



Harris County Municipal Utility District No. 147 Harris County, Texas

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

September 30, 2023



Harris County Municipal Utility District No. 147
September 30, 2023

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Independent Auditor's Report

Board of Directors
Harris County Municipal Utility District No. 147
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. 147 (the District), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of September 30, 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 12, 2024

Harris County Municipal Utility District No. 147

Management's Discussion and Analysis

September 30, 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, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-wide Financial Statements

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

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

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

Harris County Municipal Utility District No. 147

Management's Discussion and Analysis (Continued)

September 30, 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. 147
Management's Discussion and Analysis (Continued)
September 30, 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	\$ 2,746,807	\$ 2,183,914
Capital assets	1,767,913	1,868,553
Total assets	\$ 4,514,720	\$ 4,052,467
Other liabilities	\$ 293,285	\$ 166,059
Net position:		
Net investment in capital assets	1,767,913	1,868,553
Unrestricted	2,453,522	2,017,855
Total net position	\$ 4,221,435	\$ 3,886,408

The total net position of the District increased by \$335,027, or about 9%. The majority of the increase in net position is related to property taxes and charges for services revenues exceeding services expenses.

Summary of Changes in Net Position

	2023	2022
Revenues:		
Property taxes	\$ 875,884	\$ 809,510
City of Houston sales tax	6,705	4,293
Charges for services	829,197	638,141
Other revenues	188,096	56,944
Total revenues	1,899,882	1,508,888

Harris County Municipal Utility District No. 147
Management's Discussion and Analysis (Continued)
September 30, 2023

Summary of Changes in Net Position (Continued)

	2023	2022
Expenses:		
Services	\$ 1,417,731	\$ 1,409,101
Depreciation	147,124	164,048
Total expenses	1,564,855	1,573,149
Change in net position	335,027	(64,261)
Net position, beginning of year	3,886,408	3,950,669
Net position, end of year	\$ 4,221,435	\$ 3,886,408

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended September 30, 2023, were \$2,285,818, an increase of \$415,564 from the prior year.

The general fund's fund balance increased by \$415,532, primarily due to property taxes and service revenues as well as investment income being greater than service operation expenditures.

The debt service fund's fund balance increased by \$32 due to investment income.

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 water service revenues, investment income and regional water fee and contracted services expenditures being greater than anticipated and repairs and maintenance expenditures being less than anticipated. In addition, capital outlay expenditures incurred were not included in the current year budget. The fund balance as of September 30, 2023, was expected to be \$2,122,999 and the actual end-of-year fund balance was \$2,285,102.

Harris County Municipal Utility District No. 147
Management's Discussion and Analysis (Continued)
September 30, 2023

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	\$ 10,000	\$ 10,000
Water facilities	385,809	449,907
Wastewater facilities	1,372,104	1,408,646
Total capital assets	\$ 1,767,913	\$ 1,868,553

During the current year, additions to capital assets included the District's share of improvements to shared wastewater treatment facilities totaling \$46,484.

Debt

At September 30, 2023, the District had \$6,000,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District.

The District has no outstanding bonded debt.

Other Relevant Factors

Relationship to the City of Houston

Effective June 18, 2004, the District and the City of Houston (the City) entered into a Strategic Partnership Agreement (the Agreement). Under the Agreement, and in accordance with Subchapter F of Chapter 43 of the Local Government Code, the City has annexed a tract of land (the tract) within the District for limited purposes.

The District will continue to own, operate and maintain a water, wastewater and drainage system in the District and the tract. The taxable property within the District is not liable for any present or future debts of the City. The District's assets, liabilities, indebtedness and obligations will remain the responsibilities of the District during the 30-year term of the Agreement. The City may not annex the District for full purposes during the term of the Agreement, but the Agreement may be amended by mutual consent. As consideration for the District providing services detailed in the Agreement, the City agrees to remit to the District one-half of all sales and use tax revenues generated within the boundaries of the tract. These revenues may be used by the District for any lawful purpose. The qualified voters within the tract may vote in certain City elections pursuant to the Local Government Code.

Harris County Municipal Utility District No. 147
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2023

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
Assets					
Cash	\$ 145,307	\$ -	\$ 145,307	\$ -	\$ 145,307
Short-term investments	2,194,203	716	2,194,919	-	2,194,919
Receivables:					
Property taxes	93,519	-	93,519	-	93,519
Service accounts	156,508	-	156,508	-	156,508
Other	1,238	-	1,238	-	1,238
Accrued penalty and interest	-	-	-	74,185	74,185
Operating deposits	81,131	-	81,131	-	81,131
Capital assets (net of accumulated depreciation):					
Land and improvements	-	-	-	10,000	10,000
Infrastructure	-	-	-	1,757,913	1,757,913
Total assets	\$ 2,671,906	\$ 716	\$ 2,672,622	\$ 1,842,098	\$ 4,514,720

Harris County Municipal Utility District No. 147
Statement of Net Position and Governmental Funds Balance Sheet (Continued)
September 30, 2023

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
Liabilities					
Accounts payable	\$ 223,387	\$ -	\$ 223,387	\$ -	\$ 223,387
Customer deposits	69,898	-	69,898	-	69,898
Total liabilities	<u>293,285</u>	<u>0</u>	<u>293,285</u>	<u>0</u>	<u>293,285</u>
Deferred Inflows of Resources					
Deferred property tax revenues	93,519	0	93,519	(93,519)	0
Fund Balances/Net Position					
Fund balances:					
Restricted, debt service	-	716	716	(716)	-
Assigned, operating deposits	81,131	-	81,131	(81,131)	-
Unassigned	2,203,971	-	2,203,971	(2,203,971)	-
Total fund balances	<u>2,285,102</u>	<u>716</u>	<u>2,285,818</u>	<u>(2,285,818)</u>	<u>0</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,671,906</u>	<u>\$ 716</u>	<u>\$ 2,672,622</u>		
Net position:					
Net investment in capital assets				1,767,913	1,767,913
Unrestricted				<u>2,453,522</u>	<u>2,453,522</u>
Total net position				<u>\$ 4,221,435</u>	<u>\$ 4,221,435</u>

Harris County Municipal Utility District No. 147
Statement of Activities and Governmental Funds Revenues,
Expenditures and Changes in Fund Balances
Year Ended September 30, 2023

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
Revenues					
Property taxes	\$ 865,464	\$ -	\$ 865,464	\$ 10,420	\$ 875,884
City of Houston sales tax	6,705	-	6,705	-	6,705
Water service	339,809	-	339,809	-	339,809
Sewer service	243,554	-	243,554	-	243,554
Surface water conversion	245,834	-	245,834	-	245,834
Penalty and interest	29,819	-	29,819	9,683	39,502
Investment income	89,093	32	89,125	-	89,125
Other income	25,665	-	25,665	33,804	59,469
Total revenues	1,845,943	32	1,845,975	53,907	1,899,882
Expenditures/Expenses					
Service operations:					
Purchased services	165,787	-	165,787	(46,484)	119,303
Regional water fee	299,849	-	299,849	-	299,849
Professional fees	156,401	-	156,401	-	156,401
Contracted services	113,559	-	113,559	-	113,559
Utilities	53,071	-	53,071	-	53,071
Repairs and maintenance	559,920	-	559,920	46,020	605,940
Other expenditures	69,608	-	69,608	-	69,608
Capital outlay	46,020	-	46,020	(46,020)	-
Depreciation	-	-	-	147,124	147,124
Total expenditures/expenses	1,464,215	0	1,464,215	100,640	1,564,855
Excess of Revenues Over Expenditures	381,728	32	381,760	(46,733)	
Other Financing Sources					
Insurance proceeds	33,804	-	33,804	(33,804)	
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	415,532	32	415,564	(415,564)	
Change in Net Position				335,027	335,027
Fund Balances/Net Position					
Beginning of year	1,869,570	684	1,870,254	-	3,886,408
End of year	\$ 2,285,102	\$ 716	\$ 2,285,818	\$ 0	\$ 4,221,435

Harris County Municipal Utility District No. 147

Notes to Financial Statements

September 30, 2023

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

Harris County Municipal Utility District No. 147 (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 10, 1977, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code, as amended, 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 of Directors (the Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

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

Government-wide and Fund Financial Statements

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

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

Harris County Municipal Utility District No. 147

Notes to Financial Statements

September 30, 2023

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

The District presents the following major governmental funds:

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

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

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 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. 147
Notes to Financial Statements
September 30, 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.

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.

Harris County Municipal Utility District No. 147

Notes to Financial Statements

September 30, 2023

Pension Costs

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

Use of Estimates

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

Investments and Investment Income

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

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

Property Taxes

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

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended September 30, 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 September 30, 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. 147
Notes to Financial Statements
September 30, 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

Debt Issuance Costs

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

Long-term Obligations

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

In the fund financial statements, governmental fund types recognize 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.

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. 147
Notes to Financial Statements
September 30, 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 balances in the governmental funds balance sheet are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	\$ 1,767,913
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	93,519
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.	<u>74,185</u>
Adjustment to fund balances to arrive at net position.	<u><u>\$ 1,935,617</u></u>

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

Change in fund balances.	\$ 415,564
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 non-capitalized costs exceeded capital outlay expenditures in the current period.	(100,640)
Revenues that do not provide current financial resources are not reported as revenues for the funds, but are reported as revenues in the statement of activities.	<u>20,103</u>
Change in net position of governmental activities.	<u><u>\$ 335,027</u></u>

Note 2: Deposits, Investments and Investment Income

Deposits

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

Harris County Municipal Utility District No. 147
Notes to Financial Statements
September 30, 2023

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

At September 30, 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 September 30, 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	\$ 2,194,919	\$ 2,194,919	\$ 0	\$ 0	\$ 0

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 September 30, 2023, the District's investments in TexPool were rated "AAAm" by Standard & Poor's.

Harris County Municipal Utility District No. 147
Notes to Financial Statements
September 30, 2023

Summary of Carrying Values

The carrying values of deposits and investments shown above are included in the balance sheet and statement of net position at September 30, 2023, as follows:

Carrying value:		
Deposits	\$	145,307
Investments		2,194,919
Total	\$	2,340,226

Investment Income

Investment income of \$89,125 for the year ended September 30, 2023, consisted of interest income.

Note 3: Capital Assets

A summary of changes in capital assets for the year ended September 30, 2023, is presented below:

Governmental Activities	Balances, Beginning of Year	Additions	Balances, End of Year
Capital assets, non-depreciable:			
Land and improvements	\$ 10,000	\$ 0	\$ 10,000
Capital assets, depreciable:			
Water production and distribution facilities	2,600,594	\$ -	2,600,594
Wastewater collection and treatment facilities	4,156,643	46,484	4,203,127
Total capital assets, depreciable	6,757,237	46,484	6,803,721
Less accumulated depreciation:			
Water production and distribution facilities	(2,150,687)	(64,098)	(2,214,785)
Wastewater collection and treatment facilities	(2,747,997)	(83,026)	(2,831,023)
Total accumulated depreciation	(4,898,684)	(147,124)	(5,045,808)
Total governmental activities, net	\$ 1,868,553	\$ (100,640)	\$ 1,767,913

Harris County Municipal Utility District No. 147
Notes to Financial Statements
September 30, 2023

Note 4: Long-term Liabilities

Bonds voted	\$ 14,000,000
Bonds sold	8,000,000

Note 5: Maintenance Taxes

At an election held September 11, 2004, voters authorized a maintenance tax not to exceed \$0.53 per \$100 of assessed valuation on all property within the District subject to taxation in lieu of the \$0.25 per \$100 of assessed valuation authorized by voters at an election held in 1977. During the year ended September 30, 2023, the District levied an ad valorem maintenance tax at the rate of \$0.4836 per \$100 of assessed valuation, which resulted in a tax levy of \$876,265 on the taxable valuation of \$181,196,209 for the 2022 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 6: Financing and Operating of Regional Facilities

Chelford City Municipal Utility District (Chelford City) entered into 40-year contracts whereby Chelford City agreed to provide or cause to be provided the regional wastewater treatment and disposal facilities necessary to serve the participating districts. The agreements are as follows:

Participants	Date of Agreement
Chelford One Municipal Utility District	May 9, 1978
City of Houston (formerly Harris County Municipal Utility District No. 98)	May 9, 1978
Harris County Municipal Utility District No. 120	May 9, 1978
Harris County Municipal Utility District No. 147	May 9, 1978
Mission Bend Municipal Utility District No. 1	May 9, 1978
Mission Bend Municipal Utility District No. 2	June 19, 1979
City of Houston (formerly West Houston Municipal Utility District)	August 12, 1981
Alief Church of the Nazarene (formerly United Savings of Texas)	May 9, 1978

On January 26, 1982, Chelford City entered into a supplemental agreement with the participants to share the cost of expanding the capacity of treatment facilities. Costs of construction were shared based on percentage of capacity acquired. The District's share of total construction and related costs was approximately \$640,000.

On September 11, 2006, the contracts were amended to clarify the participant's respective pro rata shares of capacity in the facility. In addition, the contracts will automatically renew for successive 40-year periods until all participants have been annexed and dissolved by the City of Houston (the City).

Harris County Municipal Utility District No. 147
Notes to Financial Statements
September 30, 2023

In March 2010 and August 2016, Chelford City entered into agreements with the participants to expand the service area of the treatment facilities.

At September 30, 2023, each participant's capacity and percent of ownership is as follows:

Participants	Gallons-per-day Capacity	Percent
Chelford City Municipal Utility District	864,423	7.86 %
Chelford One Municipal Utility District	532,258	4.85
City of Houston (formerly Harris County Municipal Utility District No. 98)	1,087,112	9.88
Harris County Municipal Utility District No. 120	3,010,952	27.37
Harris County Municipal Utility District No. 147	489,734	4.45
Mission Bend Municipal Utility District No. 1	1,041,895	9.47
Mission Bend Municipal Utility District No. 2	2,492,643	22.66
City of Houston (formerly West Houston Municipal Utility District)	1,473,177	13.39
Alief Church of the Nazarene (formerly United Savings of Texas)	7,806	0.07
	<u>11,000,000</u>	<u>100.00 %</u>

Chelford City operates the regional facilities and holds title for the benefit of the participants. Participants are billed monthly based on \$1.50 per 1,000 gallons-per-day capacity acquired in the treatment facilities, plus a pro rata share of budgeted costs in excess of this amount based on number of equivalent connections. In addition, each participant had paid for its pro rata share of an operating and maintenance reserve equivalent to three months' average budgeted operation and maintenance expenses. During the current year, the District incurred \$165,787 for its share of operating and capital improvement costs. At September 30, 2023, the District has recorded advances to Chelford City Regional Wastewater Treatment Plant (the Plant) of \$81,131 as its share of the operating reserve.

The following is condensed financial information of the Plant, which was audited by another certified public accounting firm, as of and for the year ended September 30, 2023:

	General Fund	The District's Proportionate Share
Total assets	\$ 4,523,966	\$ 201,316
Total liabilities	\$ 644,971	\$ 28,701
Total fund balance	<u>3,878,995</u>	<u>172,615</u>
Total liabilities and fund balance	<u>\$ 4,523,966</u>	<u>\$ 201,316</u>

Harris County Municipal Utility District No. 147
Notes to Financial Statements
September 30, 2023

	General Fund	The District's Proportionate Share
Total revenues	\$ 3,451,986	\$ 153,613
Total expenditures	3,756,474	167,163
Excess expenditures	\$ (304,488)	\$ (13,550)

Note 7: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three fiscal years.

Note 8: Strategic Partnership Agreement

Effective June 18, 2004, the District and the City entered into a Strategic Partnership Agreement (the Agreement). Under the Agreement, and in accordance with Subchapter F of Chapter 43 of the Local Government Code, the City has annexed a tract of land (the tract) within the District for limited purposes. The District will continue to own, operate and maintain a water, wastewater and drainage system in the District and the tract. The taxable property within the District is not liable for any present or future debts of the City. The District's assets, liabilities, indebtedness and obligations will remain the responsibilities of the District during the 30-year term of the Agreement.

The City may not annex the District for full purposes during the term of the Agreement. As consideration for the District providing services detailed in the Agreement, the City agrees to remit to the District one-half of all sales and use tax revenues generated within the boundaries of the tract. These revenues may be used for any lawful purpose. The qualified voters within the tract may vote in certain City elections pursuant to the Local Government Code. During the current year, the District received \$6,705 in revenues pursuant to the Agreement.

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. The Authority has prepared a regional groundwater reduction plan on behalf of its members, including the District, and oversees its members' compliance with the Subsidence District's pumpage requirements.

Harris County Municipal Utility District No. 147
Notes to Financial Statements
September 30, 2023

The Authority charges its members a fee based on the amount of water pumped from the member's wells, unless exempted. As of September 30, 2023, the Authority was billing the District \$3.95 per 1,000 gallons of water pumped from its wells. This amount is subject to future increases.

Required Supplementary Information

Harris County Municipal Utility District No. 147
Budgetary Comparison Schedule - General Fund
September 30, 2023

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 844,000	\$ 825,000	\$ 865,464	\$ 40,464
City of Houston sales tax	4,000	4,000	6,705	2,705
Water service	194,000	290,000	339,809	49,809
Sewer service	178,000	265,000	243,554	(21,446)
Surface water conversion	205,000	225,000	245,834	20,834
Penalty and interest	7,000	7,000	29,819	22,819
Investment income	5,000	5,000	89,093	84,093
Other income	15,000	15,000	25,665	10,665
	<u>1,452,000</u>	<u>1,636,000</u>	<u>1,845,943</u>	<u>209,943</u>
Expenditures				
Service operations:				
Purchased services	165,971	165,971	165,787	184
Regional water fee	205,000	205,000	299,849	(94,849)
Professional fees	171,700	171,700	156,401	15,299
Contracted services	73,000	73,000	113,559	(40,559)
Utilities	45,000	45,000	53,071	(8,071)
Repairs and maintenance	625,000	625,000	559,920	65,080
Parks and recreation	25,000	25,000	-	25,000
Other expenditures	71,900	71,900	69,608	2,292
Capital outlay	-	-	46,020	(46,020)
	<u>1,382,571</u>	<u>1,382,571</u>	<u>1,464,215</u>	<u>(81,644)</u>
Excess of Revenues Over Expenditures	69,429	253,429	381,728	128,299
Other Financing Sources				
Insurance proceeds	-	-	33,804	33,804
Excess of Revenues and Other Financing Sources over Expendi- tures and Other Financing Uses	69,429	253,429	415,532	162,103
Fund Balance, Beginning of Year	<u>1,869,570</u>	<u>1,869,570</u>	<u>1,869,570</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,938,999</u>	<u>\$ 2,122,999</u>	<u>\$ 2,285,102</u>	<u>\$ 162,103</u>

Harris County Municipal Utility District No. 147
Notes to Required Supplementary Information
September 30, 2023

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was amended during fiscal 2023.

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

Supplementary Information

Harris County Municipal Utility District No. 147
Other Schedules Included Within This Report
September 30, 2023

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

- [X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 12-23
- [X] Schedule of Services and Rates
- [X] Schedule of General Fund Expenditures
- [X] Schedule of Temporary Investments
- [X] 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
- [X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund –
Five Years
- [X] Board Members, Key Personnel and Consultants

Harris County Municipal Utility District No. 147

Schedule of Services and Rates

Year Ended September 30, 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/Carbage	<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:	\$ 24.00	5,000	N	\$ 5.05	5,001 to 10,000
				\$ 5.30	10,001 to 20,000
				\$ 5.55	20,001 to 30,000
				\$ 5.80	30,001 to No Limit
Wastewater:	\$ 21.00	0	Y		
Regional water fee:	\$ 4.35	1	N	\$ 4.35	1,001 to No Limit

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

Total charges per 10,000 gallons usage (including fees): Water \$ 92.70 Wastewater \$ 21.00

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"	801	790	x1.0	790
1"	46	45	x2.5	113
1 1/2"	5	5	x5.0	25
2"	6	6	x8.0	48
3"	-	-	x15.0	-
4"	1	1	x25.0	25
6"	-	-	x50.0	-
8"	-	-	x80.0	-
10"	-	-	x115.0	-
Total water	859	847		1,001
Total wastewater	854	842	x1.0	842

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

Gallons pumped into the system:	72,095
Gallons billed to customers:	71,582
Water accountability ratio (gallons billed/gallons pumped):	99.29%

*"ESFC" means equivalent single-family connections

Harris County Municipal Utility District No. 147
Schedule of General Fund Expenditures
Year Ended September 30, 2023

Personnel (including benefits)		\$ -
Professional Fees		
Auditing	\$ 18,500	
Legal	93,305	
Engineering	44,596	
Financial advisor	-	
	-	156,401
Purchased Services for Resale		
Bulk water and wastewater service purchases		165,787
Regional Water Fee		299,849
Contracted Services		
Bookkeeping	15,557	
General manager	-	
Appraisal district	6,326	
Tax collector	17,113	
Security	-	
Other contracted services	74,563	
	74,563	113,559
Utilities		53,071
Repairs and Maintenance		559,920
Administrative Expenditures		
Directors' fees	21,605	
Office supplies	5,168	
Insurance	10,820	
Other administrative expenditures	32,015	
	32,015	69,608
Capital Outlay		
Capitalized assets	-	
Expenditures not capitalized	46,020	
	46,020	46,020
Tap Connection Expenditures		-
Solid Waste Disposal		-
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		-
		-
Total expenditures		\$ 1,464,215

Harris County Municipal Utility District No. 147
Schedule of Temporary Investments
September 30, 2023

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
TexPool	5.35%	Demand	\$ 2,194,203	\$ -
Debt Service Fund				
TexPool	5.35%	Demand	<u>716</u>	<u>-</u>
Totals			<u>\$ 2,194,919</u>	<u>\$ 0</u>

Harris County Municipal Utility District No. 147
Analysis of Taxes Levied and Receivable
Year Ended September 30, 2023

	Maintenance Taxes	Debt Service Taxes
	<u> </u>	<u> </u>
Receivable, Beginning of Year	\$ 61,776	\$ 21,323
Additions and corrections to prior years' taxes	(384)	3
Adjusted receivable, beginning of year	<u>61,392</u>	<u>21,326</u>
 2022 Original Tax Levy	 755,781	 -
Additions and corrections	<u>120,484</u>	<u>-</u>
Adjusted tax levy	<u>876,265</u>	<u>0</u>
Total to be accounted for	937,657	21,326
Tax collections:		
Current year	(854,093)	-
Prior years	<u>(10,875)</u>	<u>(496)</u>
Receivable, end of year	<u>\$ 72,689</u>	<u>\$ 20,830</u>
 Receivable, by Years		
2022	\$ 22,172	\$ -
2021	10,724	-
2020	7,458	-
2019	6,135	1,967
2018	4,099	1,934
2017	3,375	1,783
2016	3,040	1,778
2015	2,735	1,857
2014	2,033	1,458
2013	1,790	1,445
2012	1,285	1,083
2011	1,429	1,196
2010	1,431	1,193
2009	1,070	865
2008	1,332	1,043
2007 and prior	<u>2,581</u>	<u>3,228</u>
Receivable, end of year	<u>\$ 72,689</u>	<u>\$ 20,830</u>

Harris County Municipal Utility District No. 147
Analysis of Taxes Levied and Receivable (Continued)
Year Ended September 30, 2023

	2022	2021	2020	2019
Property Valuations				
Land	\$ 48,130,583	\$ 35,109,425	\$ 33,704,811	\$ 27,108,035
Improvements	149,196,550	125,132,147	121,283,354	117,330,783
Personal property	3,243,058	2,892,920	2,556,054	2,117,962
Exemptions	<u>(19,373,982)</u>	<u>(5,563,092)</u>	<u>(7,321,812)</u>	<u>(7,849,218)</u>
Total property valuations	<u>\$ 181,196,209</u>	<u>\$ 157,571,400</u>	<u>\$ 150,222,407</u>	<u>\$ 138,707,562</u>
Tax Rates per \$100 Valuation				
Debt service tax rates	\$ -	\$ -	\$ -	\$ 0.1700
Maintenance tax rates*	<u>0.4836</u>	<u>0.5157</u>	<u>0.5300</u>	<u>0.5300</u>
Total tax rates per \$100 valuation	<u>\$ 0.4836</u>	<u>\$ 0.5157</u>	<u>\$ 0.5300</u>	<u>\$ 0.7000</u>
Tax Levy	<u>\$ 876,265</u>	<u>\$ 812,596</u>	<u>\$ 796,179</u>	<u>\$ 970,954</u>
Percent of Taxes Collected to Taxes Levied**	<u>97%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>

*Maximum tax rate approved by voters: \$0.53 on September 11, 2004

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

Harris County Municipal Utility District No. 147
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended September 30,

	Amounts				
	2023	2022	2021	2020	2019
General Fund					
Revenues					
Property taxes	\$ 865,464	\$ 798,327	\$ 794,752	\$ 727,511	\$ 659,861
City of Houston sales tax	6,705	4,293	5,598	4,904	3,980
Water service	339,809	224,743	217,197	231,352	217,908
Sewer service	243,554	199,765	202,138	207,996	199,998
Bulk water sales	-	-	-	-	45,250
Surface water conversion	245,834	213,633	201,378	197,027	172,592
Penalty and interest	29,819	34,174	19,033	7,910	10,441
Investment income	89,093	12,466	1,302	14,121	32,017
Other income	25,665	2,382	6,801	-	2,169
Total revenues	<u>1,845,943</u>	<u>1,489,783</u>	<u>1,448,199</u>	<u>1,390,821</u>	<u>1,344,216</u>
Expenditures					
Service operations:					
Purchased services	165,787	230,633	244,786	180,902	162,977
Regional water fee	299,849	265,217	133,401	247,918	203,085
Professional fees	156,401	170,187	184,409	152,308	144,282
Contracted services	113,559	87,879	92,555	69,917	66,508
Utilities	53,071	43,558	27,928	34,002	31,074
Repairs and maintenance	559,920	536,658	447,181	448,495	430,743
Parks and recreation	-	4,200	-	-	-
Other expenditures	69,608	70,769	80,024	76,146	82,428
Capital outlay	46,020	12,324	189,128	-	-
Total expenditures	<u>1,464,215</u>	<u>1,421,425</u>	<u>1,399,412</u>	<u>1,209,688</u>	<u>1,121,097</u>
Excess of Revenues Over Expenditures	381,728	68,358	48,787	181,133	223,119
Other Financing Sources					
Interfund transfers in	33,804	-	18,700	-	-
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	415,532	68,358	67,487	181,133	223,119
Fund Balance, Beginning of Year	<u>1,869,570</u>	<u>1,801,212</u>	<u>1,733,725</u>	<u>1,552,592</u>	<u>1,329,473</u>
Fund Balance, End of Year	<u>\$ 2,285,102</u>	<u>\$ 1,869,570</u>	<u>\$ 1,801,212</u>	<u>\$ 1,733,725</u>	<u>\$ 1,552,592</u>
Total Active Retail Water Connections	<u>847</u>	<u>842</u>	<u>844</u>	<u>857</u>	<u>845</u>
Total Active Retail Wastewater Connections	<u>842</u>	<u>837</u>	<u>840</u>	<u>843</u>	<u>841</u>

Percent of Fund Total Revenues

2023	2022	2021	2020	2019
46.9 %	53.6 %	54.9 %	52.3 %	49.1 %
0.4	0.3	0.4	0.4	0.3
18.4	15.1	15.0	16.6	16.2
13.2	13.4	14.0	14.9	14.9
-	-	-	-	3.4
13.3	14.3	13.9	14.2	12.8
1.6	2.3	1.3	0.6	0.8
4.8	0.8	0.1	1.0	2.4
1.4	0.2	0.4	-	0.1
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
8.9	15.5	16.9	13.0	12.1
16.2	17.8	9.2	17.8	15.1
8.5	11.4	12.7	11.0	10.7
6.2	5.9	6.4	5.0	5.0
2.9	2.9	1.9	2.4	2.3
30.3	36.0	30.9	32.3	32.1
-	0.3	-	-	-
3.8	4.8	5.5	5.5	6.1
2.5	0.8	13.1	-	-
<u>79.3</u>	<u>95.4</u>	<u>96.6</u>	<u>87.0</u>	<u>83.4</u>
<u>20.7 %</u>	<u>4.6 %</u>	<u>3.4 %</u>	<u>13.0 %</u>	<u>16.6 %</u>

Harris County Municipal Utility District No. 147
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Five Years Ended September 30,

	Amounts				
	2023	2022	2021	2020	2019
Debt Service Fund					
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ 234,726	\$ 312,612
Penalty and interest	-	-	-	11,972	7,787
Investment income	32	5	-	1,632	6,660
Total revenues	<u>32</u>	<u>5</u>	<u>0</u>	<u>248,330</u>	<u>327,059</u>
Expenditures					
Current:					
Professional fees	-	-	-	2,825	2,855
Contracted services	-	-	-	22,454	19,092
Other expenditures	-	-	-	5,189	3,905
Debt service:					
Principal retirement	-	-	-	300,000	300,000
Interest and fees	-	-	485	13,610	26,360
Total expenditures	<u>0</u>	<u>0</u>	<u>485</u>	<u>344,078</u>	<u>352,212</u>
Excess (Deficiency) of Revenues Over Expenditures	32	5	(485)	(95,748)	(25,153)
Other Financing Uses					
Interfund transfers out	-	-	(18,700)	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	32	5	(19,185)	(95,748)	(25,153)
Fund Balance, Beginning of Year	<u>684</u>	<u>679</u>	<u>19,864</u>	<u>115,612</u>	<u>140,765</u>
Fund Balance, End of Year	<u>\$ 716</u>	<u>\$ 684</u>	<u>\$ 679</u>	<u>\$ 19,864</u>	<u>\$ 115,612</u>

Percent of Fund Total Revenues

2023	2022	2021	2020	2019
- %	- %	- %	94.5 %	95.6 %
-	-	-	4.8	2.4
<u>100.0</u>	<u>100.0</u>	<u>-</u>	<u>0.7</u>	<u>2.0</u>
<u>100.0</u>	<u>100.0</u>	<u>0.0</u>	<u>100.0</u>	<u>100.0</u>
-	-	-	1.1	0.8
-	-	-	9.0	5.8
-	-	-	2.1	1.2
-	-	-	120.8	91.7
<u>-</u>	<u>-</u>	<u>0.0</u>	<u>5.5</u>	<u>8.1</u>
<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>138.5</u>	<u>107.6</u>
<u>100.0 %</u>	<u>100.0 %</u>	<u>0.0 %</u>	<u>(38.5) %</u>	<u>(7.6) %</u>

Harris County Municipal Utility District No. 147
Board Members, Key Personnel and Consultants
Year Ended September 30, 2023

Complete District mailing address:	Harris County Municipal Utility District No. 147 c/o Allen Boone Humphries Robinson LLP 3200 Southwest Freeway, Suite 2600 Houston, Texas 77027
District business telephone number:	713.860.6400
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	<u>April 12, 2023</u>
Limit on fees of office that a director may receive during a fiscal year:	<u>\$ 7,200</u>

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-end
David E. Buggy	Elected 05/22- 05/26	\$ 6,781	\$ 2,912	President
Kay L. Pugh	Elected 05/20- 05/24	3,804	118	Vice President
Michelle M. Miller	Elected 05/22- 05/26	5,439	1,629	Secretary
Lynea Gallagher	Appointed 05/22- 05/26	3,213	221	Assistant Secretary
Kirt Rimpela	Appointed 04/23- 05/24	2,368	869	Assistant Vice President

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

Harris County Municipal Utility District No. 147
Board Members, Key Personnel and Consultants (Continued)
Year Ended September 30, 2023

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Allen Boone Humphries Robinson LLP	07/28/03	\$ 89,475	Attorney
Bob Leared Interests	06/23/77	32,324	Tax Assessor/ Collector
District Data Services, Inc.	05/13/81	15,557	Bookkeeper
FORVIS, LLP	09/18/85	18,500	Auditor
Harris Central Appraisal District	Legislative Action	6,326	Appraiser
Inframark, LLC	02/12/97	635,084	Operator
Masterson Advisors LLC	05/09/18	0	Financial Advisor
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/23/91	3,830	Delinquent Tax Attorney
Vogler & Spencer Engineering, Inc.	06/23/77	60,502	Engineer
Investment Officer			
Stephanie Viator	01/11/21	N/A	Bookkeeper