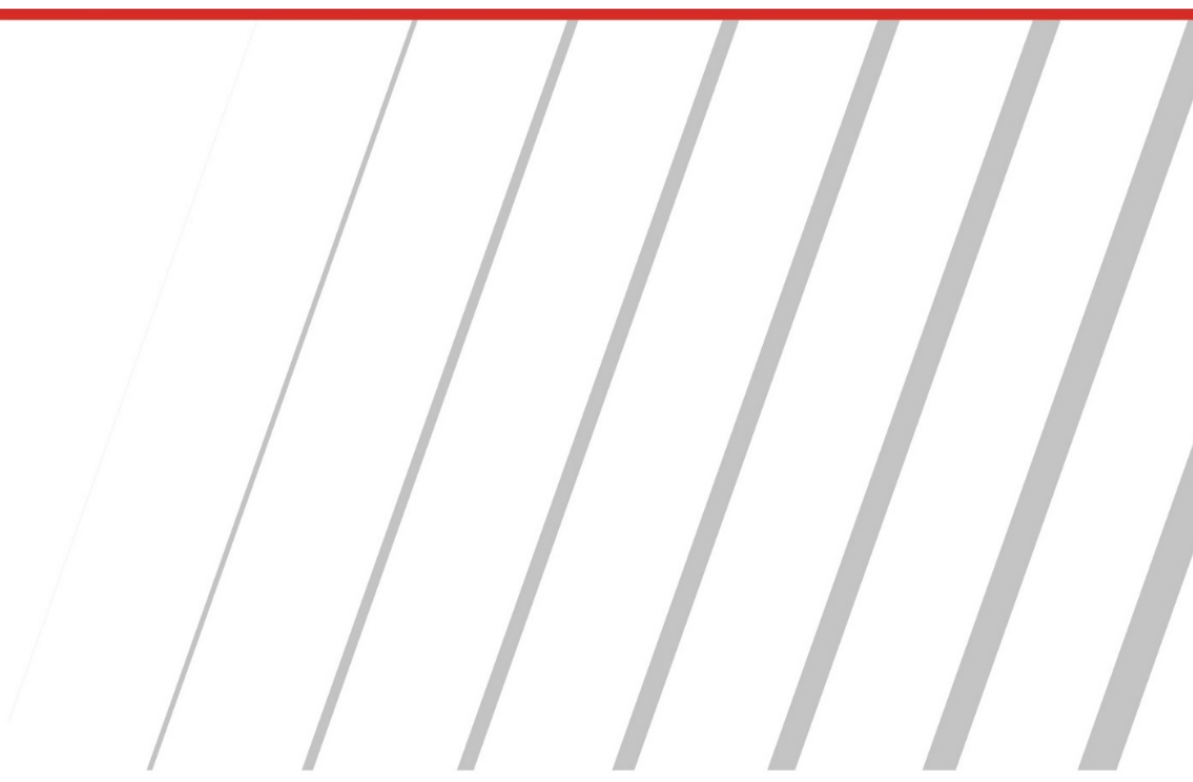




Harris County Municipal Utility District No. 179 Harris County, Texas

Independent Auditor's Report and Financial Statements

July 31, 2023



Harris County Municipal Utility District No. 179
July 31, 2023

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Independent Auditor's Report

Board of Directors
Harris County Municipal Utility District No. 179
Harris County, Texas

Opinions

We have audited the financial statements of the governmental activities and general fund of Harris County Municipal Utility District No. 179 (the District), as of and for the year ended July 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 general fund of the District, as of July 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
February 14, 2024

Harris County Municipal Utility District No. 179

Management's Discussion and Analysis

July 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 by the District's state oversight agency, the Texas Commission on Environmental Quality (the Commission).

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

Government-wide Financial Statements

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

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

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

Harris County Municipal Utility District No. 179
Management's Discussion and Analysis (Continued)
July 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 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. 179
Management's Discussion and Analysis (Continued)
July 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

	2023	2022
Current and other assets	\$ 2,283,639	\$ 2,498,534
Capital assets	4,274,945	4,452,610
Total assets	\$ 6,558,584	\$ 6,951,144
Other liabilities	\$ 335,361	\$ 357,722
Net position:		
Investment in capital assets	4,274,945	4,452,610
Unrestricted	1,948,278	2,140,812
Total net position	\$ 6,223,223	\$ 6,593,422

The total net position of the District decreased by \$370,199, or about 6%. The majority of the decrease in net position is related to service operation expenditures exceeding property taxes, City of Houston (the City) rebates and charges for service revenues.

Summary of Changes in Net Position

	2023	2022
Revenues:		
Property taxes	\$ 577,948	\$ 589,218
City of Houston rebates	225,712	219,069
Charges for services	1,244,669	1,105,884
Other revenues	108,791	35,723
Total revenues	2,157,120	1,949,894
Expenses:		
Services	2,322,222	1,590,091
Depreciation	205,097	310,130
Total expenses	2,527,319	1,900,221
Change in net position	(370,199)	49,673
Net position, beginning of year	6,593,422	6,543,749
Net position, end of year	\$ 6,223,223	\$ 6,593,422

Harris County Municipal Utility District No. 179
Management's Discussion and Analysis (Continued)
July 31, 2023

Financial Analysis of the District's Fund

The general fund's fund balance decreased by \$157,195, primarily due to service operations expenditures exceeding property taxes, the City rebates and service revenues and the capital contribution refund.

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 property taxes and bulk water sales revenues, investment income, and purchased services, regional water fee and repairs and maintenance expenditures being greater than anticipated, as well as capital outlay expenditures being less than anticipated. The fund balance as of July 31, 2023, was expected to be \$1,733,788 and the actual end-of-year fund balance was \$1,699,427.

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 as follows:

Capital Assets (Net of Accumulated Depreciation)

	2023	2022
Land and improvements	\$ 2,830,439	\$ 2,830,439
Construction in progress	14,988	23,838
Water facilities	195,498	225,634
Wastewater facilities	375,913	402,679
Parks	858,107	970,020
Total capital assets	\$ 4,274,945	\$ 4,452,610

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

Well pressure controls and auto-dialer at the water plant	\$ 10,657
Pyramid cantilever fabric shades	16,775
Total additions to capital assets	\$ 27,432

Debt

At July 31, 2023, the District had \$5,585,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District.

Harris County Municipal Utility District No. 179
Management's Discussion and Analysis (Continued)
July 31, 2023

Copperfield Water Consortium Water Trunkline Agreement

The District entered into a Water Trunkline Financing Agreement (the Agreement) with the Copperfield Water Consortium (the Consortium) to negotiate with the City regarding ground surface water conversion. The Agreement calls for Harris County Municipal Utility District Nos. 162, 163, 186, 188 and 208 (the Participants) to pay a pro rata share of costs for projects related to obtaining a source of water from the City. The Agreement required the District to make a capital contribution to the Consortium of \$695,383 and the District will receive repayment through credits for District pumpage fees and water payments as they become due each year. In addition, any amount owed to the District that remains after the credits will be paid to the District. These repayments accrue interest at 4.547% per year and will be repaid with principal and interest from 2004 through 2029.

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, 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, except as set forth below.

Strategic Partnership Agreement

Effective February 27, 2007, the District entered into a Strategic Partnership Agreement with the City, which annexed certain portions of the District into the City for "limited purposes," as described therein. Under the terms of the Strategic Partnership Agreement, the City has agreed it will not annex the District as a whole for full purposes for 30 years, at which time the City has the option to annex the District if it chooses to do so.

Harris County Municipal Utility District No. 179
Statement of Net Position and Governmental Fund Balance Sheet
July 31, 2023

	General Fund	Adjustments	Statement of Net Position
Assets			
Cash	\$ 81,722	\$ -	\$ 81,722
Certificates of deposit	408,019	-	408,019
Short-term investments	1,384,733	-	1,384,733
Receivables:			
Property taxes	16,878	-	16,878
Service accounts	113,635	-	113,635
Tax rebates	44,175	8,643	52,818
Accrued interest	2,504	-	2,504
Due from the Consortium	-	223,330	223,330
Capital assets (net of accumulated depreciation):			
Land and improvements	-	2,830,439	2,830,439
Construction in progress	-	14,988	14,988
Infrastructure	-	1,429,518	1,429,518
 Total assets	 \$ 2,051,666	 \$ 4,506,918	 \$ 6,558,584

Harris County Municipal Utility District No. 179
Statement of Net Position and Governmental Fund Balance Sheet (Continued)
July 31, 2023

	General Fund	Adjustments	Statement of Net Position
Liabilities			
Accounts payable	\$ 87,586	\$ -	\$ 87,586
Customer deposits	247,775	-	247,775
Total liabilities	335,361	0	335,361
Deferred Inflows of Resources			
Deferred property tax revenues	16,878	(16,878)	0
Fund Balance/Net Position			
Unassigned fund balance	1,699,427	(1,699,427)	0
Total liabilities, deferred inflows of resources and fund balance	\$ 2,051,666		
Net position:			
Investment in capital assets		4,274,945	4,274,945
Unrestricted		1,948,278	1,948,278
Total net position		\$ 6,223,223	\$ 6,223,223

Harris County Municipal Utility District No. 179
Statement of Activities and Governmental Fund Revenues,
Expenditures and Changes in Fund Balance
Year Ended July 31, 2023

	General Fund	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 573,719	\$ 4,229	\$ 577,948
City of Houston rebates	229,569	(3,857)	225,712
Water service	276,017	-	276,017
Sewer service	355,054	-	355,054
Regional water fee	484,836	-	484,836
Bulk water sales	128,762	-	128,762
Penalty and interest	28,576	-	28,576
Investment income	69,174	11,041	80,215
	<u>2,145,707</u>	<u>11,413</u>	<u>2,157,120</u>
Expenditures/Expenses			
Service operations:			
Purchased services	957,716	-	957,716
Regional water fee	237,273	-	237,273
Professional fees	85,513	-	85,513
Contracted services	117,845	-	117,845
Utilities	42,986	-	42,986
Repairs and maintenance	781,686	19,651	801,337
Other expenditures	78,302	-	78,302
Tap connections	1,250	-	1,250
Capital outlay	47,083	(47,083)	-
Depreciation	-	205,097	205,097
	<u>2,349,654</u>	<u>177,665</u>	<u>2,527,319</u>
Deficiency of Revenues Over Expenditures	(203,947)	(166,252)	
Other Financing Sources			
Capital contribution refund	46,752	(46,752)	
Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(157,195)	157,195	
Change in Net Position		(370,199)	(370,199)
Fund Balance/Net Position			
Beginning of year	1,856,622	-	6,593,422
End of year	<u>\$ 1,699,427</u>	<u>\$ 0</u>	<u>\$ 6,223,223</u>

Harris County Municipal Utility District No. 179

Notes to Financial Statements

July 31, 2023

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

Harris County Municipal Utility District No. 179 (the District) was created by an order of the Texas Water Rights Commission, now known as the Texas Commission on Environmental Quality (the Commission), effective March 6, 1979, in accordance with the Texas Water Code, Chapter 54. The Board of Directors (the Board) held its first meeting on March 21, 1979, and the first bonds were sold April 28, 1982. 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 governed by a Board consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

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

Government-wide and Fund Financial Statements

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

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

Harris County Municipal Utility District No. 179

Notes to Financial Statements

July 31, 2023

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

The District presents the following major governmental fund:

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

Fund Balance – Governmental Fund

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

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

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

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

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

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

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

Harris County Municipal Utility District No. 179
Notes to Financial Statements
July 31, 2023

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

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

Fund Financial Statements

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

Deferred Outflows and Inflows of Resources

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

Pension Costs

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

Harris County Municipal Utility District No. 179
Notes to Financial Statements
July 31, 2023

Use of Estimates

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

Investments and Investment Income

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

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

Property Taxes

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

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended July 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 July 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.

Harris County Municipal Utility District No. 179
Notes to Financial Statements
July 31, 2023

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:

	Years
Water production and distribution facilities	10-45
Wastewater collection and treatment facilities	10-45
Park facilities	10-45

Long-term Obligations

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

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

Net Position/Fund Balance

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

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

Harris County Municipal Utility District No. 179
Notes to Financial Statements
July 31, 2023

Reconciliation of Government-wide and Fund Financial Statements

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

Capital assets used in governmental activities are not financial resources and are not reported in the fund financial statements.	\$ 4,274,945
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	16,878
Tax rebates are not receivable in the current period and are not reported in the fund financial statements.	8,643
Amount due from Copperfield Water Consortium (the Consortium) is not receivable in the current period and is not reported in the fund financial statements.	<u>223,330</u>
Adjustment to fund balance to arrive at net position.	<u><u>\$ 4,523,796</u></u>

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

Change in fund balance.	\$ (157,195)
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 and noncapitalized costs exceeded capital outlay expenditures in the current year.	(177,665)
Capital contribution refund is an other financing source in the governmental fund financial statements, but is a reduction of due from the Consortium and increase to investment income in the government-wide financial statements.	(35,711)
Revenues that do not provide current financial resources are not reported as revenues for the fund financial statements, but are reported as revenues in the statement of activities.	<u>372</u>
Change in net position of governmental activities.	<u><u>\$ (370,199)</u></u>

Harris County Municipal Utility District No. 179
Notes to Financial Statements
July 31, 2023

Note 2: Deposits, Investments and Investment Income

Deposits

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

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

At July 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 TexPool, an external investment pool that is not registered with the Securities and Exchange Commission. The State Comptroller of Public Accounts of the State of Texas has oversight of TexPool.

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

Type	Maturities in Years				
	Amortized Cost	Less Than 1	1-5	6-10	More Than 10
TexPool	\$ 1,384,733	\$ 1,384,733	\$ 0	\$ 0	\$ 0

Harris County Municipal Utility District No. 179
Notes to Financial Statements
July 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 July 31, 2023, the District's investments in TexPool 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 July 31, 2023, as follows:

Carrying value:		
Deposits	\$	489,741
Investments		1,384,733
Total	\$	1,874,474

Included in the following statement of net position captions:

Cash	\$	81,722
Certificates of deposit		408,019
Short-term investments		1,384,733
Total	\$	1,874,474

Investment Income

Investment income of \$80,215 for the year ended July 31, 2023, consisted of interest income from investments and the capital contribution with the Consortium.

Note 3: Capital Assets

A summary of changes in capital assets for the year ended July 31, 2023, is presented as follows.

Harris County Municipal Utility District No. 179
Notes to Financial Statements
July 31, 2023

Governmental Activities	Balances, Beginning of Year	Additions	Reclassifi- cations	Balances, End of Year
Capital assets, non-depreciable:				
Land and improvements	\$ 2,830,439	\$ -	\$ -	\$ 2,830,439
Construction in progress	23,838	-	(8,850)	14,988
Total capital assets, non-depreciable	<u>2,854,277</u>	<u>0</u>	<u>(8,850)</u>	<u>2,845,427</u>
Capital assets, depreciable:				
Water production and distribution facilities	1,719,842	10,657	-	1,730,499
Wastewater collection and treatment facilities	2,557,594	-	-	2,557,594
Parks	3,019,507	16,775	8,850	3,045,132
Total capital assets, depreciable	<u>7,296,943</u>	<u>27,432</u>	<u>8,850</u>	<u>7,333,225</u>
Less accumulated depreciation:				
Water production and distribution facilities	(1,494,208)	(40,793)	-	(1,535,001)
Wastewater collection and treatment facilities	(2,154,915)	(26,766)	-	(2,181,681)
Parks	(2,049,487)	(137,538)	-	(2,187,025)
Total accumulated depreciation	<u>(5,698,610)</u>	<u>(205,097)</u>	<u>0</u>	<u>(5,903,707)</u>
Total governmental activities, net	<u>\$ 4,452,610</u>	<u>\$ (177,665)</u>	<u>\$ 0</u>	<u>\$ 4,274,945</u>

Note 4: Long-term Liabilities

Bonds voted	\$ 11,000,000
Bonds sold	5,415,000
Refunding bonds voted	6,500,000
Refunding bond authorization used	6,155,000

Note 5: Maintenance Taxes

At an election held January 17, 1981, voters authorized a maintenance tax not to exceed \$0.75 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended July 31, 2023, the District levied an ad valorem maintenance tax at the rate of \$0.238720 per

Harris County Municipal Utility District No. 179
Notes to Financial Statements
July 31, 2023

\$100 of assessed valuation, which resulted in a tax levy of \$595,682 on the taxable valuation of \$249,532,678 for the 2022 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 6: Copperfield Water Consortium Water Trunkline Agreement

The District entered into a Water Trunkline Financing Agreement (the Agreement) with the Consortium to negotiate with the City of Houston (the City) regarding ground surface water conversion. The Agreement calls for Harris County Municipal Utility District Nos. 162, 163, 186, 188 and 208 (the Participants) to pay a pro rata share of costs for projects related to obtaining a source of water from the City.

The Agreement required the District to make a capital contribution to the Consortium of \$695,383 and the District will receive repayment through credits for District pumpage fees and water payments as they become due each year. In addition, any amount owed to the District that remains after the credits will be paid to the District. These repayments accrue interest at 4.547% per year and will be repaid with principal and interest from 2004 through 2029. At July 31, 2023, the repayments outstanding are as follows:

Year	Due From Consortium
2024	\$ 46,752
2025	46,752
2026	46,752
2027	46,752
2028	46,752
2029	18,499
	252,259
Less interest	(28,929)
Remaining principal	\$ 223,330

Note 7: Strategic Partnership Agreement

Effective February 27, 2007, the District and the City entered into a Strategic Partnership Agreement (the SPA) under which the City annexed a tract of land (the tract) within the boundaries of the District for limited purposes. The District continues to exercise all powers and functions of a municipal utility district as provided by law. As consideration for the District providing services as detailed in the SPA, the City agrees to remit one-half of all City sales and use tax revenues generated within the boundaries of the tract. As consideration for the sales tax payments by the City, the

Harris County Municipal Utility District No. 179
Notes to Financial Statements
July 31, 2023

District agrees to continue to provide and develop water, sewer and drainage services within the District in lieu of full-purpose annexation. The City agrees it will not annex the District for full purposes or commence any action to annex the District during the term of the SPA, which is 30 years. During the current year, the District recorded \$225,712 in revenues related to the SPA.

Note 8: Contracts With Other Districts

Regional Wastewater Treatment Contract

On November 1, 1979, and amended on July 1, 1985, and November 1, 1989, the District entered into a Regional Wastewater Treatment Agreement (the RWT Agreement) with the Participants for the construction and operation of a regional wastewater treatment facility for a period of 40 years. On November 1, 2019, the RWT Agreement was amended to extend the original term for an additional 20 years, so that the RWT Agreement shall be in effect until November 1, 2039. Under the terms of the RWT Agreement, each district owns an individual interest in Copperfield Joint Wastewater Treatment Plant (the Plant), and an Advisory Committee (the Committee) is empowered to operate the Plant for the benefit of the Participants. Each district records its pro rata share of construction costs in their respective financial statements. The Committee is composed of members of the Board of Directors of the Participants.

Capacity Ownership

At July 31, 2023, the capacity of the Plant was 4,600,000 gallons per day (gpd). The District owns 750,000 gpd of such capacity.

Following is a representation of each Participant's capacity and percent of ownership after the completion of the Phase 4 expansion:

Participants	GPD Capacity	Percent
The District	\$ 750,000	16.30 %
District No. 162	460,000	10.00
District No. 163	663,000	14.42
District No. 186	1,005,000	21.85
District No. 188	1,300,000	28.26
District No. 208	422,000	9.17
Total	<u>\$ 4,600,000</u>	<u>100.00 %</u>

Operations

All operating costs are shared by the Participants based on equivalent connections. During the current year, the District incurred costs of \$332,568 under the terms of the agreement.

Harris County Municipal Utility District No. 179
Notes to Financial Statements
July 31, 2023

The condensed audited financial information extracted from financial statements audited by another public accounting firm for the general fund of the Plant as of and for the year ended February 28, 2023, is presented as follows:

	Plant
Total assets	\$ 938,558
Total liabilities	\$ 125,042
Total fund balance	813,516
Total liabilities and fund balance	\$ 938,558
Total revenues	\$ 1,897,284
Total expenditures	1,850,245
Net change in fund balance	\$ 47,039

Emergency Water Supply Contracts

The District has emergency water supply contracts with various other districts to either provide or receive water service to or from the other districts in case of an emergency through an interconnect constructed by the districts. During the current year, the District provided water through interconnect to Harris County Municipal Utility District No. 130 and received \$128,762, in accordance with the contract.

Note 9: Regional Water Authority

The District is within the boundaries of the West Harris County Regional Water Authority (the Authority), which was created by the Texas Legislature. The Authority was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Harris-Galveston Subsidence District, which regulates groundwater withdrawal. As of July 31, 2023, the Authority was billing the District \$3.95 per 1,000 gallons of water pumped from its wells. In addition, the District is receiving surface water from the Authority at a rate of \$4.35 per 1,000 gallons. These amounts are subject to future increases. During the current year, the District paid \$237,273 in pumpage fees and incurred \$625,148 in costs for surface water.

Harris County Municipal Utility District No. 179

Notes to Financial Statements

July 31, 2023

Note 10: 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. 179
Budgetary Comparison Schedule – General Fund
Year Ended July 31, 2023

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 500,000	\$ 573,719	\$ 73,719
City of Houston rebates	216,000	229,569	13,569
Water service	265,000	276,017	11,017
Sewer service	350,000	355,054	5,054
Regional water fee	522,000	484,836	(37,164)
Bulk water sales	1,000	128,762	127,762
Penalty and interest	7,500	28,576	21,076
Tap connection and inspection fees	1,000	-	(1,000)
Investment income	20,000	69,174	49,174
	<u>1,882,500</u>	<u>2,145,707</u>	<u>263,207</u>
Total revenues			
Expenditures			
Service operations:			
Purchased services	867,248	957,716	(90,468)
Regional water fee	58,000	237,273	(179,273)
Professional fees	78,000	85,513	(7,513)
Contracted services	94,400	117,845	(23,445)
Utilities	35,000	42,986	(7,986)
Repairs and maintenance	437,800	781,686	(343,886)
Other expenditures	72,700	78,302	(5,602)
Tap connections	1,000	1,250	(250)
Capital outlay	361,186	47,083	314,103
	<u>2,005,334</u>	<u>2,349,654</u>	<u>(344,320)</u>
Total expenditures			
Deficiency of Revenues Over Expenditures	(122,834)	(203,947)	(81,113)
Other Financing Sources			
Capital contribution refund	-	46,752	46,752
Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses			
	(122,834)	(157,195)	(34,361)
Fund Balance, Beginning of Year	<u>1,856,622</u>	<u>1,856,622</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,733,788</u>	<u>\$ 1,699,427</u>	<u>\$ (34,361)</u>

Harris County Municipal Utility District No. 179
Notes to Required Supplementary Information
July 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 not 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. 179
Other Schedules Included Within This Report
July 31, 2023

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

- Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 12-24
- Schedule of Services and Rates
- Schedule of General Fund Expenditures
- Schedule of Temporary Investments
- Analysis of Taxes Levied and Receivable
- Schedule of Long-term Debt Service Requirements by Years – Not Applicable
- Changes in Long-term Bonded Debt – Not Applicable
- Comparative Schedule of Revenues and Expenditures – General Fund – Five Years
- Board Members, Key Personnel and Consultants

Harris County Municipal Utility District No. 179

Schedule of Services and Rates

Year Ended July 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 type="checkbox"/> Security
<input type="checkbox"/> Solid Waste/Garbage	<input type="checkbox"/> Flood Control	<input type="checkbox"/> Roads
<input 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:	\$ 8.00	8,000	N	\$ 1.00	8,001 to 25,000
				\$ 6.00	25,001 to No Limit
Wastewater:	\$ 13.00	50,000	N	\$ 0.25	50,001 to No Limit
Regional water fee:	\$ 4.35	1	N	\$ 4.35	1,001 to No Limit
Does the District employ winter averaging for wastewater usage?					Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Total charges per 10,000 gallons usage (including fees):				Water \$ 53.50	Wastewater \$ 13.00

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"	246	245	x1.0	245
1"	21	21	x2.5	53
1 1/2"	4	4	x5.0	20
2"	34	34	x8.0	272
3"	1	1	x15.0	15
4"	6	6	x25.0	150
6"	-	-	x50.0	-
8"	-	-	x80.0	-
10"	-	-	x115.0	-
Total water	312	311		755
Total wastewater	299	299	x1.0	299

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

Gallons pumped into the system:	208,313
Gallons billed to customers:	199,670
Water accountability ratio (gallons billed/gallons pumped):	95.85%

*"ESFC" means equivalent single-family connections

Harris County Municipal Utility District No. 179
Schedule of General Fund Expenditures
Year Ended July 31, 2023

Personnel (including benefits)		\$ -
Professional Fees		
Auditing	\$ 19,600	
Legal	32,681	
Engineering	33,232	
Financial advisor	-	85,513
Purchased Services for Resale		
Bulk water and wastewater service purchases		957,716
Regional Water Fee		237,273
Contracted Services		
Bookkeeping	14,079	
General manager	-	
Appraisal district	4,266	
Tax collector	9,021	
Security	-	
Other contracted services	90,479	117,845
Utilities		42,986
Repairs and Maintenance		781,686
Administrative Expenditures		
Directors' fees	9,750	
Office supplies	31,188	
Insurance	13,189	
Other administrative expenditures	19,735	73,862
Capital Outlay		
Capitalized assets	27,432	
Expenditures not capitalized	19,651	47,083
Tap Connection Expenditures		1,250
Solid Waste Disposal		-
Note Payable		
Principal payment	-	
Interest expense	-	-
Parks and Recreation		-
Other Expenditures		4,440
Total expenditures		<u>\$ 2,349,654</u>

Harris County Municipal Utility District No. 179
Schedule of Temporary Investments
July 31, 2023

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Certificates of Deposit				
No. 15684	0.25%	11/29/23	\$ 95,000	\$ 159
No. 41209	5.24%	02/20/24	245,000	2,321
No. 28338	2.75%	01/16/24	68,019	24
TexPool	5.32%	Demand	1,384,733	-
Totals			\$ 1,792,752	\$ 2,504

Harris County Municipal Utility District No. 179
Analysis of Taxes Levied and Receivable
Year Ended July 31, 2023

	Maintenance Taxes
Receivable, Beginning of Year	\$ 12,649
Additions and corrections to prior years' taxes	(17,734)
Adjusted receivable, beginning of year	(5,085)
 2022 Original Tax Levy	 575,474
Additions and corrections	20,208
Adjusted tax levy	595,682
Total to be accounted for	590,597
Tax (collections) refunds: Current year	(585,591)
Prior years	11,872
Receivable, end of year	\$ 16,878
 Receivable, by Years	
2022	\$ 10,091
2021	3,137
2020	2,059
2019	1,007
2018	9
2017	221
2016	3
2015	351
Receivable, end of year	\$ 16,878

Harris County Municipal Utility District No. 179
Analysis of Taxes Levied and Receivable (Continued)
Year Ended July 31, 2023

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Property Valuations				
Land	\$ 60,017,715	\$ 60,204,976	\$ 57,257,916	\$ 52,059,819
Improvements	195,786,903	177,903,276	180,306,629	164,677,651
Personal property	12,961,828	11,679,842	11,210,904	12,619,636
Exemptions	<u>(19,233,768)</u>	<u>(17,847,951)</u>	<u>(18,552,839)</u>	<u>(18,160,061)</u>
 Total property valuations	 <u>\$ 249,532,678</u>	 <u>\$ 231,940,143</u>	 <u>\$ 230,222,610</u>	 <u>\$ 211,197,045</u>
 Tax Rates per \$100 Valuation				
Maintenance tax rates*	<u>\$ 0.238720</u>	<u>\$ 0.254414</u>	<u>\$ 0.266500</u>	<u>\$ 0.255000</u>
 Tax Levy				
	<u>\$ 595,682</u>	<u>\$ 590,077</u>	<u>\$ 613,541</u>	<u>\$ 538,550</u>
 Percent of Taxes Collected to				
Taxes Levied**	<u>98%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>

*Maximum tax rate approved by voters: \$0.75 on January 17, 1981

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

Harris County Municipal Utility District No. 179
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended July 31,

	Amounts				
	2023	2022	2021	2020	2019
General Fund					
Revenues					
Property taxes	\$ 573,719	\$ 584,916	\$ 609,117	\$ 530,575	\$ 505,692
City of Houston rebates	229,569	219,360	195,494	188,067	207,251
Water service	276,017	281,236	261,865	249,245	260,468
Sewer service	355,054	374,276	359,788	322,876	315,182
Regional water fee	484,836	446,492	426,264	378,568	384,426
Bulk water sales	128,762	3,880	6,387	23,490	-
Penalty and interest	28,576	10,162	3,877	6,384	18,284
Tap connection and inspection fees	-	825	2,600	2,750	239,225
Investment income	69,174	6,024	2,269	13,183	25,314
Total revenues	<u>2,145,707</u>	<u>1,927,171</u>	<u>1,867,661</u>	<u>1,715,138</u>	<u>1,955,842</u>
Expenditures					
Service operations:					
Purchased services	957,716	645,225	707,548	581,000	636,027
Regional water fee	237,273	131,318	84,828	81,397	39,500
Professional fees	85,513	84,328	78,942	87,503	92,449
Contracted services	117,845	101,177	100,825	98,243	94,165
Utilities	42,986	35,316	12,439	52,704	23,431
Repairs and maintenance	781,686	515,026	405,823	449,726	314,617
Other expenditures	78,302	77,701	62,800	54,743	64,291
Tap connections	1,250	-	-	-	122,000
Capital outlay	47,083	23,838	29,110	182,684	1,100,533
Total expenditures	<u>2,349,654</u>	<u>1,613,929</u>	<u>1,482,315</u>	<u>1,588,000</u>	<u>2,487,013</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(203,947)</u>	<u>313,242</u>	<u>385,346</u>	<u>127,138</u>	<u>(531,171)</u>
Other Financing Sources					
Capital contribution refund	46,752	46,752	46,752	46,752	46,752
Proceeds from insurance	-	6,087	-	-	-
Total other financing sources	<u>46,752</u>	<u>52,839</u>	<u>46,752</u>	<u>46,752</u>	<u>46,752</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(157,195)</u>	<u>366,081</u>	<u>432,098</u>	<u>173,890</u>	<u>(484,419)</u>
Fund Balance, Beginning of Year	<u>1,856,622</u>	<u>1,490,541</u>	<u>1,058,443</u>	<u>884,553</u>	<u>1,368,972</u>
Fund Balance, End of Year	<u>\$ 1,699,427</u>	<u>\$ 1,856,622</u>	<u>\$ 1,490,541</u>	<u>\$ 1,058,443</u>	<u>\$ 884,553</u>
Total Active Retail Water Connections	<u>311</u>	<u>311</u>	<u>311</u>	<u>311</u>	<u>309</u>
Total Active Retail Wastewater Connections	<u>299</u>	<u>299</u>	<u>299</u>	<u>299</u>	<u>299</u>

Percent of Fund Total Revenues

2023	2022	2021	2020	2019
26.7 %	30.3 %	32.6 %	30.9 %	25.9 %
10.7	11.4	10.5	10.9	10.6
12.9	14.6	14.0	14.5	13.3
16.6	19.4	19.3	18.8	16.1
22.6	23.2	22.8	22.1	19.7
6.0	0.2	0.4	1.4	-
1.3	0.5	0.2	0.4	0.9
-	0.1	0.1	0.2	12.2
3.2	0.3	0.1	0.8	1.3
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
44.6	33.5	37.9	33.9	32.5
11.1	6.8	4.5	4.7	2.0
4.0	4.4	4.2	5.1	4.7
5.5	5.3	5.4	5.7	4.8
2.0	1.8	0.7	3.1	1.2
36.4	26.7	21.7	26.2	16.1
3.6	4.0	3.4	3.2	3.3
0.1	-	-	-	6.3
2.2	1.2	1.6	10.7	56.3
<u>109.5</u>	<u>83.7</u>	<u>79.4</u>	<u>92.6</u>	<u>127.2</u>
<u>(9.5) %</u>	<u>16.3 %</u>	<u>20.6 %</u>	<u>7.4 %</u>	<u>(27.2) %</u>

Harris County Municipal Utility District No. 179
Board Members, Key Personnel and Consultants
Year Ended July 31, 2023

Complete District mailing address:	Harris County Municipal Utility District No. 179 c/o Jackson Walker LLP 1401 McKinney, Suite 1900 Houston, Texas 77010
District business telephone number:	713.752.4200
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	September 28, 2021
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-end
Buddy Myers	Elected 11/20- 11/24	\$ 3,750	\$ 0	President
Ron Thomas	Elected 11/22- 11/26	1,650	0	Vice President
Travis Rupp	Elected 11/20- 11/24	1,350	0	Assistant Secretary
Nilesh Shringarpure	Elected 11/22- 11/26	1,500	0	Assistant Secretary
Jim Cooper	Appointed 04/21- 07/23	1,500	0	Resigned

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

Harris County Municipal Utility District No. 179
Board Members, Key Personnel and Consultants (Continued)
Year Ended July 31, 2023

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Eby Engineers, Inc.	12/04/08	\$ 52,883	Engineer
FORVIS, LLP	05/27/86	19,600	Auditor
H ₂ O Consulting, Inc.	07/01/98	691,904	Operator
Harris Central Appraisal District	Legislative Action	4,266	Appraiser
Jackson Walker, LLP	06/27/23	3,750	General Counsel
Municipal Business Services, Inc.	07/31/83	14,079	Bookkeeper
Orrick, Herrington & Sutcliffe LLP	03/11/16	26,643	Former General Counsel
Wheeler & Associates, Inc.	01/01/84	18,852	Tax Assessor/ Collector
Investment Officer			
Robert L. Ideus	12/12/99	N/A	Bookkeeper