




**Harris County Municipal
Utility District No. 490
Harris County, Texas**

**Independent Auditor's Report, Financial Statements
and Supplementary Information**

May 31, 2025



Harris County Municipal Utility District No. 490
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May 31, 2025

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Independent Auditor's Report

Board of Directors
Harris County Municipal Utility District No. 490
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. 490 (District), as of and for the year ended May 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the 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, 2025, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedules required by the Texas Commission on Environmental Quality listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Forvis Mazars, LLP

**Houston, Texas
October 9, 2025**

**Harris County Municipal Utility District No. 490
Management's Discussion and Analysis
Year Ended May 31, 2025**

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 (Commission).

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

**Harris County Municipal Utility District No. 490
Management's Discussion and Analysis
Year Ended May 31, 2025**

Governmental Funds

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

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

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

Notes to Financial Statements

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

Financial Analysis of the District as a Whole

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

Summary of Net Position

	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 7,934,387	\$ 6,027,161
Capital assets	37,417,554	31,838,825
Total assets	<u>\$ 45,351,941</u>	<u>\$ 37,865,986</u>
Long-term liabilities	\$ 141,178,106	\$ 112,064,914
Other liabilities	2,469,148	1,313,442
Total liabilities	<u>143,647,254</u>	<u>113,378,356</u>
Net position		
Net investment in capital assets	(41,476,496)	(17,644,008)
Restricted	2,181,009	570,008
Unrestricted net position	<u>(58,999,826)</u>	<u>(58,438,370)</u>
Total net position	<u>\$ (98,295,313)</u>	<u>\$ (75,512,370)</u>

**Harris County Municipal Utility District No. 490
Management’s Discussion and Analysis
Year Ended May 31, 2025**

The total net position of the District decreased by \$22,782,943, or about 30%. The majority of the decrease in net position is related to the conveyance of capital assets to another entity for maintenance.

Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At May 31, 2025, the net investment in capital assets was \$(41,476,496). 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 road and storm sewer facilities constructed by the District. Accordingly, these assets are not recorded in the financial statements of the District.

Summary of Changes in Net Position

	<u>2025</u>	<u>2024</u>
Revenues		
Property taxes	\$ 4,330,761	\$ 2,872,328
Charges for services	1,975,028	1,307,528
Other revenues	1,533,336	1,354,080
Total revenues	<u>7,839,125</u>	<u>5,533,936</u>
Expenses		
Services	5,304,942	3,067,626
Conveyance of capital assets	19,030,226	32,798,832
Depreciation	1,476,399	1,318,744
Debt service	4,810,501	3,612,532
Total expenses	<u>30,622,068</u>	<u>40,797,734</u>
Change in net position	(22,782,943)	(35,263,798)
Net position, beginning of year	<u>(75,512,370)</u>	<u>(40,248,572)</u>
Net position, end of year	<u>\$ (98,295,313)</u>	<u>\$ (75,512,370)</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, 2025 were \$6,467,819, an increase of \$1,155,277 from the prior year.

The general fund’s fund balance decreased by \$408,366 primarily due to service expenditures exceeding property tax and service revenues and developer advances.

The debt service fund’s fund balance increased by \$1,004,688 primarily due to property tax revenues and proceeds from the sales of bonds exceeding bond principal and interest requirements.

The capital projects fund’s fund balance increased by \$558,955 primarily due to proceeds from the sales of bonds exceeding capital outlay expenditures, repayment of developer advances, and debt issuance costs.

**Harris County Municipal Utility District No. 490
Management’s Discussion and Analysis
Year Ended May 31, 2025**

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 tap connection and inspection fees revenues and the related tap connections expenditures, sewer service revenues, regional water fee revenues and the related regional water fee expenditures, and purchased services and repairs and maintenance expenditures being greater than anticipated. The fund balance as of May 31, 2025 was expected to be \$1,578,065, and the actual end-of-year fund balance was \$1,169,699.

Capital Assets and Related Debt

Capital Assets

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

Capital Assets (Net of Accumulated Depreciation)

	<u>2025</u>	<u>2024</u>
Water facilities	\$ 13,201,060	\$ 9,802,001
Wastewater facilities	13,000,226	9,957,766
Parks and recreation	11,216,268	12,079,058
Total capital assets	<u>\$ 37,417,554</u>	<u>\$ 31,838,825</u>

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

Water and wastewater facilities to serve Prairieland Village Sections 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 29, 32, 33, 34, 35, 37, 38, Cocoon Lane and Flowering Ivy, Pocket Prairie and Caterpillar Lake, Prairieland Village, Section 25 and Migration Way, and Pocket Prairie street dedication	<u>\$ 7,055,128</u>
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The developer within the District has constructed water, wastewater, drainage, 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, as and if such approval is required by law. As of May 31, 2025, a liability for developer-constructed capital assets of \$65,149,440 was recorded in the government-wide financial statements.

Debt

The changes in the debt position of the District during the fiscal year ended May 31, 2025 are summarized as follows:

Long-term debt payable, beginning of year	\$ 112,064,914
Increases in long-term debt	49,858,077
Decreases in long-term debt	<u>(20,744,885)</u>
Long-term debt payable, end of year	<u>\$ 141,178,106</u>

Since inception, the developer has advanced \$765,753 to the District for operations, net of repayments. These advances have been recorded as liabilities in the government-wide financial statements.

**Harris County Municipal Utility District No. 490
Management’s Discussion and Analysis
Year Ended May 31, 2025**

At May 31, 2025, the District had \$218,375,000 of unlimited tax bonds authorized but unissued for the purposes of acquiring, constructing, and improving the water, sanitary sewer, and drainage systems within the District, \$80,990,000 for financing and constructing recreational facilities, and \$77,575,000 for financing and constructing road facilities.

The District’s bonds do not carry an underlying rating. The Series 2022, Road Series 2022, Series 2023, Park Series 2023A, Series 2024, and Road Series 2024 bonds carry a “AA” rating from Standard & Poor’s by virtue of bond insurance issued by Assured Guaranty, Inc. The Road Series 2023 bonds carry a “AA” rating from Standard & Poor’s by virtue of bond insurance issued by Build America Mutual Assurance Company.

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 (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. 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.

Contingencies

The developer of the District is constructing water, sewer, and drainage facilities, recreational facilities, and road facilities serving the District. The District has agreed to reimburse the developer for a portion of these costs, plus interest, from the proceeds of future bond sales, to the extent approved by the Commission, as and if such approval is required by law. The District’s engineer has stated that current construction contract amounts are approximately \$27,520,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

Subsequent Event

On September 25, 2025, the District awarded the sale of its Series 2025 Unlimited Tax Bonds in the amount of \$34,580,000 at a net effective interest rate of approximately 4.73%. The bonds were sold to reimburse the developer for water, wastewater, and drainage facilities constructed within the District.

Harris County Municipal Utility District No. 490
Statement of Net Position and Governmental Funds Balance Sheet
May 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 160,603	\$ 361,242	\$ 295	\$ 522,140	\$ -	\$ 522,140
Short-term investments	1,631,291	3,673,747	1,359,891	6,664,929	-	6,664,929
Receivables						
Property taxes	44,771	119,866	-	164,637	-	164,637
Service accounts	417,001	-	-	417,001	-	417,001
Interfund receivable	80,055	-	-	80,055	(80,055)	-
Operating reserves	131,579	-	-	131,579	-	131,579
Prepaid expenditures	34,101	-	-	34,101	-	34,101
Capital assets (net of accumulated depreciation)						
Infrastructure	-	-	-	-	26,201,286	26,201,286
Parks and recreation	-	-	-	-	11,216,268	11,216,268
Total Assets	\$ 2,499,401	\$ 4,154,855	\$ 1,360,186	\$ 8,014,442	\$ 37,337,499	\$ 45,351,941
Liabilities						
Accounts payable	\$ 1,085,926	\$ 11,768	\$ 5,232	\$ 1,102,926	\$ -	\$ 1,102,926
Accrued interest payable	-	-	-	-	1,167,217	1,167,217
Customer deposits	199,005	-	-	199,005	-	199,005
Interfund payable	-	80,055	-	80,055	(80,055)	-
Long-term liabilities						
Due within one year	-	-	-	-	1,015,000	1,015,000
Due after one year	-	-	-	-	140,163,106	140,163,106
Total Liabilities	1,284,931	91,823	5,232	1,381,986	142,265,268	143,647,254
Deferred Inflows of Resources	44,771	119,866	-	164,637	(164,637)	-
Fund Balances/Net Position						
Fund balances						
Nonspendable, prepaid expenditures	34,101	-	-	34,101	(34,101)	-
Restricted						
Unlimited tax bonds	-	2,745,369	-	2,745,369	(2,745,369)	-
Water, sewer and drainage	-	-	848,333	848,333	(848,333)	-
Roads	-	1,197,797	231,809	1,429,606	(1,429,606)	-
Parks	-	-	274,812	274,812	(274,812)	-
Assigned, operating reserves	131,579	-	-	131,579	(131,579)	-
Unassigned	1,004,019	-	-	1,004,019	(1,004,019)	-
Total Fund Balances	1,169,699	3,943,166	1,354,954	6,467,819	(6,467,819)	-
Total Liabilities and Fund Balances	\$ 2,499,401	4,154,855	\$ 1,360,186	\$ 8,014,442		
Net position						
Net investment in capital assets					(41,476,496)	(41,476,496)
Restricted for debt service					2,090,255	2,090,255
Restricted for capital projects					90,754	90,754
Unrestricted net position					(58,999,826)	(58,999,826)
Total net position					\$ (98,295,313)	\$ (98,295,313)

Harris County Municipal Utility District No. 490
Statement of Activities and Governmental Funds Revenues,
Expenditures and Changes in Fund Balances
Year Ended May 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	\$ 1,110,248	\$ 3,239,560	\$ -	\$ 4,349,808	\$ (19,047)	\$ 4,330,761
Water service	424,098	-	-	424,098	-	424,098
Sewer service	908,848	-	-	908,848	-	908,848
Regional water fee	642,082	-	-	642,082	-	642,082
Penalty and interest	64,670	54,104	-	118,774	-	118,774
Tap connection and inspection fees	1,179,832	-	-	1,179,832	-	1,179,832
Investment income	52,214	124,928	55,910	233,052	-	233,052
Other income	1,678	-	-	1,678	-	1,678
Total Revenues	4,383,670	3,418,592	55,910	7,858,172	(19,047)	7,839,125
Expenditures/Expenses						
Service operations						
Purchased services	814,948	-	-	814,948	-	814,948
Regional water fee	609,629	-	-	609,629	-	609,629
Professional fees	237,975	17,103	-	255,078	45,287	300,365
Contracted services	153,766	51,525	-	205,291	-	205,291
Solid waste	280,680	-	-	280,680	-	280,680
Utilities	30,500	-	-	30,500	-	30,500
Repairs and maintenance	1,951,297	-	-	1,951,297	-	1,951,297
Other expenditures	243,041	72,618	120	315,779	-	315,779
Tap connections	796,453	-	-	796,453	-	796,453
Capital outlay	-	-	23,505,267	23,505,267	(23,505,267)	-
Conveyance of capital assets	-	-	-	-	19,030,226	19,030,226
Depreciation	-	-	-	-	1,476,399	1,476,399
Debt service						
Principal retirement	-	465,000	-	465,000	(465,000)	-
Interest and fees	-	2,986,527	-	2,986,527	469,867	3,456,394
Debt issuance costs	-	-	1,354,107	1,354,107	-	1,354,107
Total Expenditures	5,118,289	3,592,773	24,859,494	33,570,556	(2,948,488)	30,622,068
Deficiency of Revenues Over Expenditures	(734,619)	(174,181)	(24,803,584)	(25,712,384)	2,929,441	
Other Financing Sources (Uses)						
Repayment of developer advances	-	-	(248,250)	(248,250)	248,250	
Developer advances received	326,253	-	-	326,253	(326,253)	
General obligation bonds issued	-	1,178,869	26,436,131	27,615,000	(27,615,000)	
Discount on debt issued	-	-	(825,342)	(825,342)	825,342	
Total Other Financing Sources	326,253	1,178,869	25,362,539	26,867,661	(26,867,661)	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(408,366)	1,004,688	558,955	1,155,277	(1,155,277)	
Change in Net Position					(22,782,943)	(22,782,943)
Fund Balances/Net Position						
Beginning of year	1,578,065	2,938,478	795,999	5,312,542	-	(75,512,370)
End of year	<u>\$ 1,169,699</u>	<u>\$ 3,943,166</u>	<u>\$ 1,354,954</u>	<u>\$ 6,467,819</u>	<u>\$ -</u>	<u>\$ (98,295,313)</u>

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

Harris County Municipal Utility District No. 490 was created by an order of the Texas Commission on Environmental Quality (Commission), effective July 12, 2007, under the terms and conditions of Article XVI, Section 59, of the Texas Constitution and in accordance with Chapter 54 of the Texas Water Code. 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 (Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

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

Government-Wide and Fund Financial Statements

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

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

The fund financial statements provide information about the District's governmental 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.

Harris County Municipal Utility District No. 490
Notes to Financial Statements
May 31, 2025

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.

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

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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

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

Harris County Municipal Utility District No. 490
Notes to Financial Statements
May 31, 2025

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 fund 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.

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 and 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.

Harris County Municipal Utility District No. 490
Notes to Financial Statements
May 31, 2025

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, 2025, include collections during the current period or within 60 days of year-end related to the 2024 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, 2025, the 2024 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 is not capitalized.

Within Harris County, the county government assumes the maintenance and other incidents of ownership of most storm sewer and road facilities constructed by the District. Accordingly, these assets are not recorded in the financial statements of the District.

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

Water production and distribution facilities	10–45 years
Wastewater collection and treatment facilities	10–45 years
Park and recreational facilities	10–30 years

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. Bond premiums and discounts 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 bond premiums and discounts 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.

Harris County Municipal Utility District No. 490
Notes to Financial Statements
May 31, 2025

When both restricted and unrestricted resources are available for use, it is generally 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 fund financial statements.	\$ 37,417,554
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	164,637
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the fund financial statements.	(1,167,217)
Long-term debt obligations are not due and payable in the current period and are not reported in the fund financial statements.	<u>(141,178,106)</u>
Adjustment to fund balance to arrive at net position.	<u>\$ (104,763,132)</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 change in fund balances because of the following:

Change in fund balances.	\$ 1,155,277
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense or conveyed to another governmental entity for ownership and maintenance. This is the amount by which capital outlay expenditures exceeded conveyed capital assets, depreciation expense and noncapitalized costs in the current period.	2,953,355
Governmental funds report developer advances as other financing sources or uses as amounts are received or paid. However, for government-wide financial statements, these amounts are recorded as an increase or decrease in due to developer.	(78,003)
Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	825,342

Harris County Municipal Utility District No. 490
Notes to Financial Statements
May 31, 2025

Governmental funds report proceeds from sales of bonds because they provide current financial resources to governmental funds. Principal payments on debt are recorded as expenditures. None of these transactions, however, have any effect on net position.	\$ (27,150,000)
Revenues collected in the current year, which have previously been reported in the statement of activities, are reported as revenues in the governmental funds.	(19,047)
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>(469,867)</u>
Change in net position of governmental activities.	<u>\$ (22,782,943)</u>

Note 2. Deposits, Investments, and Investment Income

Deposits

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

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

At May 31, 2025, 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,” certificates of deposit of financial institutions domiciled in Texas, 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 investment 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, 2025, the District has the following investments and maturities.

Harris County Municipal Utility District No. 490
Notes to Financial Statements
May 31, 2025

<u>Type</u>	<u>Maturities in Years</u>				
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Texas CLASS	\$ 6,664,929	\$ 6,664,929	\$ -	\$ -	\$ -

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, 2025, 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, 2025 as follows:

Carrying value	
Deposits	\$ 522,140
Investments	6,664,929
Total	<u>\$ 7,187,069</u>

Investment Income

Investment income of \$233,052 for the year ended May 31, 2025 consisted of interest income.

Fair Value Measurements

The District has the following recurring fair value measurements as of May 31, 2025:

- Pooled investments of \$6,664,929 are valued at fair value per share of the pool’s underlying portfolio.

Note 3. Capital Assets

A summary of changes in capital assets for the year ended May 31, 2025 is presented as follows:

<u>Governmental Activities</u>	<u>Balances, Beginning of Year</u>	<u>Additions</u>	<u>Balances, End of Year</u>
Capital assets, depreciable			
Water production and distribution facilities	\$ 10,141,107	\$ 3,707,983	\$ 13,849,090
Wastewater collection and treatment facilities	10,322,120	3,347,145	13,669,265
Parks and recreation	12,941,848	-	12,941,848
Total capital assets, depreciable	<u>33,405,075</u>	<u>7,055,128</u>	<u>40,460,203</u>

Harris County Municipal Utility District No. 490
Notes to Financial Statements
May 31, 2025

<u>Governmental Activities (Continued)</u>	<u>Balances, Beginning of Year</u>	<u>Additions</u>	<u>Balances, End of Year</u>
Less accumulated depreciation			
Water production and distribution facilities	\$ (339,106)	\$ (308,924)	\$ (648,030)
Wastewater collection and treatment facilities	(364,354)	(304,685)	(669,039)
Parks and recreation	(862,790)	(862,790)	(1,725,580)
Total accumulated depreciation	<u>(1,566,250)</u>	<u>(1,476,399)</u>	<u>(3,042,649)</u>
Total governmental activities, net	<u>\$ 31,838,825</u>	<u>\$ 5,578,729</u>	<u>\$ 37,417,554</u>

Note 4. Long-Term Liabilities

Changes in long-term liabilities for the year ended May 31, 2025 were as follows:

<u>Governmental Activities</u>	<u>Balances, Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances, End of Year</u>	<u>Amounts Due in One Year</u>
Bonds payable					
General obligation bonds	\$ 50,345,000	\$ 27,615,000	\$ 465,000	\$ 77,495,000	\$ 1,015,000
Less discounts on bonds	1,451,235	825,342	44,490	2,232,087	-
	48,893,765	26,789,658	420,510	75,262,913	1,015,000
Due to developer	62,483,399	22,742,166	20,076,125	65,149,440	-
Developer advances	687,750	326,253	248,250	765,753	-
Total governmental activities long-term liabilities	<u>\$ 112,064,914</u>	<u>\$ 49,858,077</u>	<u>\$ 20,744,885</u>	<u>\$ 141,178,106</u>	<u>\$ 1,015,000</u>

General Obligation Bonds

	<u>Series 2022</u>	<u>Road Series 2022</u>
Amounts outstanding, May 31, 2025	\$13,545,000	\$8,085,000
Interest rates	4.50% to 7.00%	4.75% to 7.25%
Maturity dates, serially beginning/ending	September 1, 2025/2048	September 1, 2025/2048
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	September 1, 2028	September 1, 2028

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

Harris County Municipal Utility District No. 490
Notes to Financial Statements
May 31, 2025

	Series 2023	Park Series 2023A
Amounts outstanding, May 31, 2025	\$13,790,000	\$7,910,000
Interest rates	5.00% to 7.50%	5.00% to 7.50%
Maturity dates, serially beginning/ending	September 1, 2025/2049	September 1, 2025/2049
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	September 1, 2029	September 1, 2029
	Road Series 2023	Series 2024
Amounts outstanding, May 31, 2025	\$6,550,000	\$19,000,000
Interest rates	5.00% to 7.50%	4.00% to 6.50%
Maturity dates, serially beginning/ending	September 1, 2025/2049	September 1, 2027/2050
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	September 1, 2029	September 1, 2030
		Road Series 2024
Amount outstanding, May 31, 2025		\$8,615,000
Interest rates		4.00% to 6.50%
Maturity dates, serially beginning/ending		September 1, 2027/2050
Interest payment dates		March 1/September 1
Callable date*		September 1, 2030

*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, 2025.

Harris County Municipal Utility District No. 490
Notes to Financial Statements
May 31, 2025

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,015,000	\$ 3,734,770	\$ 4,749,770
2027	1,075,000	3,658,420	4,733,420
2028	1,760,000	3,557,381	5,317,381
2029	1,855,000	3,430,519	5,285,519
2030	1,950,000	3,304,345	5,254,345
2031–2035	11,410,000	14,769,336	26,179,336
2036–2040	14,700,000	11,786,067	26,486,067
2041–2045	18,955,000	7,955,516	26,910,516
2046–2050	22,895,000	3,010,411	25,905,411
2051	1,880,000	37,600	1,917,600
	<u>1,880,000</u>	<u>37,600</u>	<u>1,917,600</u>
Total	<u>\$ 77,495,000</u>	<u>\$ 55,244,365</u>	<u>\$ 132,739,365</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	\$ 265,000,000
Recreational facilities	88,000,000
Road facilities	101,000,000
Bonds sold	
Water, sewer, and drainage facilities	46,625,000
Recreational facilities	7,910,000
Road facilities	23,425,000
Refunding bonds voted	
Water, sewer, and drainage facilities	176,500,000
Road facilities	50,500,000

Due to Developer

The developer of the District has constructed water, wastewater, and drainage and recreational and road facilities on behalf of the District under the terms of contracts with the District. The District has agreed to purchase these facilities from proceeds of future bond issues, subject to the approved of the Commission, as and if such approval is required by law. As of May 31, 2025, a liability for developer-constructed capital assets of \$65,149,440 was recorded in the government-wide financial statements.

Since inception, the developer has advanced \$765,753 to the District for operations, net of repayments. These advances have been recorded as liabilities in the government-wide financial statements.

Note 5. Significant Bond Order and Commission Requirements

- (A) 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, 2025, the District levied an ad valorem debt service tax at the rate of \$0.7600 per \$100 of assessed valuation, which resulted in a tax levy of \$3,300,053 on the taxable valuation of \$434,217,432 for the 2024 tax year. The principal and

Harris County Municipal Utility District No. 490
Notes to Financial Statements
May 31, 2025

interest requirements to be paid from tax revenues and available resources are \$3,195,460, of which \$1,173,191 has been paid and \$2,022,269 is due September 1, 2025. The principal and interest requirements to be paid from road tax revenues and available resources are \$1,375,258, of which \$496,605 has been paid and \$878,653 is due September 1, 2025.

- (B) In accordance with the Series 2022, Road Series 2022, Series 2023, Park Series 2023A, Road Series 2023, Series 2024, and Road Series 2024 Bond Orders, a portion of the bond proceeds were deposited into the debt service fund and reserved for the payment of bond interest during the construction period. This bond interest reserve is reduced as the interest is paid.

Bond interest reserve, beginning of year	<u>\$ 1,684,753</u>
Additions – Interest appropriated from bond proceeds	
Series 2024	813,150
Road Series 20024	<u>365,719</u>
	<u>1,178,869</u>
Deductions – Appropriation from bond interest paid	
Series 2022	449,182
Road Series 2022	256,739
Series 2023	489,236
Park Series 2023A	280,609
Road Series 2023	208,987
Series 2024	257,498
Road Series 2024	<u>115,811</u>
	<u>2,058,062</u>
Bond interest reserve, end of year	<u><u>\$ 805,560</u></u>

Note 6. Maintenance Taxes

At an election held May 6, 2017, voters authorized a maintenance tax not to exceed \$1.00 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended May 31, 2025, the District levied an ad valorem maintenance tax at the rate of \$0.2400 per \$100 of assessed valuation, which resulted in a tax levy of \$1,042,122 on the taxable valuation of \$434,217,432 for the 2024 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

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 between District No. 418, the District and other participating districts. District No. 418 will acquire, construct, own, operate, and/or maintain central water supply and wastewater treatment facilities, as well as major trunk lines related to said facilities necessary to serve itself, the District, and other municipal utility districts that comprise the Bridgeland community.

Harris County Municipal Utility District No. 490
Notes to Financial Statements
May 31, 2025

District No. 418 charges a connection charge to pay for the costs of constructing regional facilities. The current charge is \$5,213 per equivalent single-family connection for water supply capacity and \$3,953 for wastewater treatment capacity. District No. 418 also charges a wastewater collection connection charge, which varies based on the location of the area to be served by the system, ranging from \$0 to \$5,129 per equivalent single-family connection. These charges are subject to adjustment annually. As of May 31, 2025, the District has been credited with water and sewer connections with a value of \$11,133,910. 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 \$940,762 for water supply and \$327,333 for wastewater services. In addition, the District has contributed \$80,373 for its share of the water supply reserve and \$41,206 as its share of the wastewater treatment reserve. The reserves are subject to adjustment annually.

During the year ended May 31, 2025, the District entered into a contract with District Nos. 418, 419, 489, 491, 492, and 493, as well as Harris County Water Control and Improvement District Nos. 158 and 159 (WCIDs), which created the Bridgeland Water Agency. The Agency was created to facilitate and coordinate public communications, sharing of costs and expenses, and to provide supporting administrative functions to the Districts and the WCIDs and to acquire and maintain lands, buildings or office space, equipment, materials, and supplies necessary to carry out the provisions of the contract. Effective May 31, 2024, the WCIDs withdrew from the contract. For the year ended May 31, 2025, the District incurred costs of \$156,482 and contributed \$10,000 for its share of a reserve.

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 that exceeded coverage amounts in the past three fiscal years.

Note 9. Contingencies

The developer of the District is constructing water, sewer, and drainage facilities, recreational facilities, and road facilities serving the District. The District has agreed to reimburse the developer for a portion of these costs, plus interest, from the proceeds of future bond sales, to the extent approved by the Commission, as and if such approval is required by law. The District's engineer has stated that current construction contract amounts are approximately \$27,520,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

Note 10. Subsequent Event

On September 25, 2025, the District awarded the sale of its Series 2025 Unlimited Tax Bonds in the amount of \$34,580,000 at a net effective interest rate of approximately 4.73%. The bonds were sold to reimburse the developer for water, wastewater, and drainage facilities constructed within the District.

Required Supplementary Information

**Harris County Municipal Utility District No. 490
 Budgetary Comparison Schedule – General Fund
 Year Ended May 31, 2025**

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 927,080	\$ 1,110,248	\$ 183,168
Water service	258,000	424,098	166,098
Sewer service	485,000	908,848	423,848
Regional water fee	378,600	642,082	263,482
Penalty and interest	35,000	64,670	29,670
Tap connection and inspection fees	645,000	1,179,832	534,832
Investment income	50,270	52,214	1,944
Other income	-	1,678	1,678
Total Revenues	2,778,950	4,383,670	1,604,720
Expenditures			
Service operations			
Purchased services	497,315	814,948	(317,633)
Regional water fee	350,556	609,629	(259,073)
Professional fees	390,000	237,975	152,025
Contracted services	211,000	153,766	57,234
Solid waste	182,000	280,680	(98,680)
Utilities	23,000	30,500	(7,500)
Repairs and maintenance	879,000	1,951,297	(1,072,297)
Other expenditures	136,332	243,041	(106,709)
Tap connections	436,000	796,453	(360,453)
Total Expenditures	3,105,203	5,118,289	(2,013,086)
Deficiency of Revenues Over Expenditures	(326,253)	(734,619)	(408,366)
Other Financing Sources			
Developer advances received	326,253	326,253	-
Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	(408,366)	(408,366)
Fund Balance, Beginning of Year	1,578,065	1,578,065	-
Fund Balance, End of Year	\$ 1,578,065	\$ 1,169,699	\$ (408,366)

Harris County Municipal Utility District No. 490
Notes to Required Supplementary Information
May 31, 2025

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 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 2025.

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. 490
Other Schedules Included Within This Report
May 31, 2025

(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 10–21
- [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 Schedules of Revenues and Expenditures – General Fund and Debt Service Fund
- [X] Board Members, Key Personnel, and Consultants

Harris County Municipal Utility District No. 490
Schedule of Services and Rates
Year Ended May 31, 2025

1. Services to be 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 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:	\$ 62.63	0	Y	\$ -	1,001 to No Limit
Regional water fee:	\$ 4.66	1	N	\$ 4.66	1,001 to No Limit
Does the District employ winter averaging for wastewater usage?					Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Total charges per 10,000 gallons usage (including fees):			Water	\$ 73.35	Wastewater \$ 62.63

b. Water and wastewater retail connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFC*</u>
Unmetered	-	-	x1.0	-
≤ 3/4"	1,232	1,230	x1.0	1,230
1"	388	386	x2.5	965
1 1/2"	4	4	x5.0	20
2"	1	1	x8.0	8
3"	1	-	x15.0	-
4"	-	-	x25.0	-
6"	1	1	x50.0	50
8"	-	-	x80.0	-
10"	-	-	x115.0	-
Total water	1,627	1,622		2,273
Total wastewater	1,558	1,554	x1.0	1,554

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

Gallons pumped into the system:	138,953
Gallons billed to customers:	138,953
Water accountability ratio (gallons billed/gallons pumped):	100.00%

*"ESFC" means equivalent single-family connections

Harris County Municipal Utility District No. 490
Schedule of General Fund Expenditures
Year Ended May 31, 2025

Personnel (including benefits)		\$	-
Professional Fees			
Auditing	\$ 20,000		
Legal	81,361		
Engineering	136,614		
Financial advisor	-		237,975
Purchased Services for Resale			
Bulk water and wastewater service purchases			814,948
Regional Water Fee			609,629
Contracted Services			
Bookkeeping	62,677		
General manager	-		
Appraisal district	-		
Tax collector	3,000		
Security	19,982		
Other contracted services	68,107		153,766
Utilities			30,500
Repairs and Maintenance			1,951,297
Administrative Expenditures			
Directors' fees	19,448		
Office supplies	9,772		
Insurance	7,676		
Other administrative expenditures	206,145		243,041
Capital Outlay			
Capitalized assets	-		
Expenditures not capitalized	-		-
Tap Connection Expenditures			796,453
Solid Waste Disposal			280,680
Fire Fighting			-
Parks and Recreation			-
Debt issuance costs			-
Lease Expenditures			-
Total Expenditures		\$	5,118,289

Harris County Municipal Utility District No. 490
Schedule of Temporary Investments
May 31, 2025

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Face Amount</u>	<u>Accrued Interest Receivable</u>
General Fund				
Texas CLASS	4.42%	Demand	\$ 1,631,291	\$ -
Debt Service Fund				
Texas CLASS	4.42%	Demand	1,197,797	-
Texas CLASS	4.42%	Demand	2,475,950	-
			<u>3,673,747</u>	<u>-</u>
Capital Projects Fund				
Texas CLASS	4.42%	Demand	274,812	-
Texas CLASS	4.42%	Demand	385,395	-
Texas CLASS	4.42%	Demand	134,330	-
Texas CLASS	4.42%	Demand	467,875	-
Texas CLASS	4.42%	Demand	97,479	-
			<u>1,359,891</u>	<u>-</u>
Totals			<u>\$ 6,664,929</u>	<u>\$ -</u>

Harris County Municipal Utility District No. 490
Analysis of Taxes Levied and Receivable
Year Ended May 31, 2025

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year	\$ 119,858	\$ 63,826
Additions and corrections to prior years' taxes	(6,961)	(4,453)
Adjusted Receivable, Beginning of Year	<u>112,897</u>	<u>59,373</u>
2024 Original Tax Levy	781,410	2,474,466
Additions and corrections	<u>260,712</u>	<u>825,587</u>
Adjusted tax levy	<u>1,042,122</u>	<u>3,300,053</u>
Total to be accounted for	1,155,019	3,359,426
Tax collections:		
Current year	(1,005,523)	(3,184,155)
Prior year	<u>(104,725)</u>	<u>(55,405)</u>
Receivable, End of Year	<u>\$ 44,771</u>	<u>\$ 119,866</u>
Receivable, by Years		
2024	\$ 36,599	\$ 115,898
2023	6,207	3,968
2022	<u>1,965</u>	<u>-</u>
Receivable, End of Year	<u>\$ 44,771</u>	<u>\$ 119,866</u>

**Harris County Municipal Utility District No. 490
 Analysis of Taxes Levied and Receivable
 Year Ended May 31, 2025**

(Continued)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Property Valuations				
Land	\$ 143,173,955	\$ 112,014,512	\$ 46,511,809	\$ 17,697,488
Improvements	322,344,185	188,223,645	38,234,945	-
Personal property	2,029,275	1,028,009	9,981	138
Exemptions	<u>(33,329,983)</u>	<u>(13,903,679)</u>	<u>(2,011,400)</u>	<u>(385,911)</u>
Total Property Valuations	<u>\$ 434,217,432</u>	<u>\$ 287,362,487</u>	<u>\$ 82,745,335</u>	<u>\$ 17,311,715</u>
Tax Rates per \$100 Valuation				
Debt service tax rates	\$ 0.7600	\$ 0.3900	\$ -	\$ -
Maintenance tax rates*	<u>0.2400</u>	<u>0.6100</u>	<u>1.0000</u>	<u>1.0000</u>
Total Tax Rates per \$100 Valuation	<u>\$ 1.0000</u>	<u>\$ 1.0000</u>	<u>\$ 1.0000</u>	<u>\$ 1.0000</u>
Tax Levy	<u>\$ 4,342,175</u>	<u>\$ 2,873,625</u>	<u>\$ 827,453</u>	<u>\$ 173,117</u>
Percent of Taxes Collected to Taxes Levied**	<u>96%</u>	<u>99%</u>	<u>99%</u>	<u>100%</u>

*Maximum tax rate approved by voters: \$1.00 on May 6, 2017

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

Harris County Municipal Utility District No. 490
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2025

Due During Fiscal Years Ending May 31	Principal Due September 1	Series 2022 Interest Due March 1, September 1	Total
2026	\$ 305,000	\$ 661,113	\$ 966,113
2027	320,000	639,238	959,238
2028	335,000	616,313	951,313
2029	350,000	592,338	942,338
2030	370,000	571,763	941,763
2031	390,000	554,663	944,663
2032	410,000	536,663	946,663
2033	430,000	517,763	947,763
2034	450,000	497,963	947,963
2035	470,000	477,263	947,263
2036	495,000	455,549	950,549
2037	520,000	432,712	952,712
2038	545,000	408,750	953,750
2039	575,000	382,831	957,831
2040	605,000	354,806	959,806
2041	635,000	325,356	960,356
2042	665,000	294,481	959,481
2043	695,000	262,180	957,180
2044	730,000	228,337	958,337
2045	770,000	192,712	962,712
2046	805,000	155,306	960,306
2047	850,000	116,000	966,000
2048	890,000	72,450	962,450
2049	935,000	24,543	959,543
Totals	\$ 13,545,000	\$ 9,371,093	\$ 22,916,093

Harris County Municipal Utility District No. 490
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2025

(Continued)

Due During Fiscal Years Ending May 31	Road Series 2022		Total
	Principal Due September 1	Interest Due March 1, September 1	
2026	\$ 180,000	\$ 402,463	\$ 582,463
2027	190,000	389,050	579,050
2028	200,000	374,912	574,912
2029	210,000	360,050	570,050
2030	220,000	347,213	567,213
2031	230,000	336,525	566,525
2032	245,000	325,243	570,243
2033	255,000	313,369	568,369
2034	270,000	300,900	570,900
2035	280,000	287,838	567,838
2036	295,000	274,182	569,182
2037	310,000	259,813	569,813
2038	325,000	244,731	569,731
2039	345,000	228,818	573,818
2040	360,000	212,075	572,075
2041	380,000	194,500	574,500
2042	395,000	176,094	571,094
2043	415,000	156,856	571,856
2044	440,000	136,550	576,550
2045	460,000	115,175	575,175
2046	485,000	92,731	577,731
2047	505,000	69,218	574,218
2048	530,000	43,313	573,313
2049	560,000	14,700	574,700
Totals	<u>\$ 8,085,000</u>	<u>\$ 5,656,319</u>	<u>\$ 13,741,319</u>

Harris County Municipal Utility District No. 490
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2025

(Continued)

Due During Fiscal Years Ending May 31	Principal Due September 1	Series 2023 Interest Due March 1, September 1	Total
2026	\$ 250,000	\$ 727,550	\$ 977,550
2027	265,000	708,238	973,238
2028	285,000	687,612	972,612
2029	300,000	665,675	965,675
2030	320,000	642,425	962,425
2031	335,000	617,862	952,862
2032	355,000	594,650	949,650
2033	380,000	574,500	954,500
2034	400,000	555,000	955,000
2035	425,000	534,375	959,375
2036	450,000	512,500	962,500
2037	475,000	489,375	964,375
2038	505,000	464,875	969,875
2039	535,000	438,875	973,875
2040	570,000	411,250	981,250
2041	605,000	381,875	986,875
2042	640,000	350,750	990,750
2043	675,000	317,875	992,875
2044	715,000	283,125	998,125
2045	760,000	246,250	1,006,250
2046	805,000	207,125	1,012,125
2047	855,000	165,625	1,020,625
2048	905,000	121,625	1,026,625
2049	960,000	75,000	1,035,000
2050	1,020,000	25,500	1,045,500
Totals	\$ 13,790,000	\$ 10,799,512	\$ 24,589,512

Harris County Municipal Utility District No. 490
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2025

(Continued)

Due During Fiscal Years Ending May 31	Park Series 2023A		Total
	Principal Due September 1	Interest Due March 1, September 1	
2026	\$ 145,000	\$ 417,237	\$ 562,237
2027	155,000	405,988	560,988
2028	160,000	394,175	554,175
2029	170,000	381,800	551,800
2030	180,000	368,675	548,675
2031	195,000	354,613	549,613
2032	205,000	341,150	546,150
2033	215,000	329,625	544,625
2034	230,000	318,500	548,500
2035	245,000	306,625	551,625
2036	260,000	294,000	554,000
2037	275,000	280,625	555,625
2038	290,000	266,500	556,500
2039	310,000	251,500	561,500
2040	325,000	235,625	560,625
2041	345,000	218,875	563,875
2042	365,000	201,125	566,125
2043	390,000	182,250	572,250
2044	410,000	162,250	572,250
2045	435,000	141,125	576,125
2046	460,000	118,750	578,750
2047	490,000	95,000	585,000
2048	520,000	69,750	589,750
2049	550,000	43,000	593,000
2050	585,000	14,625	599,625
Totals	\$ 7,910,000	\$ 6,193,388	\$ 14,103,388

Harris County Municipal Utility District No. 490
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2025

(Continued)

Due During Fiscal Years Ending May 31	Road Series 2023		Total
	Principal Due September 1	Interest Due March 1, September 1	
2026	\$ 135,000	\$ 347,538	\$ 482,538
2027	145,000	337,037	482,037
2028	150,000	325,975	475,975
2029	160,000	314,350	474,350
2030	165,000	302,163	467,163
2031	175,000	289,412	464,412
2032	185,000	277,300	462,300
2033	195,000	266,875	461,875
2034	205,000	256,875	461,875
2035	215,000	246,375	461,375
2036	225,000	235,375	460,375
2037	235,000	223,875	458,875
2038	245,000	211,875	456,875
2039	260,000	199,250	459,250
2040	270,000	186,000	456,000
2041	285,000	172,125	457,125
2042	300,000	157,500	457,500
2043	315,000	142,125	457,125
2044	330,000	126,000	456,000
2045	345,000	109,125	454,125
2046	365,000	91,375	456,375
2047	380,000	72,750	452,750
2048	400,000	53,250	453,250
2049	420,000	32,750	452,750
2050	445,000	11,125	456,125
Totals	\$ 6,550,000	\$ 4,988,400	\$ 11,538,400

Harris County Municipal Utility District No. 490
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2025

(Continued)

Due During Fiscal Years Ending May 31	Series 2024		Total
	Principal Due September 1	Interest Due March 1, September 1	
2026	\$ -	\$ 813,150	\$ 813,150
2027	-	813,150	813,150
2028	425,000	799,338	1,224,338
2029	450,000	770,900	1,220,900
2030	470,000	741,000	1,211,000
2031	495,000	709,637	1,204,637
2032	520,000	679,575	1,199,575
2033	545,000	654,700	1,199,700
2034	570,000	632,400	1,202,400
2035	600,000	609,000	1,209,000
2036	630,000	584,400	1,214,400
2037	665,000	558,500	1,223,500
2038	695,000	531,300	1,226,300
2039	730,000	502,800	1,232,800
2040	765,000	472,900	1,237,900
2041	805,000	441,500	1,246,500
2042	845,000	408,500	1,253,500
2043	890,000	373,800	1,263,800
2044	930,000	337,400	1,267,400
2045	980,000	299,200	1,279,200
2046	1,025,000	259,100	1,284,100
2047	1,080,000	217,000	1,297,000
2048	1,135,000	172,700	1,307,700
2049	1,190,000	126,200	1,316,200
2050	1,250,000	77,400	1,327,400
2051	1,310,000	26,200	1,336,200
Totals	\$ 19,000,000	\$ 12,611,750	\$ 31,611,750

Harris County Municipal Utility District No. 490
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2025

(Continued)

Due During Fiscal Years Ending May 31	Road Series 2024		Total
	Principal Due September 1	Interest Due March 1, September 1	
2026	\$ -	\$ 365,719	\$ 365,719
2027	-	365,719	365,719
2028	205,000	359,056	564,056
2029	215,000	345,406	560,406
2030	225,000	331,106	556,106
2031	235,000	316,597	551,597
2032	245,000	304,500	549,500
2033	260,000	294,400	554,400
2034	270,000	283,800	553,800
2035	280,000	272,800	552,800
2036	295,000	261,300	556,300
2037	310,000	249,200	559,200
2038	320,000	236,600	556,600
2039	335,000	223,500	558,500
2040	350,000	209,800	559,800
2041	365,000	195,500	560,500
2042	385,000	180,500	565,500
2043	400,000	164,800	564,800
2044	420,000	148,400	568,400
2045	435,000	131,300	566,300
2046	455,000	113,500	568,500
2047	475,000	94,900	569,900
2048	500,000	75,400	575,400
2049	520,000	55,000	575,000
2050	545,000	33,700	578,700
2051	570,000	11,400	581,400
Totals	\$ 8,615,000	\$ 5,623,903	\$ 14,238,903

Harris County Municipal Utility District No. 490
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2025

(Continued)

Due During Fiscal Years Ending May 31	Annual Requirements For All Series		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	\$ 1,015,000	\$ 3,734,770	\$ 4,749,770
2027	1,075,000	3,658,420	4,733,420
2028	1,760,000	3,557,381	5,317,381
2029	1,855,000	3,430,519	5,285,519
2030	1,950,000	3,304,345	5,254,345
2031	2,055,000	3,179,309	5,234,309
2032	2,165,000	3,059,081	5,224,081
2033	2,280,000	2,951,232	5,231,232
2034	2,395,000	2,845,438	5,240,438
2035	2,515,000	2,734,276	5,249,276
2036	2,650,000	2,617,306	5,267,306
2037	2,790,000	2,494,100	5,284,100
2038	2,925,000	2,364,631	5,289,631
2039	3,090,000	2,227,574	5,317,574
2040	3,245,000	2,082,456	5,327,456
2041	3,420,000	1,929,731	5,349,731
2042	3,595,000	1,768,950	5,363,950
2043	3,780,000	1,599,886	5,379,886
2044	3,975,000	1,422,062	5,397,062
2045	4,185,000	1,234,887	5,419,887
2046	4,400,000	1,037,887	5,437,887
2047	4,635,000	830,493	5,465,493
2048	4,880,000	608,488	5,488,488
2049	5,135,000	371,193	5,506,193
2050	3,845,000	162,350	4,007,350
2051	1,880,000	37,600	1,917,600
Totals	\$ 77,495,000	\$ 55,244,365	\$ 132,739,365

Harris County Municipal Utility District No. 490
Changes in Long-Term Bonded Debt
Year Ended May 31, 2024

	Bond		
	Series 2022	Road Series 2022	Series 2023
Interest rates	4.50% to 7.00%	4.75% to 7.25%	5.00% to 7.50%
Dates interest payable	March 1/ September 1	March 1/ September 1	March 1/ September 1
Maturity dates	September 1, 2025/2048	September 1, 2025/2048	September 1, 2025/2049
Bonds outstanding, beginning of the current year	\$ 13,835,000	\$ 8,260,000	\$ 13,790,000
Bonds sold during the current year	-	-	-
Retirements, principal	<u>290,000</u>	<u>175,000</u>	<u>-</u>
Bonds outstanding, end of current year	<u>\$ 13,545,000</u>	<u>\$ 8,085,000</u>	<u>\$ 13,790,000</u>
Interest paid during the current year	<u>\$ 681,938</u>	<u>\$ 415,331</u>	<u>\$ 736,925</u>

Paying agent's name and address:

Series 2022	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Road Series 2022	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Series 2023	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Park Series 2023A	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Road Series 2023	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Series 2024	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Road Series 2024	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas

Bond authority	Tax Bonds	Recreational Bonds	Road Bonds	Refunding Bonds
Amount authorized by voters	<u>\$ 265,000,000</u>	<u>\$ 88,000,000</u>	<u>\$ 101,000,000</u>	<u>\$ 227,000,000</u>
Amount issued	<u>\$ 46,625,000</u>	<u>\$ 7,910,000</u>	<u>\$ 23,425,000</u>	<u>\$ -</u>
Remaining to be issued	<u>\$ 218,375,000</u>	<u>\$ 80,090,000</u>	<u>\$ 77,575,000</u>	<u>\$ 227,000,000</u>

Debt service fund cash and temporary investment balances as of May 31, 2025: 4,034,989

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 5,105,360

Issues

<u>Park Series 2023A</u>	<u>Road Series 2023</u>	<u>Series 2024</u>	<u>Road Series 2024</u>	<u>Totals</u>
5.00% to 7.50%	5.00% to 7.50%	4.00% to 6.50%	4.00% to 6.50%	
March 1/ September 1	March 1/ September 1	March 1/ September 1	March 1/ September 1	
September 1, 2025/2049	September 1, 2025/2049	September 1, 2027/2050	September 1, 2027/2050	
\$ 7,910,000	\$ 6,550,000	\$ -	\$ -	\$ 50,345,000
-	-	19,000,000	8,615,000	27,615,000
-	-	-	-	465,000
<u>\$ 7,910,000</u>	<u>\$ 6,550,000</u>	<u>\$ 19,000,000</u>	<u>\$ 8,615,000</u>	<u>\$ 49,880,000</u>
<u>\$ 422,675</u>	<u>\$ 352,600</u>	<u>\$ 257,498</u>	<u>\$ 115,811</u>	<u>\$ 2,982,778</u>

Harris County Municipal Utility District No. 490
Comparative Schedule of Revenues and Expenditures – General Fund
Four Years Ended May 31,

	Amounts			
	2025	2024	2023	2022
General Fund				
Revenues				
Property taxes	\$ 1,110,248	\$ 1,709,488	\$ 737,226	\$ 261,116
Water service	424,098	343,215	173,658	54,872
Sewer service	908,848	571,285	310,478	121,916
Regional water fee	642,082	393,028	186,292	39,010
Penalty and interest	64,670	32,934	32,412	3,695
Tap connection and inspection fees	1,179,832	958,528	375,114	658,560
Investment income	52,214	18,390	29,874	40
Other income	1,678	159,190	58,994	-
Total Revenues	4,383,670	4,186,058	1,904,048	1,139,209
Expenditures				
Service operations				
Purchased services	814,948	349,537	220,176	159,841
Regional water fees	609,629	369,863	176,936	18,175
Professional fees	237,975	325,655	272,425	139,002
Contracted services	153,766	202,283	151,253	48,120
Solid waste	280,680	115,506	53,074	7,583
Utilities	30,500	21,530	11,318	1,663
Repairs and maintenance	1,951,297	966,167	577,384	305,108
Other expenditures	243,041	95,073	121,010	48,503
Tap connections	796,453	550,975	318,152	417,007
Capital outlay	-	-	14,758	-
Debt service, debt issuance costs	-	-	57,282	-
Total Expenditures	5,118,289	2,996,589	1,973,768	1,145,002
Excess (Deficiency) of Revenues Over Expenditures	(734,619)	1,189,469	(69,720)	(5,793)
Other Financing Sources (Uses)				
Interfund transfers in (out)	-	(20,522)	25	-
Developer advances received	326,253	145,500	294,000	66,000
Total Other Financing Sources	326,253	124,978	294,025	66,000
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(408,366)	1,314,447	224,305	60,207
Fund Balance (Deficit), Beginning of Year	1,578,065	263,618	39,313	(20,894)
Fund Balance, End of Year	\$ 1,169,699	\$ 1,578,065	\$ 263,618	\$ 39,313
Total Active Retail Water Connections	1,622	1,027	573	364
Total Active Retail Wastewater Connections	1,554	977	537	344

Percent of Fund Total Revenues

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
25.3 %	40.8 %	38.7 %	23.0 %
9.7	8.2	9.1	4.8
20.7	13.7	16.3	10.7
14.7	9.4	9.8	3.4
1.5	0.8	1.7	0.3
26.9	22.9	19.7	57.8
1.2	0.4	1.6	0.0
0.0	3.8	3.1	-
100.0	100.0	100.0	100.0
18.6	8.3	11.6	14.0
13.9	8.8	9.3	1.6
5.4	7.8	14.3	12.2
3.5	4.8	7.9	4.2
6.4	2.8	2.8	0.6
0.7	0.5	0.6	0.2
44.5	23.1	30.3	26.8
5.6	2.3	6.4	4.3
18.2	13.2	16.7	36.6
-	-	0.8	-
-	-	3.0	-
116.8	71.6	103.7	100.5
(16.8) %	28.4 %	(3.7) %	(0.5) %

Harris County Municipal Utility District No. 490
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Three Years Ended May 31,

	Amounts		
	2025	2024	2023
Debt Service Fund			
Revenues			
Property taxes	\$ 3,239,560	\$ 1,056,888	\$ -
Penalty and interest	54,104	35,629	-
Investment income	124,928	128,268	56,999
Total Revenues	3,418,592	1,220,785	56,999
Expenditures			
Current			
Professional fees	17,103	2,443	-
Contracted services	51,525	30,186	-
Other expenditures	72,618	10,452	-
Debt service			
Principal retirement	465,000	-	-
Interest and fees	2,986,527	1,623,530	389,817
Total Expenditures	3,592,773	1,666,611	389,817
Deficiency of Revenues Over Expenditures	(174,181)	(445,826)	(332,818)
Other Financing Sources			
Interfund transfers in	-	20,522	-
General obligation bonds issued	1,178,869	1,487,100	2,209,500
Total Other Financing Sources	1,178,869	1,507,622	2,209,500
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,004,688	1,061,796	1,876,682
Fund Balance, Beginning of Year	2,938,478	1,876,682	-
Fund Balance, End of Year	\$ 3,943,166	\$ 2,938,478	\$ 1,876,682

**Percent of Fund
Total Revenues**

<u>2025</u>	<u>2024</u>	<u>2023</u>
94.8 %	86.6 %	- %
1.6	2.9	-
3.6	10.5	100.0
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
0.5	0.2	-
1.5	2.5	-
2.1	0.8	-
13.6	-	-
<u>87.4</u>	<u>133.0</u>	<u>684.0</u>
<u>105.1</u>	<u>136.5</u>	<u>684.0</u>
<u>(5.1) %</u>	<u>(36.5) %</u>	<u>(584.0) %</u>

**Harris County Municipal Utility District No. 490
Board Members, Key Personnel, and Consultants
Year Ended May 31, 2025**

Complete District mailing address:	Harris County Municipal Utility District No. 490 c/o Schwartz, Page & Harding, L.L.P. 1300 Post Oak Boulevard, Suite 2400 Houston, TX 77056
District business telephone number:	713.623.4531
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	May 23, 2024
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

<u>Board Members</u>	<u>Term of Office Elected & Expires</u>	<u>Fees*</u>	<u>Expense Reimbursements</u>	<u>Title at Year-End</u>
C. Troy Anthony	Elected 05/24– 05/28	\$ 3,094	\$ 658	President
Perry Miller	Elected 05/22– 05/26	5,746	3,705	Vice President
Stephanie M. Russ	Elected 05/24– 05/28	1,768	120	Secretary
Sarah Barrera	Elected 05/24– 05/28	3,978	808	Assistant Secretary
Lee Markiewicz	Elected 05/22– 05/26	4,862	424	Assistant Secretary

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

**Harris County Municipal Utility District No. 490
Board Members, Key Personnel, and Consultants
Year Ended May 31, 2025**

(Continued)

Consultants	Date Hired	Fees and Expense Reimbursements	Title
B&A Municipal Tax Service, LLC	05/28/20	\$ 28,413	Tax Assessor/ Collector
BGE, Inc.	02/27/08	238,177	Engineer
Forvis Mazars, LLP	05/26/22	47,900	Auditor
Harris Central Appraisal District	Legislative Action	28,512	Appraiser
Inframark, LLC	02/25/21	1,987,692	Operator
Masterson Advisors LLC	05/18/18	464,354	Financial Advisor
Municipal Accounts & Consulting, L.P.	02/27/08	70,956	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	02/25/21	17,103	Delinquent Tax Attorney
Schwartz, Page & Harding, L.L.P.	02/27/08	134,583 665,375	General Counsel Bond Counsel
Investment Officers			
Mark Burton and Ghia Lewis	06/02/16	N/A	Bookkeepers