u>2023</u></b>	<b><u>2022</u></b>
Land and improvements	\$ 3,920,093	\$ 3,920,093
Water facilities	9,888,440	10,151,838
Wastewater facilities	15,448,905	15,791,132
Drainage facilities	793,999	831,484
Road facilities	25,995,078	27,086,342
Recreational facilities	<u>7,073,766</u>	<u>7,936,201</u>
Total capital assets	<u>\$ 63,120,281</u>	<u>\$ 65,717,090</u>

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

Water and wastewater utilities to serve Bridgeland Creek Parkway utility extension	\$ 162,495
Paving facilities to serve Bridgeland Creek Parkway utility extension	321,376
Replace duck pond aerator	<u>7,965</u>
Total additions to capital assets	<u>\$ 491,836</u>

The developer within the District has constructed water, sewer and drainage facilities, recreational facilities 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, if required. As of May 31, 2023, a liability for developer-constructed capital assets of \$13,853,116 was recorded in the government-wide financial statements.

**Harris County Municipal Utility District No. 419**  
**Management's Discussion and Analysis (Continued)**  
**May 31, 2023**

Debt

The changes in the debt position of the District during the fiscal year ended May 31, 2023, are as follows:

Long-term debt payable, beginning of year	\$ 137,949,780
Increases in long-term debt	583,080
Decreases in long-term debt	<u>(6,452,636)</u>
Long-term debt payable, end of year	<u>\$ 132,080,224</u>

At May 31, 2023, the District had \$99,535,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving water, sanitary sewer and drainage systems within the District, \$5,425,000 for financing and constructing recreational facilities, and \$4,255,000 for financing and constructing roads.

The District's bonds carry underlying ratings of "BBB+" from Standard & Poor's (S&P) or "A2" from Moody's Investors Service (Moody's). The Series 2014A, Series 2016 road, Series 2017, Series 2017A park, Series 2017B refunding, Series 2018, Series 2018A park, Series 2018 road, Series 2019 park refunding, Series 2019 road refunding, Series 2020A park, Series 2021 park refunding and Series 2021A bonds carry a "AA" rating from S&P by virtue of bond insurance issued by Build America Mutual Assurance Company. The Series 2014 road, Series 2015 refunding, Series 2015A, Series 2016 refunding, Series 2016A, Series 2017 road refunding and Series 2020 bonds carry a "AA" rating from S&P and an "A1" rating from Moody's (except for the Series 2015A bonds) by virtue of bond insurance issued by Assured Guaranty Municipal Corp (AGMC).

**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 the bonded indebtedness) and abolish the District within 90 days.

**Harris County Municipal Utility District No. 419**  
**Statement of Net Position and Governmental Funds Balance Sheet**  
**May 31, 2023**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
<b>Assets</b>						
Cash	\$ 552,339	\$ 210,549	\$ 260	\$ 763,148	\$ -	\$ 763,148
Certificates of deposit	475,000	240,000	-	715,000	-	715,000
Short-term investments	9,771,722	10,928,635	933,630	21,633,987	-	21,633,987
Receivables:						
Property taxes	59,227	208,930	-	268,157	-	268,157
Service accounts	321,019	-	-	321,019	-	321,019
Accrued interest	10,036	3,182	-	13,218	-	13,218
Accrued penalty and interest	-	-	-	-	85,438	85,438
Interfund receivables	10,420	-	-	10,420	(10,420)	-
Due from others	2,483	-	-	2,483	-	2,483
Prepaid expenditures	14,488	-	-	14,488	-	14,488
Operating deposits	594,080	-	-	594,080	-	594,080
Capital assets (net of accumulated depreciation):						
Land	-	-	-	-	3,920,093	3,920,093
Infrastructure	-	-	-	-	26,131,344	26,131,344
Roads	-	-	-	-	25,995,078	25,995,078
Recreational facilities	-	-	-	-	7,073,766	7,073,766
<b>Total assets</b>	<b>11,810,814</b>	<b>11,591,296</b>	<b>933,890</b>	<b>24,336,000</b>	<b>63,195,299</b>	<b>87,531,299</b>
<b>Deferred Outflows of Resources</b>						
Deferred amount on debt refundings	0	0	0	0	2,993,776	2,993,776
<b>Total assets and deferred outflows of resources</b>	<b>\$ 11,810,814</b>	<b>\$ 11,591,296</b>	<b>\$ 933,890</b>	<b>\$ 24,336,000</b>	<b>\$ 66,189,075</b>	<b>\$ 90,525,075</b>

**Harris County Municipal Utility District No. 419**  
**Statement of Net Position and Governmental Funds Balance Sheet (Continued)**  
**May 31, 2023**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
<b>Liabilities</b>						
Accounts payable	\$ 877,959	\$ 9,301	\$ 606	\$ 887,866	\$ -	\$ 887,866
Accrued interest payable	-	-	-	-	916,250	916,250
Customer deposits	346,250	-	-	346,250	-	346,250
Interfund payables	-	10,420	-	10,420	(10,420)	-
Long-term liabilities:						
Due within one year	-	-	-	-	6,560,000	6,560,000
Due after one year	-	-	-	-	125,520,224	125,520,224
<b>Total liabilities</b>	<b>1,224,209</b>	<b>19,721</b>	<b>606</b>	<b>1,244,536</b>	<b>132,986,054</b>	<b>134,230,590</b>
<b>Deferred Inflows of Resources</b>						
Deferred property tax revenues	59,227	208,930	0	268,157	(268,157)	0
<b>Fund Balances/Net Position</b>						
Fund balances:						
Nonspendable, prepaid expenditures	14,488	-	-	14,488	(14,488)	-
Restricted:						
Unlimited tax bonds	-	11,362,645	-	11,362,645	(11,362,645)	-
Water, sewer and drainage	-	-	673,273	673,273	(673,273)	-
Parks and recreation	-	-	84,124	84,124	(84,124)	-
Roads	-	-	175,887	175,887	(175,887)	-
Assigned, operating deposits	594,080	-	-	594,080	(594,080)	-
Unassigned	9,918,810	-	-	9,918,810	(9,918,810)	-
<b>Total fund balances</b>	<b>10,527,378</b>	<b>11,362,645</b>	<b>933,284</b>	<b>22,823,307</b>	<b>(22,823,307)</b>	<b>0</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 11,810,814</b>	<b>\$ 11,591,296</b>	<b>\$ 933,890</b>	<b>\$ 24,336,000</b>		
Net position:						
Net investment in capital assets					(65,176,075)	(65,176,075)
Restricted for debt service					10,740,763	10,740,763
Restricted for capital projects					143,192	143,192
Unrestricted					10,586,605	10,586,605
<b>Total net position</b>					<b>\$ (43,705,515)</b>	<b>\$ (43,705,515)</b>

**Harris County Municipal Utility District No. 419**  
**Statement of Activities and Governmental Funds Revenues,**  
**Expenditures and Changes in Fund Balances**  
**Year Ended May 31, 2023**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
<b>Revenues</b>						
Property taxes	\$ 3,381,994	\$ 10,304,023	\$ -	\$ 13,686,017	\$ 102,413	\$ 13,788,430
Water service	1,444,446	-	-	1,444,446	-	1,444,446
Sewer service	2,252,526	-	-	2,252,526	-	2,252,526
Regional water fee	2,299,122	-	-	2,299,122	-	2,299,122
Penalty and interest	78,735	117,631	-	196,366	26,495	222,861
Tap connection and inspection fees	8,875	-	-	8,875	-	8,875
Investment income	305,531	273,815	34,393	613,739	-	613,739
Other income	-	67	-	67	-	67
<b>Total revenues</b>	<b>9,771,229</b>	<b>10,695,536</b>	<b>34,393</b>	<b>20,501,158</b>	<b>128,908</b>	<b>20,630,066</b>
<b>Expenditures/Expenses</b>						
Service operations:						
Purchased services	2,774,182	-	-	2,774,182	-	2,774,182
Regional water fee	1,119,209	-	-	1,119,209	-	1,119,209
Professional fees	168,184	6,625	-	174,809	2,645	177,454
Contracted services	1,511,185	147,469	-	1,658,654	1,250	1,659,904
Utilities	168,311	-	-	168,311	-	168,311
Repairs and maintenance	1,002,357	-	-	1,002,357	128,075	1,130,432
Other expenditures	266,558	25,500	480	292,538	-	292,538
Tap connections	5,685	-	-	5,685	-	5,685
Capital outlay	31,864	-	108,070	139,934	(139,934)	-
Conveyance of capital assets	-	-	-	-	99,208	99,208
Depreciation	-	-	-	-	3,088,645	3,088,645
Debt service:						
Principal retirement	-	6,475,000	-	6,475,000	(6,475,000)	-
Interest and fees	-	3,786,381	-	3,786,381	149,878	3,936,259
<b>Total expenditures/expenses</b>	<b>7,047,535</b>	<b>10,440,975</b>	<b>108,550</b>	<b>17,597,060</b>	<b>(3,145,233)</b>	<b>14,451,827</b>
<b>Excess (Deficiency) of Revenues</b>						
<b>Over Expenditures</b>	<b>2,723,694</b>	<b>254,561</b>	<b>(74,157)</b>	<b>2,904,098</b>	<b>(2,904,098)</b>	
<b>Change in Net Position</b>						
					<b>6,178,239</b>	<b>6,178,239</b>
<b>Fund Balances/Net Position</b>						
Beginning of year	7,803,684	11,108,084	1,007,441	19,919,209	-	(49,883,754)
End of year	<u>\$ 10,527,378</u>	<u>\$ 11,362,645</u>	<u>\$ 933,284</u>	<u>\$ 22,823,307</u>	<u>\$ 0</u>	<u>\$ (43,705,515)</u>

**Harris County Municipal Utility District No. 419**  
**Notes to Financial Statements**  
**May 31, 2023**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies**

Harris County Municipal Utility District No. 419 (the District) was created by an order of the Texas Commission on Environmental Quality (the Commission), effective February 21, 2005, 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 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.

# Harris County Municipal Utility District No. 419

## Notes to Financial Statements

### May 31, 2023

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 funds. 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 funds:

*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.

*Debt Service Fund* – The debt service fund is used to account for financial resources that are restricted, committed or assigned to expenditures for principal and interest related costs, as well as the financial resources being accumulated for future debt service.

*Capital Projects Fund* – The capital projects fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

#### **Fund Balances – Governmental Funds**

The fund balances for the District's governmental funds 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.



# Harris County Municipal Utility District No. 419

## Notes to Financial Statements

May 31, 2023

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. 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. 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.

#### **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. 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.

# **Harris County Municipal Utility District No. 419**

## **Notes to Financial Statements**

### **May 31, 2023**

#### ***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.

#### ***Interfund Transactions***

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

#### ***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

**Harris County Municipal Utility District No. 419**  
**Notes to Financial Statements**  
**May 31, 2023**

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, 2023, include collections during the current period or within 60 days of year-end related to the 2022 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, 2023, the 2022 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.

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:

	<b>Years</b>
Water production and distribution facilities	10-45
Wastewater collection and treatment facilities	10-45
Drainage facilities	10-45
Recreational facilities	15-20
Road facilities	20-45

**Deferred Amount on Debt Refundings**

In the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt in a debt refunding is deferred and amortized to interest expense using the effective interest rate method over the remaining life of the old debt or the life of the new debt, whichever is shorter. Such amounts are classified as deferred outflows or inflows of resources.

**Harris County Municipal Utility District No. 419**  
**Notes to Financial Statements**  
**May 31, 2023**

***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 Balances***

Fund balances 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 balances in the governmental funds balance sheet are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	\$ 63,120,281
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	268,157
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.	85,438

**Harris County Municipal Utility District No. 419**  
**Notes to Financial Statements**  
**May 31, 2023**

Deferred amount on debt refundings for governmental activities are not financial resources and are not reported in the funds.	\$ 2,993,776
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	(916,250)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	<u>(132,080,224)</u>
Adjustment to fund balances to arrive at net position.	<u><u>\$ (66,528,822)</u></u>

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

Change in fund balances.	\$ 2,904,098
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. This is the amount by which depreciation expense, conveyed capital assets and noncapitalized costs exceeded capital outlay expenditures in the current period.	(3,179,889)
Governmental funds report principal payments on debt as expenditures. These transactions, however, do not have any effect on net position.	6,475,000
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.	128,908
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(149,878)</u>
Change in net position of governmental activities.	<u><u>\$ 6,178,239</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.

**Harris County Municipal Utility District No. 419**  
**Notes to Financial Statements**  
**May 31, 2023**

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, 2023, 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 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.

The District invests in Texas CLASS, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Trustees, elected by the participants, has oversight of Texas CLASS. The District's investments may be redeemed at any time. Texas CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques and limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. The District's investments in Texas CLASS are reported at net asset value.

At May 31, 2023, the District had the following investments and maturities:

Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
Texas CLASS	\$ 21,633,987	\$ 21,633,987	\$ 0	\$ 0	\$ 0

**Harris County Municipal Utility District No. 419**  
**Notes to Financial Statements**  
**May 31, 2023**

**Interest Rate Risk.** As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

**Credit Risk.** Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At May 31, 2023, the District's investments in Texas CLASS were rated "AAAm" by Standard & Poor's.

***Summary of Carrying Values***

The carrying values of deposits and investments shown previously are included in the balance sheet at May 31, 2023, as follows:

Carrying value:		
Deposits	\$	1,478,148
Investments		21,633,987
Total	\$	23,112,135

Included in the following statement of net position captions:

Cash	\$	763,148
Certificates of deposit		715,000
Short-term investments		21,633,987
Total	\$	23,112,135

***Investment Income***

Investment income of \$613,739 for the year ended May 31, 2023, consisted of interest income.

***Fair Value Measurements***

The District has the following recurring fair value measurements as of May 31, 2023:

- Pooled investments of \$21,633,987 are valued at fair value per share of the pool's underlying portfolio.

**Harris County Municipal Utility District No. 419**  
**Notes to Financial Statements**  
**May 31, 2023**

**Note 3: Capital Assets**

A summary of changes in capital assets for the year ended May 31, 2023, is presented below:

<b>Governmental Activities</b>	<b>Balances, Beginning of Year</b>	<b>Additions</b>	<b>Balances, End of Year</b>
Capital assets, non-depreciable:			
Land and improvements	\$ 3,920,093	\$ 0	\$ 3,920,093
Capital assets, depreciable:			
Water production and distribution facilities	13,100,943	35,719	13,136,662
Wastewater collection and treatment facilities	20,383,012	126,775	20,509,787
Drainage facilities	919,174	-	919,174
Roads	40,691,953	321,377	41,013,330
Recreational facilities	13,413,092	7,965	13,421,057
Total capital assets, depreciable	<u>88,508,174</u>	<u>491,836</u>	<u>89,000,010</u>
Less accumulated depreciation:			
Water production and distribution facilities	(2,949,105)	(299,117)	(3,248,222)
Wastewater collection and treatment facilities	(4,591,880)	(469,002)	(5,060,882)
Drainage facilities	(87,690)	(37,485)	(125,175)
Roads	(13,605,611)	(1,412,641)	(15,018,252)
Recreational facilities	(5,476,891)	(870,400)	(6,347,291)
Total accumulated depreciation	<u>(26,711,177)</u>	<u>(3,088,645)</u>	<u>(29,799,822)</u>
Total governmental activities, net	<u>\$ 65,717,090</u>	<u>\$ (2,596,809)</u>	<u>\$ 63,120,281</u>

**Note 4: Long-term Liabilities**

Changes in long-term liabilities for the year ended May 31, 2023, were as follows:

<b>Governmental Activities</b>	<b>Balances, Beginning of Year</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances, End of Year</b>	<b>Amounts Due in One Year</b>
Bonds payable:					
General obligation bonds	\$ 125,410,000	\$ -	\$ 6,475,000	\$ 118,935,000	\$ 6,560,000
Add premiums on bonds	582,295	-	32,522	549,773	-
Less discounts on bonds	1,312,551	-	54,886	1,257,665	-
	<u>124,679,744</u>	<u>0</u>	<u>6,452,636</u>	<u>118,227,108</u>	<u>6,560,000</u>
Due to developer	13,270,036	583,080	-	13,853,116	-
Total governmental activities long-term liabilities	<u>\$ 137,949,780</u>	<u>\$ 583,080</u>	<u>\$ 6,452,636</u>	<u>\$ 132,080,224</u>	<u>\$ 6,560,000</u>



**Harris County Municipal Utility District No. 419**  
**Notes to Financial Statements**  
**May 31, 2023**

**General Obligation Bonds**

	<b>Series 2012</b>	<b>Series 2014A</b>
Amounts outstanding, May 31, 2023	\$110,000	\$5,780,000
Interest rates	3.60%	2.375% to 3.750%
Maturity dates, serially beginning/ending	September 1, 2023	September 1, 2023/2039
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2019	September 1, 2022
	<b>Series 2014 Road</b>	<b>Refunding Series 2015</b>
Amounts outstanding, May 31, 2023	\$3,655,000	\$4,010,000
Interest rates	3.00% to 4.00%	2.500% to 3.625%
Maturity dates, serially beginning/ending	September 1, 2023/2039	September 1, 2023/2032
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2022	September 1, 2022
	<b>Series 2015A</b>	<b>Series 2015 Road</b>
Amounts outstanding, May 31, 2023	\$7,115,000	\$3,050,000
Interest rates	2.125% to 4.000%	2.00% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2023/2041	September 1, 2023/2041
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2023	September 1, 2023
	<b>Refunding Series 2016</b>	<b>Series 2016A</b>
Amounts outstanding, May 31, 2023	\$16,880,000	\$13,800,000
Interest rates	2.00% to 4.00%	3.00% to 3.25%
Maturity dates, serially beginning/ending	September 1, 2023/2035	September 1, 2023/2041
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2023	September 1, 2023

\*Or any date thereafter; callable at par plus accrued interest to the date of redemption.

**Harris County Municipal Utility District No. 419**  
**Notes to Financial Statements**  
**May 31, 2023**

	<b>Series 2016 Road</b>	<b>Road Refunding Series 2017</b>
Amounts outstanding, May 31, 2023	\$2,050,000	\$4,045,000
Interest rates	2.50% to 4.00%	3.00% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2023/2041	September 1, 2023/2035
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2023	September 1, 2024
	<b>Series 2017</b>	<b>Series 2017A Park</b>
Amounts outstanding, May 31, 2023	\$10,350,000	\$4,520,000
Interest rates	3.00% to 4.00%	3.00% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2023/2042	September 1, 2023/2042
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2024	September 1, 2024
	<b>Refunding Series 2017B</b>	<b>Series 2018</b>
Amounts outstanding, May 31, 2023	\$11,050,000	\$3,500,000
Interest rates	2.50% to 3.50%	3.00% to 5.00%
Maturity dates, serially beginning/ending	September 1, 2023/2038	September 1, 2023/2042
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2024	September 1, 2024
	<b>Series 2018A Park</b>	<b>Series 2018 Road</b>
Amounts outstanding, May 31, 2023	\$1,025,000	\$4,400,000
Interest rates	4.00%	3.00% to 5.00%
Maturity dates, serially beginning/ending	September 1, 2023/2042	September 1, 2023/2042
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2024	September 1, 2024

\*Or any date thereafter; callable at par plus accrued interest to the date of redemption.

**Harris County Municipal Utility District No. 419**  
**Notes to Financial Statements**  
**May 31, 2023**

	<b>Park Refunding Series 2019</b>	<b>Road Refunding Series 2019</b>
Amounts outstanding, May 31, 2023	\$1,790,000	\$6,490,000
Interest rates	2.00% to 3.00%	2.00% to 3.00%
Maturity dates, serially beginning/ending	September 1, 2023/2038	September 1, 2023/2038
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2025	September 1, 2025
	<b>Series 2020</b>	<b>Series 2020A Park</b>
Amounts outstanding, May 31, 2023	\$6,125,000	\$2,015,000
Interest rates	2.000% to 2.125%	2.00%
Maturity dates, serially beginning/ending	March 1, 2024/2042	March 1, 2024/2042
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	March 1, 2026	March 1, 2026
	<b>Park Refunding Series 2021</b>	<b>Series 2021A</b>
Amounts outstanding, May 31, 2023	\$2,115,000	\$5,060,000
Interest rates	2.00% to 3.00%	2.00% to 2.50%
Maturity dates, serially beginning/ending	September 1, 2023/2038	March 1, 2024/2043
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2026	March 1, 2027

\*Or any date thereafter; callable at par plus accrued interest to the date of redemption.

***Annual Debt Service Requirements***

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at May 31, 2023.

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Year	Principal	Interest	Total
2024	\$ 6,560,000	\$ 3,577,930	\$ 10,137,930
2025	6,695,000	3,388,413	10,083,413
2026	6,745,000	3,195,922	9,940,922
2027	6,790,000	3,007,288	9,797,288
2028	6,875,000	2,821,188	9,696,188
2029-2033	35,395,000	10,998,741	46,393,741
2034-2038	31,595,000	5,492,863	37,087,863
2039-2043	<u>18,280,000</u>	<u>1,322,026</u>	<u>19,602,026</u>
Total	<u>\$ 118,935,000</u>	<u>\$ 33,804,371</u>	<u>\$ 152,739,371</u>

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount.

Bonds voted:

Water, sewer and drainage facilities	\$ 211,320,000
Recreational facilities	20,360,000
Road facilities	37,500,000

Bonds sold:

Water, sewer and drainage facilities	111,785,000
Recreational facilities	14,935,000
Road facilities	33,245,000

Refunding bonds voted 269,180,000

Refunding bonds authorization used 4,320,000

***Due to Developer***

The developer of the District has constructed underground utilities, recreational facilities and road facilities on behalf of the District. The District is maintaining and operating the facilities and has agreed to reimburse the developer for these construction costs and interest to the extent approved by the Commission, if required, from the proceeds of future bond sales. The District's engineer estimates reimbursable costs for completed projects are \$13,853,116, including approximately \$2,276,960 of water, sewer and drainage projects, and recreational facilities, and approximately \$11,576,156 of road projects. Recreational facilities bonds are limited in issuance to 3 percent of the taxable value of property within the District. These amounts have been recorded in the financial statements as long-term liabilities.

**Harris County Municipal Utility District No. 419**  
**Notes to Financial Statements**  
**May 31, 2023**

**Note 5: Significant Bond Order and Commission Requirements**

The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended May 31, 2023, the District levied an ad valorem debt service tax at the rate of \$0.6700 per \$100 of assessed valuation, which resulted in a tax levy of \$10,400,268 on the taxable valuation of \$1,552,280,478 for the 2022 tax year. The interest and principal requirements for bonds to be paid from the tax revenues and available resources are \$8,101,010 of which \$2,068,655 has been paid and \$6,032,355 is due September 1, 2023. The interest and principal requirements for road bonds to be paid from the tax revenues and available resources are \$2,130,289 of which \$400,144 has been paid and \$1,730,145 is due September 1, 2023.

**Note 6: Maintenance Taxes**

At an election held May 7, 2005, voters authorized a general operations and maintenance tax not to exceed \$1.50 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended May 31, 2023, the District levied an ad valorem general operations and maintenance tax at the rate of \$0.2200 per \$100 of assessed valuation, which resulted in a tax levy of \$3,415,013 on the taxable valuation of \$1,552,280,478 for the 2022 tax year. The maintenance tax is being used by the general fund to pay general expenditures of operating the District.

At an election held May 7, 2005, voters authorized a recreational facilities maintenance tax not to exceed \$0.10 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended May 31, 2023, the District did not levy an ad valorem recreational facilities maintenance tax.

**Note 7: Contract With Other District**

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 among District No. 418, Harris County Municipal Utility District Nos. 489, 490, 491, 492 and 493, and the District. 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 \$4,913 per equivalent single-family connection for water supply capacity and \$3,527 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

**Harris County Municipal Utility District No. 419**  
**Notes to Financial Statements**  
**May 31, 2023**

from \$0 to \$5,217 per equivalent single-family connection. These charges are subject to adjustment annually. Through May 31, 2023, the District has been credited with water and sewer connections with a value of \$31,066,207. 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.

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 \$2,967,414 for water supply and \$925,977 for wastewater services. In addition, the District has contributed \$443,667 for its share of the water supply reserve and \$150,413 for the wastewater treatment reserve. The reserves are subject to adjustment annually.

**Note 8: Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; 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.

## **Required Supplementary Information**

**Harris County Municipal Utility District No. 419**  
**Budgetary Comparison Schedule – General Fund**  
**Year Ended May 31, 2023**

	<b>Original Budget</b>	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Property taxes	\$ 2,691,301	\$ 3,368,166	\$ 3,381,994	\$ 13,828
Water service	1,200,000	1,370,000	1,444,446	74,446
Sewer service	2,235,000	2,235,000	2,252,526	17,526
Regional water fee	1,943,662	2,108,512	2,299,122	190,610
Penalty and interest	60,000	60,000	78,735	18,735
Tap connection and inspection fees	1,500	10,600	8,875	(1,725)
Investment income	17,550	300,050	305,531	5,481
Total revenues	<u>8,149,013</u>	<u>9,452,328</u>	<u>9,771,229</u>	<u>318,901</u>
<b>Expenditures</b>				
Service operations:				
Purchased services	2,111,674	2,847,873	2,774,182	73,691
Regional water fee	1,010,704	1,096,426	1,119,209	(22,783)
Professional fees	168,100	168,100	168,184	(84)
Contracted services	1,486,000	1,486,000	1,511,185	(25,185)
Utilities	184,000	184,000	168,311	15,689
Repairs and maintenance	1,230,985	1,345,985	1,002,357	343,628
Other expenditures	296,666	304,666	266,558	38,108
Tap connections	-	-	5,685	(5,685)
Capital outlay	-	-	31,864	(31,864)
Total expenditures	<u>6,488,129</u>	<u>7,433,050</u>	<u>7,047,535</u>	<u>385,515</u>
<b>Excess of Revenues Over Expenditures</b>	1,660,884	2,019,278	2,723,694	704,416
<b>Fund Balance, Beginning of Year</b>	<u>7,803,684</u>	<u>7,803,684</u>	<u>7,803,684</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 9,464,568</u>	<u>\$ 9,822,962</u>	<u>\$ 10,527,378</u>	<u>\$ 704,416</u>



**Harris County Municipal Utility District No. 419**  
**Notes to Required Supplementary Information**  
**May 31, 2023**

***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 2023.

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. 419**  
**Other Schedules Included Within This Report**  
**May 31, 2023**

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

- [X] Notes Required by the Water District Accounting Manual  
See "Notes to Financial Statements," Pages 13-28
- [X] Schedule of Services and Rates
- [X] Schedule of General Fund Expenditures
- [X] Schedule of Temporary Investments
- [X] Analysis of Taxes Levied and Receivable
- [X] Schedule of Long-term Debt Service Requirements by Years
- [X] Changes in Long-term Bonded Debt
- [X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund –  
Five Years
- [X] Board Members, Key Personnel and Consultants

# Harris County Municipal Utility District No. 419

## Schedule of Services and Rates

### Year Ended May 31, 2023

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	5,001 to 10,000
				\$ 2.00	10,001 to 20,000
				\$ 2.50	20,001 to No Limit
Wastewater:	\$ 53.19	0	Y		
Regional water fee:	\$ 4.64	1,000	N	\$ 4.64	1,001 to No Limit

Does the District employ winter averaging for wastewater usage? Yes  No

Total charges per 10,000 gallons usage (including fees): Water \$ 73.15 Wastewater \$ 53.19

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"	2,717	2,711	x1.0	2,711
1"	706	703	x2.5	1,758
1 1/2"	3	3	x5.0	15
2"	26	26	x8.0	208
3"	-	-	x15.0	-
4"	-	-	x25.0	-
6"	-	-	x50.0	-
8"	3	3	x80.0	240
10"	-	-	x115.0	-
Total water	3,455	3,446		4,932
Total wastewater	3,389	3,381	x1.0	3,381

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

Gallons pumped into the system:	504,847
Gallons billed to customers:	504,847
Water accountability ratio (gallons billed/gallons pumped):	100.00%

\*"ESFC" means equivalent single-family connections

**Harris County Municipal Utility District No. 419**  
**Schedule of General Fund Expenditures**  
**Year Ended May 31, 2023**

<b>Personnel (including benefits)</b>		\$ -
<b>Professional Fees</b>		
Auditing	\$ 22,900	
Legal	68,685	
Engineering	76,599	
Financial advisor	-	168,184
<b>Purchased Services for Resale</b>		
Bulk water and wastewater service purchases		2,774,182
<b>Regional Water Fee</b>		1,119,209
<b>Contracted Services</b>		
Bookkeeping	54,952	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	462,352	
Other contracted services	175,104	692,408
<b>Utilities</b>		168,311
<b>Repairs and Maintenance</b>		1,002,357
<b>Administrative Expenditures</b>		
Directors' fees	10,800	
Office supplies	9,938	
Insurance	20,001	
Other administrative expenditures	225,819	266,558
<b>Capital Outlay</b>		
Capitalized assets	7,964	
Expenditures not capitalized	23,900	31,864
<b>Tap Connection Expenditures</b>		5,685
<b>Solid Waste Disposal</b>		818,777
<b>Fire Fighting</b>		-
<b>Parks and Recreation</b>		-
<b>Other Expenditures</b>		-
Total expenditures		<u><u>\$ 7,047,535</u></u>

**Harris County Municipal Utility District No. 419**  
**Schedule of Temporary Investments**  
**May 31, 2023**

	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Face Amount</b>	<b>Accrued Interest Receivable</b>
<b>General Fund</b>				
Certificates of Deposit				
No. 440005278	3.50%	10/05/23	\$ 240,000	\$ 5,477
No. 9009004090	4.24%	12/15/23	235,000	4,559
Texas CLASS	5.24%	Demand	<u>9,771,722</u>	<u>-</u>
			<u>10,246,722</u>	<u>10,036</u>
<b>Debt Service Fund</b>				
Certificate of Deposit				
No. 6000048741	4.00%	01/30/24	240,000	3,182
Texas CLASS	5.24%	Demand	8,392,454	-
Texas CLASS	5.24%	Demand	<u>2,536,181</u>	<u>-</u>
			<u>11,168,635</u>	<u>3,182</u>
<b>Capital Projects Fund</b>				
Texas CLASS	5.24%	Demand	673,619	-
Texas CLASS	5.24%	Demand	84,124	-
Texas CLASS	5.24%	Demand	<u>175,887</u>	<u>-</u>
			<u>933,630</u>	<u>0</u>
Totals			<u>\$ 22,348,987</u>	<u>\$ 13,218</u>

**Harris County Municipal Utility District No. 419**  
**Analysis of Taxes Levied and Receivable**  
**Year Ended May 31, 2023**

	<b>Maintenance Taxes</b>	<b>Debt Service Taxes</b>
<b>Receivable, Beginning of Year</b>	\$ 31,805	\$ 133,939
Additions and corrections to prior years' taxes	<u>(5,597)</u>	<u>(21,254)</u>
Adjusted receivable, beginning of year	<u>26,208</u>	<u>112,685</u>
<b>2022 Original Tax Levy</b>	3,222,812	9,814,929
Additions and corrections	<u>192,201</u>	<u>585,339</u>
Adjusted tax levy	<u>3,415,013</u>	<u>10,400,268</u>
Total to be accounted for	3,441,221	10,512,953
Tax collections:   Current year	(3,375,114)	(10,278,756)
Prior years	<u>(6,880)</u>	<u>(25,267)</u>
Receivable, end of year	<u>\$ 59,227</u>	<u>\$ 208,930</u>
<b>Receivable, by Years</b>		
2022	\$ 39,899	\$ 121,512
2021	5,336	19,789
2020	3,830	16,452
2019	3,419	14,437
2018	1,244	7,107
2017	1,252	7,156
2016	1,095	6,258
2015	1,239	5,829
2014	859	5,746
2013	540	2,304
2012	<u>514</u>	<u>2,340</u>
Receivable, end of year	<u>\$ 59,227</u>	<u>\$ 208,930</u>

**Harris County Municipal Utility District No. 419**  
**Analysis of Taxes Levied and Receivable (Continued)**  
**Year Ended May 31, 2023**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Property Valuations</b>				
Land	\$ 307,809,457	\$ 306,328,275	\$ 268,634,834	\$ 237,336,130
Improvements	1,283,338,731	1,115,115,029	1,065,774,699	1,015,771,983
Personal property	18,697,764	11,908,486	10,475,708	9,792,609
Exemptions	<u>(57,565,474)</u>	<u>(45,565,363)</u>	<u>(38,979,852)</u>	<u>(31,435,496)</u>
 Total property valuations	 <u>\$ 1,552,280,478</u>	 <u>\$ 1,387,786,427</u>	 <u>\$ 1,305,905,389</u>	 <u>\$ 1,231,465,226</u>
 <b>Tax Rates per \$100 Valuation</b>				
Debt service tax rates	\$ 0.6700	\$ 0.7325	\$ 0.7625	\$ 0.7600
Maintenance tax rates*	<u>0.2200</u>	<u>0.1975</u>	<u>0.1775</u>	<u>0.1800</u>
 Total tax rates per \$100 valuation	 <u>\$ 0.8900</u>	 <u>\$ 0.9300</u>	 <u>\$ 0.9400</u>	 <u>\$ 0.9400</u>
 <b>Tax Levy</b>	 <u>\$ 13,815,281</u>	 <u>\$ 12,906,399</u>	 <u>\$ 12,275,496</u>	 <u>\$ 11,575,759</u>
 <b>Percent of Taxes Collected to Taxes Levied**</b>	 <u>99%</u>	 <u>99%</u>	 <u>99%</u>	 <u>99%</u>

\*Maximum tax rate approved by voters: \$1.50 on May 7, 2005.

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



**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years**  
**May 31, 2023**

	<b>Series 2012</b>		
<b>Due During Fiscal Years Ending May 31</b>	<b>Principal Due September 1</b>	<b>Interest Due September 1, March 1</b>	<b>Total</b>
2024	<u>\$ 110,000</u>	<u>\$ 1,980</u>	<u>\$ 111,980</u>

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

Due During Fiscal Years Ending May 31	Series 2014A		
	Principal Due September 1	Interest Due September 1, March 1	Total
2024	\$ 340,000	\$ 186,150	\$ 526,150
2025	340,000	177,438	517,438
2026	340,000	167,875	507,875
2027	340,000	157,675	497,675
2028	340,000	147,475	487,475
2029	340,000	137,275	477,275
2030	340,000	126,650	466,650
2031	340,000	115,600	455,600
2032	340,000	104,337	444,337
2033	340,000	92,650	432,650
2034	340,000	80,750	420,750
2035	340,000	68,850	408,850
2036	340,000	56,950	396,950
2037	340,000	44,625	384,625
2038	340,000	31,875	371,875
2039	340,000	19,125	359,125
2040	340,000	6,375	346,375
Totals	\$ 5,780,000	\$ 1,721,675	\$ 7,501,675

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

Due During Fiscal Years Ending May 31	Series 2014 Road		
	Principal Due September 1	Interest Due September 1, March 1	Total
2024	\$ 215,000	\$ 123,087	\$ 338,087
2025	215,000	116,637	331,637
2026	215,000	110,187	325,187
2027	215,000	103,737	318,737
2028	215,000	97,019	312,019
2029	215,000	90,031	305,031
2030	215,000	83,044	298,044
2031	215,000	75,922	290,922
2032	215,000	68,666	283,666
2033	215,000	61,275	276,275
2034	215,000	53,750	268,750
2035	215,000	46,091	261,091
2036	215,000	38,297	253,297
2037	215,000	30,100	245,100
2038	215,000	21,500	236,500
2039	215,000	12,900	227,900
2040	215,000	4,300	219,300
	Totals	\$ 3,655,000	\$ 1,136,543
		\$ 3,655,000	\$ 1,136,543
		\$ 3,655,000	\$ 4,791,543

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

Due During Fiscal Years Ending May 31	Refunding Series 2015		
	Principal Due September 1	Interest Due September 1, March 1	Total
2024	\$ 340,000	\$ 121,863	\$ 461,863
2025	355,000	112,731	467,731
2026	365,000	102,375	467,375
2027	375,000	91,275	466,275
2028	390,000	79,800	469,800
2029	405,000	67,622	472,622
2030	420,000	54,469	474,469
2031	435,000	40,303	475,303
2032	455,000	25,000	480,000
2033	470,000	8,519	478,519
Totals	\$ 4,010,000	\$ 703,957	\$ 4,713,957

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

Due During Fiscal Years Ending May 31	Series 2015A		
	Principal Due September 1	Interest Due September 1, March 1	Total
2024	\$ 300,000	\$ 241,225	\$ 541,225
2025	300,000	234,100	534,100
2026	300,000	226,225	526,225
2027	300,000	217,600	517,600
2028	300,000	208,600	508,600
2029	300,000	199,413	499,413
2030	300,000	189,850	489,850
2031	300,000	179,912	479,912
2032	300,000	169,600	469,600
2033	300,000	159,100	459,100
2034	300,000	148,600	448,600
2035	300,000	137,913	437,913
2036	500,000	123,413	623,413
2037	500,000	104,975	604,975
2038	500,000	86,225	586,225
2039	500,000	67,475	567,475
2040	500,000	48,725	548,725
2041	500,000	29,975	529,975
2042	515,000	10,300	525,300
Totals	\$ 7,115,000	\$ 2,783,226	\$ 9,898,226

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

Due During Fiscal Years Ending May 31	Series 2015 Road		
	Principal Due September 1	Interest Due September 1, March 1	Total
2024	\$ 150,000	\$ 101,188	\$ 251,188
2025	150,000	97,719	247,719
2026	150,000	94,063	244,063
2027	150,000	89,938	239,938
2028	150,000	85,436	235,436
2029	150,000	80,938	230,938
2030	150,000	76,438	226,438
2031	150,000	71,843	221,843
2032	150,000	67,063	217,063
2033	150,000	62,094	212,094
2034	150,000	56,937	206,937
2035	150,000	51,688	201,688
2036	150,000	46,343	196,343
2037	150,000	40,812	190,812
2038	175,000	34,500	209,500
2039	175,000	27,500	202,500
2040	175,000	20,500	195,500
2041	210,000	12,800	222,800
2042	215,000	4,300	219,300
Totals	\$ 3,050,000	\$ 1,122,100	\$ 4,172,100

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

Due During Fiscal Years Ending May 31	Refunding Series 2016		
	Principal Due September 1	Interest Due September 1, March 1	Total
2024	\$ 1,120,000	\$ 503,412	\$ 1,623,412
2025	1,155,000	480,663	1,635,663
2026	1,185,000	455,781	1,640,781
2027	1,215,000	427,262	1,642,262
2028	1,255,000	396,388	1,651,388
2029	1,295,000	354,800	1,649,800
2030	1,360,000	308,500	1,668,500
2031	1,405,000	267,025	1,672,025
2032	1,455,000	224,125	1,679,125
2033	1,510,000	179,650	1,689,650
2034	1,565,000	125,700	1,690,700
2035	1,635,000	61,700	1,696,700
2036	725,000	14,500	739,500
Totals	\$ 16,880,000	\$ 3,799,506	\$ 20,679,506

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

Due During Fiscal Years Ending May 31	Series 2016A		
	Principal Due September 1	Interest Due September 1, March 1	Total
2024	\$ 700,000	\$ 416,938	\$ 1,116,938
2025	700,000	395,937	1,095,937
2026	700,000	374,938	1,074,938
2027	700,000	353,937	1,053,937
2028	700,000	332,938	1,032,938
2029	700,000	311,937	1,011,937
2030	700,000	290,938	990,938
2031	700,000	269,937	969,937
2032	700,000	248,935	948,935
2033	700,000	227,938	927,938
2034	700,000	206,938	906,938
2035	700,000	185,500	885,500
2036	750,000	162,843	912,843
2037	750,000	138,938	888,938
2038	750,000	114,563	864,563
2039	750,000	90,188	840,188
2040	800,000	65,000	865,000
2041	800,000	39,000	839,000
2042	800,000	13,000	813,000
Totals	\$ 13,800,000	\$ 4,240,343	\$ 18,040,343



**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

Due During Fiscal Years Ending May 31	Series 2016 Road		
	Principal Due September 1	Interest Due September 1, March 1	Total
2024	\$ 100,000	\$ 70,270	\$ 170,270
2025	100,000	67,520	167,520
2026	100,000	64,520	164,520
2027	100,000	61,520	161,520
2028	100,000	58,520	158,520
2029	100,000	55,520	155,520
2030	100,000	52,395	152,395
2031	100,000	49,145	149,145
2032	100,000	45,795	145,795
2033	100,000	42,345	142,345
2034	115,000	38,521	153,521
2035	115,000	34,324	149,324
2036	115,000	30,069	145,069
2037	115,000	25,756	140,756
2038	115,000	21,300	136,300
2039	115,000	16,700	131,700
2040	120,000	12,000	132,000
2041	120,000	7,200	127,200
2042	120,000	2,400	122,400
Totals	\$ 2,050,000	\$ 755,820	\$ 2,805,820

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

<b>Road Refunding Series 2017</b>			
<b>Due During Fiscal Years Ending May 31</b>	<b>Principal Due September 1</b>	<b>Interest Due September 1, March 1</b>	<b>Total</b>
2024	\$ 235,000	\$ 157,100	\$ 392,100
2025	245,000	147,500	392,500
2026	260,000	137,400	397,400
2027	265,000	126,900	391,900
2028	280,000	116,000	396,000
2029	290,000	104,600	394,600
2030	310,000	92,600	402,600
2031	320,000	80,000	400,000
2032	340,000	66,800	406,800
2033	350,000	53,000	403,000
2034	365,000	38,700	403,700
2035	385,000	23,700	408,700
2036	400,000	8,000	408,000
Totals	\$ 4,045,000	\$ 1,152,300	\$ 5,197,300

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

Due During Fiscal Years Ending May 31	Series 2017		
	Principal Due September 1	Interest Due September 1, March 1	Total
2024	\$ 400,000	\$ 321,562	\$ 721,562
2025	425,000	305,062	730,062
2026	425,000	290,188	715,188
2027	425,000	277,438	702,438
2028	425,000	264,688	689,688
2029	425,000	251,938	676,938
2030	425,000	239,188	664,188
2031	425,000	226,438	651,438
2032	425,000	213,688	638,688
2033	425,000	200,938	625,938
2034	600,000	185,562	785,562
2035	600,000	167,562	767,562
2036	600,000	149,188	749,188
2037	600,000	130,438	730,438
2038	600,000	111,312	711,312
2039	600,000	91,812	691,812
2040	600,000	72,312	672,312
2041	600,000	52,812	652,812
2042	650,000	32,500	682,500
2043	675,000	10,969	685,969
Totals	<u>\$ 10,350,000</u>	<u>\$ 3,595,595</u>	<u>\$ 13,945,595</u>

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

Due During Fiscal Years Ending May 31	Series 2017A Park		
	Principal Due September 1	Interest Due September 1, March 1	Total
2024	\$ 170,000	\$ 140,425	\$ 310,425
2025	195,000	133,125	328,125
2026	195,000	126,300	321,300
2027	195,000	120,450	315,450
2028	195,000	114,600	309,600
2029	195,000	108,750	303,750
2030	195,000	102,900	297,900
2031	195,000	97,050	292,050
2032	195,000	91,200	286,200
2033	195,000	85,350	280,350
2034	245,000	78,750	323,750
2035	260,000	71,175	331,175
2036	260,000	63,213	323,213
2037	260,000	55,088	315,088
2038	260,000	46,800	306,800
2039	260,000	38,350	298,350
2040	260,000	29,900	289,900
2041	260,000	21,450	281,450
2042	265,000	12,919	277,919
2043	265,000	4,306	269,306
Totals	<u>\$ 4,520,000</u>	<u>\$ 1,542,101</u>	<u>\$ 6,062,101</u>

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

<b>Refunding Series 2017B</b>			
<b>Due During Fiscal Years Ending May 31</b>	<b>Principal Due September 1</b>	<b>Interest Due September 1, March 1</b>	<b>Total</b>
2024	\$ 620,000	\$ 332,225	\$ 952,225
2025	730,000	311,975	1,041,975
2026	735,000	288,163	1,023,163
2027	740,000	266,050	1,006,050
2028	735,000	247,153	982,153
2029	735,000	227,400	962,400
2030	735,000	206,269	941,269
2031	730,000	184,294	914,294
2032	730,000	162,394	892,394
2033	725,000	140,116	865,116
2034	725,000	117,006	842,006
2035	725,000	93,444	818,444
2036	725,000	69,428	794,428
2037	725,000	44,506	769,506
2038	725,000	19,584	744,584
2039	210,000	3,675	213,675
Totals	\$ 11,050,000	\$ 2,713,682	\$ 13,763,682

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

Due During Fiscal Years Ending May 31	Series 2018		
	Principal Due September 1	Interest Due September 1, March 1	Total
2024	\$ 175,000	\$ 129,281	\$ 304,281
2025	175,000	120,531	295,531
2026	175,000	113,532	288,532
2027	175,000	108,281	283,281
2028	175,000	102,922	277,922
2029	175,000	97,343	272,343
2030	175,000	91,438	266,438
2031	175,000	85,203	260,203
2032	175,000	78,859	253,859
2033	175,000	72,516	247,516
2034	175,000	66,172	241,172
2035	175,000	59,500	234,500
2036	175,000	52,500	227,500
2037	175,000	45,500	220,500
2038	175,000	38,500	213,500
2039	175,000	31,500	206,500
2040	175,000	24,500	199,500
2041	175,000	17,500	192,500
2042	175,000	10,500	185,500
2043	175,000	3,500	178,500
Totals	\$ 3,500,000	\$ 1,349,578	\$ 4,849,578

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

Due During Fiscal Years Ending May 31	Series 2018A Park		
	Principal Due September 1	Interest Due September 1, March 1	Total
2024	\$ 50,000	\$ 40,000	\$ 90,000
2025	50,000	38,000	88,000
2026	50,000	36,000	86,000
2027	50,000	34,000	84,000
2028	50,000	32,000	82,000
2029	50,000	30,000	80,000
2030	50,000	28,000	78,000
2031	50,000	26,000	76,000
2032	50,000	24,000	74,000
2033	50,000	22,000	72,000
2034	50,000	20,000	70,000
2035	50,000	18,000	68,000
2036	50,000	16,000	66,000
2037	50,000	14,000	64,000
2038	50,000	12,000	62,000
2039	55,000	9,900	64,900
2040	55,000	7,700	62,700
2041	55,000	5,500	60,500
2042	55,000	3,300	58,300
2043	55,000	1,100	56,100
Totals	\$ 1,025,000	\$ 417,500	\$ 1,442,500

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

<b>Series 2018 Road</b>				
<b>Due During Fiscal Years Ending May 31</b>	<b>Principal Due September 1</b>	<b>Interest Due September 1, March 1</b>	<b>Total</b>	
2024	\$ 200,000	\$ 158,313	\$	358,313
2025	200,000	150,312		350,312
2026	200,000	143,313		343,313
2027	200,000	137,312		337,312
2028	200,000	131,313		331,313
2029	200,000	125,062		325,062
2030	200,000	118,563		318,563
2031	200,000	111,937		311,937
2032	200,000	105,063		305,063
2033	200,000	97,937		297,937
2034	225,000	90,094		315,094
2035	225,000	81,656		306,656
2036	225,000	73,219		298,219
2037	225,000	64,500		289,500
2038	250,000	55,000		305,000
2039	250,000	45,000		295,000
2040	250,000	35,000		285,000
2041	250,000	25,000		275,000
2042	250,000	15,000		265,000
2043	250,000	5,000		255,000
Totals	<u>\$ 4,400,000</u>	<u>\$ 1,768,594</u>	<u>\$</u>	<u>6,168,594</u>



**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

<b>Park Refunding Series 2019</b>			
<b>Due During Fiscal Years Ending May 31</b>	<b>Principal Due September 1</b>	<b>Interest Due September 1, March 1</b>	<b>Total</b>
2024	\$ 125,000	\$ 46,437	\$ 171,437
2025	125,000	42,688	167,688
2026	120,000	39,012	159,012
2027	120,000	36,013	156,013
2028	120,000	33,612	153,612
2029	115,000	31,263	146,263
2030	115,000	28,962	143,962
2031	110,000	26,506	136,506
2032	110,000	23,550	133,550
2033	110,000	20,250	130,250
2034	105,000	17,025	122,025
2035	105,000	13,875	118,875
2036	105,000	10,725	115,725
2037	105,000	7,575	112,575
2038	100,000	4,500	104,500
2039	100,000	1,500	101,500
Totals	<u>\$ 1,790,000</u>	<u>\$ 383,493</u>	<u>\$ 2,173,493</u>

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

<b>Road Refunding Series 2019</b>			
<b>Due During Fiscal Years Ending May 31</b>	<b>Principal Due September 1</b>	<b>Interest Due September 1, March 1</b>	<b>Total</b>
2024	\$ 430,000	\$ 169,018	\$ 599,018
2025	430,000	156,119	586,119
2026	430,000	143,219	573,219
2027	425,000	132,519	557,519
2028	420,000	124,068	544,068
2029	415,000	115,719	530,719
2030	410,000	107,469	517,469
2031	405,000	98,559	503,559
2032	400,000	87,750	487,750
2033	400,000	75,750	475,750
2034	395,000	63,825	458,825
2035	395,000	51,975	446,975
2036	390,000	40,200	430,200
2037	385,000	28,575	413,575
2038	380,000	17,100	397,100
2039	380,000	5,700	385,700
Totals	<u>\$ 6,490,000</u>	<u>\$ 1,417,565</u>	<u>\$ 7,907,565</u>

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

Due During Fiscal Years Ending May 31	Series 2020		
	Principal Due March 1	Interest Due September 1, March 1	Total
2024	\$ 300,000	\$ 123,375	\$ 423,375
2025	300,000	117,375	417,375
2026	300,000	111,375	411,375
2027	300,000	105,375	405,375
2028	325,000	99,375	424,375
2029	325,000	92,875	417,875
2030	325,000	86,375	411,375
2031	325,000	79,875	404,875
2032	325,000	73,375	398,375
2033	325,000	66,875	391,875
2034	325,000	60,375	385,375
2035	325,000	53,875	378,875
2036	325,000	47,375	372,375
2037	325,000	40,875	365,875
2038	325,000	34,375	359,375
2039	325,000	27,875	352,875
2040	325,000	21,375	346,375
2041	350,000	14,875	364,875
2042	350,000	7,438	357,438
Totals	\$ 6,125,000	\$ 1,264,688	\$ 7,389,688

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

<b>Series 2020A Park</b>			
<b>Due During Fiscal Years Ending May 31</b>	<b>Principal Due March 1</b>	<b>Interest Due September 1, March 1</b>	<b>Total</b>
2024	\$ 105,000	\$ 40,300	\$ 145,300
2025	105,000	38,200	143,200
2026	105,000	36,100	141,100
2027	105,000	34,000	139,000
2028	105,000	31,900	136,900
2029	105,000	29,800	134,800
2030	105,000	27,700	132,700
2031	105,000	25,600	130,600
2032	105,000	23,500	128,500
2033	105,000	21,400	126,400
2034	105,000	19,300	124,300
2035	105,000	17,200	122,200
2036	105,000	15,100	120,100
2037	105,000	13,000	118,000
2038	105,000	10,900	115,900
2039	110,000	8,800	118,800
2040	110,000	6,600	116,600
2041	110,000	4,400	114,400
2042	110,000	2,200	112,200
Totals	<u>\$ 2,015,000</u>	<u>\$ 406,000</u>	<u>\$ 2,421,000</u>

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

<b>Park Refunding Series 2021</b>			
<b>Due During Fiscal Years Ending May 31</b>	<b>Principal Due September 1</b>	<b>Interest Due September 1, March 1</b>	<b>Total</b>
2024	\$ 150,000	\$ 45,950	\$ 195,950
2025	150,000	41,450	191,450
2026	145,000	37,025	182,025
2027	145,000	32,675	177,675
2028	145,000	29,050	174,050
2029	140,000	26,200	166,200
2030	140,000	23,400	163,400
2031	135,000	20,650	155,650
2032	135,000	17,950	152,950
2033	130,000	15,300	145,300
2034	125,000	12,750	137,750
2035	125,000	10,250	135,250
2036	120,000	7,800	127,800
2037	115,000	5,450	120,450
2038	110,000	3,200	113,200
2039	105,000	1,050	106,050
Totals	\$ 2,115,000	\$ 330,150	\$ 2,445,150

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

Due During Fiscal Years Ending May 31	Series 2021A		
	Principal Due March 1	Interest Due September 1, March 1	Total
2024	\$ 225,000	\$ 107,831	\$ 332,831
2025	250,000	103,331	353,331
2026	250,000	98,331	348,331
2027	250,000	93,331	343,331
2028	250,000	88,331	338,331
2029	250,000	83,331	333,331
2030	250,000	78,331	328,331
2031	250,000	73,331	323,331
2032	250,000	68,331	318,331
2033	250,000	63,331	313,331
2034	250,000	58,331	308,331
2035	250,000	53,332	303,332
2036	250,000	48,332	298,332
2037	250,000	43,019	293,019
2038	250,000	37,706	287,706
2039	250,000	32,082	282,082
2040	260,000	26,456	286,456
2041	275,000	20,282	295,282
2042	275,000	13,750	288,750
2043	275,000	6,875	281,875
Totals	\$ 5,060,000	\$ 1,197,975	\$ 6,257,975

**Harris County Municipal Utility District No. 419**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**May 31, 2023**

Due During Fiscal Years Ending May 31	<u>Annual Requirements For All Series</u>		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2024	\$ 6,560,000	\$ 3,577,930	\$ 10,137,930
2025	6,695,000	3,388,413	10,083,413
2026	6,745,000	3,195,922	9,940,922
2027	6,790,000	3,007,288	9,797,288
2028	6,875,000	2,821,188	9,696,188
2029	6,925,000	2,621,817	9,546,817
2030	7,020,000	2,413,479	9,433,479
2031	7,070,000	2,205,130	9,275,130
2032	7,155,000	1,989,981	9,144,981
2033	7,225,000	1,768,334	8,993,334
2034	7,075,000	1,539,086	8,614,086
2035	7,180,000	1,301,610	8,481,610
2036	6,525,000	1,073,495	7,598,495
2037	5,390,000	877,732	6,267,732
2038	5,425,000	700,940	6,125,940
2039	4,915,000	531,132	5,446,132
2040	4,185,000	380,743	4,565,743
2041	3,705,000	250,794	3,955,794
2042	3,780,000	127,607	3,907,607
2043	1,695,000	31,750	1,726,750
Totals	<u>\$ 118,935,000</u>	<u>\$ 33,804,371</u>	<u>\$ 152,739,371</u>

**Harris County Municipal Utility District No. 419**  
**Changes in Long-term Bonded Debt**  
**Year Ended May 31, 2023**

	<b>Bond</b>			
	<b>Series 2011</b>	<b>Series 2012</b>	<b>Series 2014A</b>	<b>Series 2014 Road</b>
Interest rates	4.00%	3.60%	2.375% to 3.750%	3.00% to 4.00%
Dates interest payable	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
Maturity dates		September 1, 2023	September 1, 2023/2039	September 1, 2023/2039
Bonds outstanding, beginning of current year	\$ 520,000	\$ 215,000	\$ 6,120,000	\$ 3,870,000
Retirements, principal	<u>520,000</u>	<u>105,000</u>	<u>340,000</u>	<u>215,000</u>
Bonds outstanding, end of current year	<u>\$ 0</u>	<u>\$ 110,000</u>	<u>\$ 5,780,000</u>	<u>\$ 3,655,000</u>
Interest paid during current year	<u>\$ 10,400</u>	<u>\$ 5,693</u>	<u>\$ 194,438</u>	<u>\$ 129,537</u>

Paying agent's name and address:

<b>Series 2011</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
<b>Series 2012</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
<b>Series 2014A</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
<b>Series 2014 Road</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
<b>Series 2015</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
<b>Series 2015A</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
<b>Series 2015 Road</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
<b>Series 2016</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
<b>Series 2016A</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

Bond authority:

	<b>Tax Bonds</b>	<b>Recreational Bonds</b>	<b>Road Bonds</b>	<b>Refunding Bonds</b>
Amount authorized by voters	\$ 211,320,000	\$ 20,360,000	\$ 37,500,000	\$ 269,180,000
Amount issued	<u>\$ 111,785,000</u>	<u>\$ 14,935,000</u>	<u>\$ 33,245,000</u>	<u>\$ 4,320,000</u>
Remaining to be issued	<u>\$ 99,535,000</u>	<u>\$ 5,425,000</u>	<u>\$ 4,255,000</u>	<u>\$ 264,860,000</u>
Debt service fund cash and temporary investment balances as of May 31, 2023:				<u>\$ 11,379,184</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:				<u>\$ 7,636,969</u>



**Issues**

<b>Refunding Series 2015</b>	<b>Series 2015A</b>	<b>Series 2015 Road</b>	<b>Refunding Series 2016</b>	<b>Series 2016A</b>
2.500% to 3.625%	2.125% to 4.000%	2.00% to 4.00%	2.00% to 4.00%	3.00% to 3.25%
September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
September 1, 2023/2032	September 1, 2023/2041	September 1, 2023/2041	September 1, 2023/2035	September 1, 2023/2041
\$ 4,340,000	\$ 7,415,000	\$ 3,200,000	\$ 17,955,000	\$ 14,500,000
330,000	300,000	150,000	1,075,000	700,000
<u>\$ 4,010,000</u>	<u>\$ 7,115,000</u>	<u>\$ 3,050,000</u>	<u>\$ 16,880,000</u>	<u>\$ 13,800,000</u>
<u>\$ 130,236</u>	<u>\$ 247,787</u>	<u>\$ 104,375</u>	<u>\$ 530,738</u>	<u>\$ 437,937</u>

**Harris County Municipal Utility District No. 419**  
**Changes in Long-term Bonded Debt (Continued)**  
**Year Ended May 31, 2023**

	<b>Bond</b>			
	<b>Series 2016 Road</b>	<b>Road Refunding Series 2017</b>	<b>Series 2017</b>	<b>Series 2017A Park</b>
Interest rates	2.50% to 4.00%	3.00% to 4.00%	3.00% to 4.00%	3.00% to 4.00%
Dates interest payable	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
Maturity dates	September 1, 2023/2041	September 1, 2023/2035	September 1, 2023/2042	September 1, 2023/2042
Bonds outstanding, beginning of current year	\$ 2,150,000	\$ 4,065,000	\$ 10,750,000	\$ 4,690,000
Retirements, principal	100,000	20,000	400,000	170,000
Bonds outstanding, end of current year	\$ 2,050,000	\$ 4,045,000	\$ 10,350,000	\$ 4,520,000
Interest paid during current year	\$ 72,770	\$ 162,100	\$ 337,562	\$ 147,225

Paying agent's name and address:

<b>Series 2016 Road</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
<b>Series 2017 Road Ref</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
<b>Series 2017</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
<b>Series 2017A Park</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
<b>Series 2017B</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
<b>Series 2018</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
<b>Series 2018A Park</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
<b>Series 2018 Road</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
<b>Series 2019 Park Ref</b>	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

**Issues**

<b>Refunding Series 2017B</b>	<b>Series 2018</b>	<b>Series 2018A Park</b>	<b>Series 2018 Road</b>	<b>Park Refunding Series 2019</b>
2.50% to 3.50%	3.00% to 5.00%	4.00%	3.00% to 5.00%	2.00% to 3.00%
September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
September 1, 2023/2038	September 1, 2023/2042	September 1, 2023/2042	September 1, 2023/2042	September 1, 2023/2038
\$ 11,145,000	\$ 3,670,000	\$ 1,075,000	\$ 4,600,000	\$ 1,915,000
95,000	170,000	50,000	200,000	125,000
<u>\$ 11,050,000</u>	<u>\$ 3,500,000</u>	<u>\$ 1,025,000</u>	<u>\$ 4,400,000</u>	<u>\$ 1,790,000</u>
<u>\$ 342,950</u>	<u>\$ 137,907</u>	<u>\$ 42,000</u>	<u>\$ 167,312</u>	<u>\$ 50,188</u>

**Harris County Municipal Utility District No. 419**  
**Changes in Long-term Bonded Debt (Continued)**  
**Year Ended May 31, 2023**

	<b>Bond</b>			
	<b>Road Refunding Series 2019</b>	<b>Series 2020</b>	<b>Series 2020A Park</b>	<b>Park Refunding Series 2021</b>
Interest rates	2.00% to 3.00%	2.000% to 2.125%	2.00%	2.00% to 3.00%
Dates interest payable	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
Maturity dates	September 1, 2023/2038	March 1, 2024/2042	March 1, 2024/2042	September 1, 2023/2038
Bonds outstanding, beginning of current year	\$ 7,120,000	\$ 6,425,000	\$ 2,120,000	\$ 2,265,000
Retirements, principal	<u>630,000</u>	<u>300,000</u>	<u>105,000</u>	<u>150,000</u>
Bonds outstanding, end of current year	<u>\$ 6,490,000</u>	<u>\$ 6,125,000</u>	<u>\$ 2,015,000</u>	<u>\$ 2,115,000</u>
Interest paid during current year	<u>\$ 184,919</u>	<u>\$ 129,375</u>	<u>\$ 42,400</u>	<u>\$ 50,450</u>

Paying agent's name and address:

<b>Series 2019 Road Ref</b>	- <u>The Bank of New York Mellon Trust Company, N.A., Dallas, Texas</u>
<b>Series 2020</b>	- <u>The Bank of New York Mellon Trust Company, N.A., Dallas, Texas</u>
<b>Series 2020A Park</b>	- <u>The Bank of New York Mellon Trust Company, N.A., Dallas, Texas</u>
<b>Series 2021 Park Ref</b>	- <u>The Bank of New York Mellon Trust Company, N.A., Dallas, Texas</u>
<b>Series 2021A</b>	- <u>The Bank of New York Mellon Trust Company, N.A., Dallas, Texas</u>

**Issues**

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<b>Series 2021A</b>	<b>Totals</b>
2.00% to 2.50%	
September 1/ March 1	
March 1, 2024/2043	
\$ 5,285,000	\$ 125,410,000
<u>225,000</u>	<u>6,475,000</u>
<u>\$ 5,060,000</u>	<u>\$ 118,935,000</u>
<u>\$ 112,331</u>	<u>\$ 3,770,630</u>

**Harris County Municipal Utility District No. 419**  
**Comparative Schedule of Revenues and Expenditures – General Fund**  
**Five Years Ended May 31,**

	Amounts				
	2023	2022	2021	2020	2019
<b>General Fund</b>					
<b>Revenues</b>					
Property taxes	\$ 3,381,994	\$ 2,735,168	\$ 2,316,716	\$ 2,197,420	\$ 1,611,253
Water service	1,444,446	1,213,827	1,358,890	1,366,222	1,261,843
Sewer service	2,252,526	2,217,747	2,007,987	1,693,749	1,515,430
Regional water fee	2,299,122	1,725,084	1,948,829	1,773,339	1,470,779
Penalty and interest	78,735	58,006	55,847	45,832	58,388
Tap connection and inspection fees	8,875	5,700	22,738	70,842	189,281
Investment income	305,531	15,642	27,304	79,851	72,004
Other income	-	-	300,113	310,184	197,392
Total revenues	<u>9,771,229</u>	<u>7,971,174</u>	<u>8,038,424</u>	<u>7,537,439</u>	<u>6,376,370</u>
<b>Expenditures</b>					
Service operations:					
Purchased services	2,774,182	2,243,711	2,495,299	2,493,297	2,535,254
Regional water fee	1,119,209	996,281	870,336	864,336	616,844
Professional fees	168,184	147,637	231,862	175,978	181,545
Contracted services	1,511,185	1,422,544	1,351,617	1,282,100	1,191,714
Utilities	168,311	177,034	178,164	214,468	223,842
Repairs and maintenance	1,002,357	911,690	1,912,392	1,128,298	901,995
Other expenditures	266,558	285,310	240,971	179,447	209,686
Tap connections	5,685	2,108	5,948	18,859	71,086
Capital outlay	31,864	2,750	317,388	-	302,450
Debt service, debt issuance costs	-	-	1,164	-	-
Total expenditures	<u>7,047,535</u>	<u>6,189,065</u>	<u>7,605,141</u>	<u>6,356,783</u>	<u>6,234,416</u>
<b>Excess of Revenues Over Expenditures</b>	<u>2,723,694</u>	<u>1,782,109</u>	<u>433,283</u>	<u>1,180,656</u>	<u>141,954</u>
<b>Other Financing Sources</b>					
Interfund transfers in	-	601,761	-	-	-
Reimbursement from governmental agency	-	-	-	29,084	-
Total other financing sources	<u>0</u>	<u>601,761</u>	<u>0</u>	<u>29,084</u>	<u>0</u>
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	2,723,694	2,383,870	433,283	1,209,740	141,954
<b>Fund Balance, Beginning of Year</b>	<u>7,803,684</u>	<u>5,419,814</u>	<u>4,986,531</u>	<u>3,776,791</u>	<u>3,634,837</u>
<b>Fund Balance, End of Year</b>	<u>\$ 10,527,378</u>	<u>\$ 7,803,684</u>	<u>\$ 5,419,814</u>	<u>\$ 4,986,531</u>	<u>\$ 3,776,791</u>
<b>Total Active Retail Water Connections</b>	<u>3,446</u>	<u>3,447</u>	<u>3,443</u>	<u>3,433</u>	<u>3,399</u>
<b>Total Active Retail Wastewater Connections</b>	<u>3,381</u>	<u>3,379</u>	<u>3,376</u>	<u>3,369</u>	<u>3,330</u>

**Percent of Fund Total Revenues**

<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
34.6 %	34.3 %	28.8 %	29.2 %	25.3 %
14.8	15.2	17.0	18.1	19.8
23.1	27.8	25.0	22.5	23.8
23.5	21.7	24.2	23.5	23.1
0.8	0.7	0.7	0.6	0.9
0.1	0.1	0.3	0.9	2.9
3.1	0.2	0.3	1.1	1.1
-	-	3.7	4.1	3.1
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
28.4	28.2	31.0	33.1	39.8
11.4	12.5	10.8	11.4	9.7
1.7	1.9	2.9	2.3	2.8
15.5	17.8	16.8	17.0	18.7
1.7	2.2	2.2	2.8	3.5
10.3	11.4	23.8	15.0	14.1
2.7	3.6	3.0	2.4	3.3
0.1	0.0	0.1	0.3	1.1
0.3	0.0	4.0	-	4.7
-	-	0.0	-	-
<u>72.1</u>	<u>77.6</u>	<u>94.6</u>	<u>84.3</u>	<u>97.7</u>
<u>27.9 %</u>	<u>22.4 %</u>	<u>5.4 %</u>	<u>15.7 %</u>	<u>2.3 %</u>

**Harris County Municipal Utility District No. 419**  
**Comparative Schedule of Revenues and Expenditures – Debt Service Fund**  
**Five Years Ended May 31,**

	Amounts				
	2023	2022	2021	2020	2019
<b>Debt Service Fund</b>					
<b>Revenues</b>					
Property taxes	\$ 10,304,023	\$ 10,151,200	\$ 9,952,454	\$ 9,301,977	\$ 9,207,146
Penalty and interest	117,631	55,247	55,617	42,858	30,401
Investment income	273,815	18,302	22,004	148,750	184,784
Other income	67	2,565	45	202	403
Total revenues	<u>10,695,536</u>	<u>10,227,314</u>	<u>10,030,120</u>	<u>9,493,787</u>	<u>9,422,734</u>
<b>Expenditures</b>					
Current:					
Professional fees	6,625	17,274	13,410	8,137	6,063
Contracted services	147,469	139,754	136,017	132,796	127,349
Other expenditures	25,500	28,100	27,134	24,514	17,283
Debt service:					
Principal retirement	6,475,000	6,160,000	5,680,000	5,370,000	5,210,000
Interest and fees	3,786,381	3,878,849	3,968,001	3,966,791	4,027,068
Debt issuance costs	-	66,365	54,682	357,909	-
Debt defeasance	-	32,000	-	168,000	-
Total expenditures	<u>10,440,975</u>	<u>10,322,342</u>	<u>9,879,244</u>	<u>10,028,147</u>	<u>9,387,763</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>254,561</u>	<u>(95,028)</u>	<u>150,876</u>	<u>(534,360)</u>	<u>34,971</u>
<b>Other Financing Sources (Uses)</b>					
General obligation bonds issued	-	2,377,331	-	9,500,000	-
Premium on debt issued	-	79,146	-	103,366	-
Deposit with escrow agent	-	(2,225,694)	-	(9,242,284)	-
Total other financing sources	<u>0</u>	<u>230,783</u>	<u>0</u>	<u>361,082</u>	<u>0</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<u>254,561</u>	<u>135,755</u>	<u>150,876</u>	<u>(173,278)</u>	<u>34,971</u>
<b>Fund Balance, Beginning of Year</b>	<u>11,108,084</u>	<u>10,972,329</u>	<u>10,821,453</u>	<u>10,994,731</u>	<u>10,959,760</u>
<b>Fund Balance, End of Year</b>	<u>\$ 11,362,645</u>	<u>\$ 11,108,084</u>	<u>\$ 10,972,329</u>	<u>\$ 10,821,453</u>	<u>\$ 10,994,731</u>



**Percent of Fund Total Revenues**

<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
96.3 %	99.3 %	99.2 %	97.9 %	97.7 %
1.1	0.5	0.6	0.5	0.3
2.6	0.2	0.2	1.6	2.0
<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
0.1	0.2	0.1	0.1	0.1
1.4	1.4	1.4	1.4	1.3
0.2	0.3	0.3	0.3	0.2
60.5	60.2	56.6	56.5	55.3
35.4	37.9	39.6	41.8	42.7
-	0.6	0.5	3.8	-
<u>-</u>	<u>0.3</u>	<u>-</u>	<u>1.7</u>	<u>-</u>
<u>97.6</u>	<u>100.9</u>	<u>98.5</u>	<u>105.6</u>	<u>99.6</u>
<u><u>2.4 %</u></u>	<u><u>(0.9) %</u></u>	<u><u>1.5 %</u></u>	<u><u>(5.6) %</u></u>	<u><u>0.4 %</u></u>

**Harris County Municipal Utility District No. 419**  
**Board Members, Key Personnel and Consultants**  
**Year Ended May 31, 2023**

Complete District mailing address:	Harris County Municipal Utility District No. 419 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):	<u>May 18, 2022</u>
Limit on fees of office that a director may receive during a fiscal year:	<u>\$ 7,200</u>

Board Members	Term of Office Elected & Expires*	Fees**	Expense Reimbursements	Title at Year-end
Robert G. Thomas	Elected 11/20- 05/24	\$ 3,300	\$ 3,050	President
Carissa Fabian	Elected 11/20- 05/24	1,500	284	Vice President
Samuel Goodspeed	Elected 05/22- 05/26	2,550	426	Secretary
Andrea Brazzale-Anderson	Elected 11/20- 05/24	750	222	Assistant Secretary
Doug Woodall	Elected 05/22- 05/26	2,700	2,052	Assistant Secretary

\*May 2020 director election was deferred until November 2020.

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

**Harris County Municipal Utility District No. 419**  
**Board Members, Key Personnel and Consultants (Continued)**  
**Year Ended May 31, 2023**

<b>Consultants</b>	<b>Date Hired</b>	<b>Fees and Expense Reimbursements</b>	<b>Title</b>
BGE, Inc.	04/15/05	\$ 78,033	Engineer
FORVIS, LLP	06/12/06	22,900	Auditor
Harris Central Appraisal District	Legislative Action	96,478	Appraiser
Inframark, LLC	06/13/05	1,334,659	Operator
Masterson Advisors LLC	05/14/18	0	Financial Advisor
Municipal Accounts & Consulting, L.P.	03/03/05	61,069	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	02/21/06	6,625	Delinquent Tax Attorney
Schwartz, Page & Harding, L.L.P.	03/03/05	78,144	General Counsel
Wheeler & Associates, Inc.	03/03/05	76,441	Tax Assessor/ Collector
<b>Investment Officers</b>			
Mark M. Burton and Ghia Lewis	06/13/05	N/A	Bookkeepers