

**HARRIS COUNTY MUNICIPAL
UTILITY DISTRICT NO. 155**

HARRIS COUNTY, TEXAS

FINANCIAL REPORT

August 31, 2025

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McGRATH & CO., PLLC

Certified Public Accountants

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Houston, Texas 77092

Independent Auditor's Report

Board of Directors
Harris County Municipal Utility District No. 155
Harris County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 155 (the "District"), as of and for the year ended August 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Harris County Municipal Utility District No. 155, as of August 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. 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 the 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 twelve 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 information 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

***Board of Directors
Harris County Municipal Utility District No. 155
Harris County, Texas***

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 Texas Supplementary Information schedules 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas Supplementary Information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

McGrath & Co, PLLC

Houston, Texas
December 15, 2025

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Management's Discussion and Analysis

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***Harris County Municipal Utility District No. 155
Management's Discussion and Analysis
August 31, 2025***

Using this Annual Report

This section of the financial report of Harris County Municipal Utility District No. 155 (the "District") provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended August 31, 2025. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

In addition to this discussion and analysis, this annual report consists of:

- The District's basic financial statements;
- Notes to the basic financial statements, which provide additional information essential to a full understanding of the data provided in the financial statements;
- Supplementary information required by the Governmental Accounting Standards Board (GASB) concerning the District's budget; and
- Other Texas supplementary information required by the District's state oversight agency, the Texas Commission on Environmental Quality (TCEQ).

Overview of the Financial Statements

The District prepares its basic financial statements using a format that combines fund financial statements and government-wide statements onto one financial statement. The combined statements are the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. Each statement contains an adjustments column which quantifies the differences between the government-wide and fund level statements. Additional details of the adjustments are provided in Note 2 to the basic financial statements.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District, both long-term and short-term. The District's government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the accrual basis of accounting. The *Statement of Net Position* includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, changes in net position may provide a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

Accounting standards establish three components of net position. The net investment in capital assets component represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restricted component of net position consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties. The unrestricted component of net position represents resources not included in the other components.

***Harris County Municipal Utility District No. 155
Management's Discussion and Analysis
August 31, 2025***

The *Statement of Activities* reports how the District's net position has changed during the fiscal year. All revenues and expenses are included on this statement, regardless of whether cash has been received or paid.

Fund Financial Statements

The fund financial statements include the *Governmental Funds Balance Sheet* and the *Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. The focus of fund financial statements is on specific activities of the District rather than the District as a whole, reported using modified accrual accounting. These statements report on the District's use of available financial resources and the balances of available financial resources at the end of the year. 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, governmental statutes or regulations.

For further discussion on the government-wide and fund financial statements, please refer to Note 1 in the financial statements.

Financial Analysis of the District as a Whole

The District's net position at August 31, 2025, was \$8,783,128. A comparative summary of the District's overall financial position, as of August 31, 2025 and 2024, is as follows:

	2025	2024
Current and other assets	\$ 5,526,599	\$ 4,488,945
Capital assets	4,385,099	4,027,840
Total assets	<u>9,911,698</u>	<u>8,516,785</u>
Current liabilities	<u>1,128,570</u>	<u>767,678</u>
Net position		
Net investment in capital assets	4,590,574	4,027,840
Restricted	158,828	341,247
Unrestricted	4,033,726	3,380,020
Total net position	<u>\$ 8,783,128</u>	<u>\$ 7,749,107</u>

***Harris County Municipal Utility District No. 155
Management's Discussion and Analysis
August 31, 2025***

The total net position of the District increased during the current fiscal year by \$1,034,021. A comparative summary of the District's *Statement of Activities* for the past two fiscal years is as follows:

	<u>2025</u>	<u>2024</u>
Revenues		
Property taxes, penalties and interest	\$ 1,501,172	\$ 1,498,596
Water and sewer service	344,838	374,003
Regional water authority fees	366,892	351,570
Participant billings	2,152,691	1,264,744
Other	203,137	245,247
Total revenues	<u>4,568,730</u>	<u>3,734,160</u>
Expenses		
Current service operations	3,477,290	2,461,557
Debt interest and fees		2,533
Depreciation	278,869	251,546
Total expenses	<u>3,756,159</u>	<u>2,715,636</u>
Change in net position before other item	812,571	1,018,524
Other item		
Insurance proceeds	<u>221,450</u>	<u> </u>
Change in net position	1,034,021	1,018,524
Net position, beginning of year	<u>7,749,107</u>	<u>6,730,583</u>
Net position, end of year	<u>\$ 8,783,128</u>	<u>\$ 7,749,107</u>

Financial Analysis of the District's Funds

The District's combined fund balances, as of August 31, 2025, were \$4,301,749, which consists of \$3,951,232 in the General Fund, \$15 in the Debt Service Fund, \$205,475 in the Capital Projects Fund, \$37,643 in the Joint Wastewater Treatment Plant Fund and \$107,384 in the Joint Water Plant Fund.

***Harris County Municipal Utility District No. 155
Management's Discussion and Analysis
August 31, 2025***

General Fund

A comparative summary of the General Fund's financial position as of August 31, 2025 and 2024, is as follows:

	2025	2024
Total assets	<u>\$ 4,273,900</u>	<u>\$ 3,531,345</u>
Total liabilities	\$ 240,174	\$ 197,785
Total deferred inflows	82,494	60,450
Total fund balance	<u>3,951,232</u>	<u>3,273,110</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 4,273,900</u>	<u>\$ 3,531,345</u>

A comparative summary of the General Fund's activities for the current and prior fiscal year is as follows:

	2025	2024
Total revenues	\$ 2,416,607	\$ 2,442,094
Total expenditures	<u>(1,959,935)</u>	<u>(1,912,000)</u>
Revenues over expenditures	456,672	530,094
Other changes in fund balance	221,450	8,462
Net change in fund balance	<u>\$ 678,122</u>	<u>\$ 538,556</u>

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District's primary financial resources in the General Fund are from a property tax levy and the provision of water and sewer services to customers within the District. Financial resources are influenced by a variety of factors each year:

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. Property tax revenues in the District have remained fairly consistent from year to year.
- Water, sewer and regional water authority fee revenues are dependent upon customer usage, which fluctuates from year to year as a result of factors beyond the District's control.

***Harris County Municipal Utility District No. 155
Management's Discussion and Analysis
August 31, 2025***

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of August 31, 2025 and 2024, is as follows:

	2025	2024
Total assets	<u>\$ 13,801</u>	<u>\$ 15</u>
Total deferred inflows	\$ 13,786	\$ -
Total fund balance	15	15
Total deferred inflows and fund balance	<u>\$ 13,801</u>	<u>\$ 15</u>

A comparative summary of the Debt Service Fund's activities for the current and prior fiscal year is as follows:

	2025	2024
Total revenues	\$ -	\$ 1,214
Total expenditures	<u> </u>	<u>(36,223)</u>
Revenues over expenditures	<u> </u>	<u>(35,009)</u>
Other changes in fund balance	<u> </u>	<u>(28,026)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (63,035)</u>

The District had no activity in the Debt Service Fund during the current fiscal year. In the previous fiscal year, the District repaid its Series 2010 Unlimited Tax Refunding Bonds. The District transferred the remaining funds in the Debt Service Fund to the General Fund subsequent to the current fiscal year.

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of August 31, 2025 and 2024, is as follows:

	2025	2024
Total assets	<u>\$ 205,475</u>	<u>\$ 196,205</u>
Total fund balance	<u>\$ 205,475</u>	<u>\$ 196,205</u>

A comparative summary of activities in the Capital Projects Fund for the current and prior fiscal year is as follows:

	2025	2024
Total revenues	\$ 9,270	\$ 10,487
Total expenditures	<u> </u>	<u> </u>
Revenues over expenditures	<u>\$ 9,270</u>	<u>\$ 10,487</u>

The District has not had any significant capital asset activity in the last two fiscal years.

***Harris County Municipal Utility District No. 155
Management's Discussion and Analysis
August 31, 2025***

Joint Wastewater Treatment Plant Fund

The Joint Wastewater Treatment Plant Fund is used to account for the operating and maintenance costs of a joint wastewater treatment plant in accordance with the regional wastewater treatment agreement between the District and Harris County Municipal Utility Districts Nos. 156, 172, and 173, and with long term agreements for nonpermanent capacity rights with Lone Star College District and Cy-Fair Independent School District (collectively the "Participants"). A comparative summary of the Joint Wastewater Treatment Plant Fund's financial position as of August 31, 2025 and 2024, is as follows:

	2025	2024
Total assets	<u>\$ 395,550</u>	<u>\$ 346,924</u>
Total liabilities	\$ 357,907	\$ 309,281
Total fund balance	<u>37,643</u>	<u>37,643</u>
Total liabilities and fund balance	<u>\$ 395,550</u>	<u>\$ 346,924</u>

A comparative summary of activities for the Joint Wastewater Treatment Plant Fund's current and prior fiscal year is as follows:

	2025	2024
Total revenues	\$ 825,402	\$ 826,810
Total expenditures	<u>(825,402)</u>	<u>(826,810)</u>
Revenues over/(under) expenditures	<u>\$ -</u>	<u>\$ -</u>

Revenues in the Joint Wastewater Treatment Plant Fund primarily consist of charges to Participants. The amount the District charges to each Participant is based upon the actual cost of providing services and each Participants pro-rata share of capacity. Consequently, revenues equal expenditures each year.

Joint Water Plant Fund

The Joint Water Plant Fund is used to account for the operations and maintenance costs of a joint water plant in accordance with the District's contract with Harris County Municipal Utility District No. 156 (see Note 8). A comparative summary of the Joint Water Plant Fund's financial position as of August 31, 2025 and 2024, is as follows:

	2025	2024
Total assets	<u>\$ 637,873</u>	<u>\$ 481,627</u>
Total liabilities	\$ 530,489	\$ 374,243
Total fund balance	<u>107,384</u>	<u>107,384</u>
Total liabilities and fund balance	<u>\$ 637,873</u>	<u>\$ 481,627</u>

Harris County Municipal Utility District No. 155
Management's Discussion and Analysis
August 31, 2025

A comparative summary of activities for the Joint Water Plant Fund's current and prior fiscal year is as follows:

	2025	2024
Total revenues	\$ 1,328,080	\$ 1,125,023
Total expenditures	(1,328,080)	(1,125,023)
Revenues over/(under) expenditures	-	-
Other changes in fund balance		19,564
Net change in fund balance	\$ -	\$ 19,564

Revenues in the Joint Water Plant Fund primarily consist of charges to participants. The amount the District charges is based upon the actual cost of providing services and each participating District's pro-rata share. Consequently, revenues will equal expenditures each year.

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board did not amend the budget during the fiscal year.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was \$415,640 greater than budgeted. The *Budgetary Comparison Schedule* on page 34 of this report provides variance information per financial statement line item.

Capital Assets

Capital assets held by the District at August 31, 2025 and 2024, are summarized as follows:

	2025	2024
Capital assets not being depreciated		
Land and improvements	\$ 894,039	\$ 894,039
Construction in progress	29,151	29,151
	<u>923,190</u>	<u>923,190</u>
Capital assets being depreciated		
Infrastructure	6,837,263	6,691,440
Park and recreational facilities	2,366,899	1,876,594
	<u>9,204,162</u>	<u>8,568,034</u>
Less accumulated depreciation		
Infrastructure	(4,856,056)	(4,701,459)
Park and recreational facilities	(886,197)	(761,925)
	<u>(5,742,253)</u>	<u>(5,463,384)</u>
Depreciable capital assets, net	<u>3,461,909</u>	<u>3,104,650</u>
Capital assets, net	<u>\$ 4,385,099</u>	<u>\$ 4,027,840</u>

***Harris County Municipal Utility District No. 155
Management’s Discussion and Analysis
August 31, 2025***

Capital asset additions during the current fiscal year include the following:

- Water Plant Tank No. 2 – recoating rehabilitation
- Crossfield emergency overflow improvements
- Horsepen Creek – sidewalk to bridge construction
- Emergency fence repairs and replacement

The District’s construction in progress is for the construction of the irrigation for the swale project.

Long-Term Debt

At August 31, 2025, the District had \$2,025,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District; \$30,000 for the purpose of acquiring or constructing park and recreation facilities and \$2,870,000 for refunding purposes.

Property Taxes

The District’s property tax base increased approximately \$5,780,000 for the 2025 tax year from \$228,145,483 to \$233,925,300. This increase was primarily due to increased property values. For the 2025 tax year, the District will levy a maintenance tax rate of \$0.65 per \$100 of assessed value. This is the same rate levied for the 2024 tax year.

Next Year’s Budget

In establishing the budget for the next fiscal year, the Board considered various economic factors that may affect the District, most notably projected revenues from property taxes and water/sewer services and the projected cost of operating the District and providing services to customers. A comparison of next fiscal year’s budget to current fiscal year actual amounts for the General Fund is as follows:

	<u>2025 Actual</u>	<u>2026 Budget</u>
Total revenues	\$ 2,416,607	\$ 2,254,232
Total expenditures	<u>(1,959,935)</u>	<u>(1,905,782)</u>
Revenues over expenditures	456,672	348,450
Other changes in fund balance	<u>221,450</u>	
Net change in fund balance	678,122	348,450
Beginning fund balance	<u>3,273,110</u>	<u>3,951,232</u>
Ending fund balance	<u><u>\$ 3,951,232</u></u>	<u><u>\$ 4,299,682</u></u>

Basic Financial Statements

Harris County Municipal Utility District No. 155
Statement of Net Position and Governmental Funds Balance Sheet
August 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Joint Wastewater Treatment Plant Fund	Joint Water Plant Fund
Assets					
Cash	\$ 86,692	\$ -	\$ -	\$ 235,520	\$ 339,346
Investments	4,127,621	15	205,475		
Taxes receivable	82,494	13,786			
Customer service receivables	71,627				
Internal balances	(111,294)			2,510	108,784
Other receivables	16,760				
Due from participants				157,520	189,743
Capital assets not being depreciated					
Capital assets, net					
Total Assets	<u>\$ 4,273,900</u>	<u>\$ 13,801</u>	<u>\$ 205,475</u>	<u>\$ 395,550</u>	<u>\$ 637,873</u>
Liabilities					
Accounts payable	\$ 135,134	\$ -	\$ -	\$ 70,964	\$ 312,395
Operating reserves				165,395	167,960
Other payables	2,405				50,134
Customer deposits	102,635				
Due to other governments				121,548	
Total Liabilities	<u>240,174</u>	<u></u>	<u></u>	<u>357,907</u>	<u>530,489</u>
Deferred Inflows of Resources					
Deferred property taxes	<u>82,494</u>	<u>13,786</u>	<u></u>	<u></u>	<u></u>
Fund Balances/Net Position					
Fund Balances					
Restricted			205,475		
Assigned		15			
Committed				37,643	107,384
Unassigned	3,951,232				
Total Fund Balances	<u>3,951,232</u>	<u>15</u>	<u>205,475</u>	<u>37,643</u>	<u>107,384</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,273,900</u>	<u>\$ 13,801</u>	<u>\$ 205,475</u>	<u>\$ 395,550</u>	<u>\$ 637,873</u>
Net Position					
Net investment in capital assets					
Restricted for debt service					
Restricted for operation of joint plants					
Unrestricted					
Total Net Position					

See notes to basic financial statements.

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 661,558	\$ -	\$ 661,558
4,333,111		4,333,111
96,280		96,280
71,627		71,627
16,760		16,760
347,263		347,263
	923,190	923,190
	3,461,909	3,461,909
<u>\$ 5,526,599</u>	<u>4,385,099</u>	<u>9,911,698</u>
\$ 518,493		518,493
333,355		333,355
52,539		52,539
102,635		102,635
121,548		121,548
<u>1,128,570</u>		<u>1,128,570</u>
<u>96,280</u>	<u>(96,280)</u>	
205,475	(205,475)	
15	(15)	
145,027	(145,027)	
3,951,232	(3,951,232)	
<u>4,301,749</u>	<u>(4,301,749)</u>	
<u>\$ 5,526,599</u>		
	4,590,574	4,590,574
	13,801	13,801
	145,027	145,027
	4,033,726	4,033,726
	<u>\$ 8,783,128</u>	<u>\$ 8,783,128</u>

Harris County Municipal Utility District No. 155

**Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended August 31, 2025**

	General Fund	Debt Service Fund	Capital Projects Fund	Joint Wastewater Treatment Plant Fund	Joint Water Plant Fund
Revenues					
Water service	\$ 160,238	\$ -	\$ -	\$ -	\$ -
Sewer service	184,600				
Regional water authority fees	366,892				
Property taxes	1,478,636				
Penalties and interest	33,165				
Tap connection and inspection	22,398				
Participant billings				825,367	1,327,324
Miscellaneous	1,771				
Investment earnings	168,907		9,270	35	756
Total Revenues	2,416,607		9,270	825,402	1,328,080
Expenditures/Expenses					
Current service operations					
Purchased services	760,957				
Professional fees	114,611			14,257	6,785
Contracted services	158,420			87,440	38,293
Repairs and maintenance	188,315			587,556	64,294
Utilities	1,050			95,181	54,069
Regional water authority fees					1,152,277
Administrative	87,080				12,362
Other	13,375			40,968	
Capital outlay	636,127				
Depreciation					
Total Expenditures/Expenses	1,959,935			825,402	1,328,080
Revenues Over Expenditures	456,672	-	9,270	-	-
Other Financing Sources					
Inurance proceeds	221,450				
Net Change in Fund Balances	678,122	-	9,270	-	-
Change in Net Position					
Fund Balance/Net Position					
Beginning of the year	3,273,110	15	196,205	37,643	107,384
End of the year	\$ 3,951,232	\$ 15	\$ 205,475	\$ 37,643	\$ 107,384

See notes to basic financial statements.

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
\$ 160,238	\$ -	\$ 160,238
184,600		184,600
366,892		366,892
1,478,636	(9,173)	1,469,463
33,165	(1,456)	31,709
22,398		22,398
2,152,691		2,152,691
1,771		1,771
178,968		178,968
<u>4,579,359</u>	<u>(10,629)</u>	<u>4,568,730</u>
760,957		760,957
135,653		135,653
284,153		284,153
840,165		840,165
150,300		150,300
1,152,277		1,152,277
99,442		99,442
54,343		54,343
636,127	(636,127)	
	278,869	278,869
<u>4,113,417</u>	<u>(357,258)</u>	<u>3,756,159</u>
465,942	346,629	812,571
221,450		221,450
687,392	(687,392)	
	1,034,021	1,034,021
3,614,357	4,134,750	7,749,107
<u>\$ 4,301,749</u>	<u>\$ 4,481,379</u>	<u>\$ 8,783,128</u>

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Harris County Municipal Utility District No. 155
Notes to Financial Statements
August 31, 2025

Note 1 – Summary of Significant Accounting Policies

The accounting policies of Harris County Municipal Utility District No. 155 (the “District”) conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to an order of the Texas Commission on Environmental Quality, dated November 12, 1980, and operates in accordance with the Texas Water Code, Chapters 49 and 54. The Board of Directors held its first meeting on November 12, 1980, and the first bonds were issued on November 10, 1986.

The District’s primary activities include construction, maintenance and operation of water, sewer and drainage facilities. The District is responsible for providing water, sewer and drainage facilities within the District. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statements as component units.

Government-Wide and Fund Financial Statements

Government-wide financial statements display information about the District as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Interfund activity, if any, has been removed from these statements. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities*.

Fund financial statements display information at the individual fund level. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Each fund is considered to be a separate accounting entity. Most governments typically have many funds; however, governmental financial statements focus on the most important or “major” funds with non-major funds aggregated in a single column. The District has five governmental funds, which are all considered major funds.

Harris County Municipal Utility District No. 155
Notes to Financial Statements
August 31, 2025

The following is a description of the various funds used by the District:

- The General Fund is used to account for the operations of the District's water and sewer system and all other financial transactions not reported in other funds. The principal sources of revenue are property taxes and water and sewer service fees. Expenditures include costs associated with the daily operations of the District.
- The Debt Service Fund is used to account for the payment of interest and principal on the District's general long-term debt. The primary source of revenue for debt service is property taxes. Expenditures include costs incurred in assessing and collecting these taxes.
- The Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the District's water, sewer and drainage facilities.
- Joint Wastewater Treatment Plant Fund is used to account for amounts received from participants that are restricted for expenditures related to the operation and maintenance of the District's joint wastewater treatment plant.
- Joint Water Plant Fund is used to account for amounts received from participants that are restricted for expenditures related to the operation and maintenance of the District's joint water plant.

As a special-purpose government engaged in a single governmental program, the District has opted to combine its government-wide and fund financial statements in a columnar format showing an adjustments column for reconciling items between the two.

Measurement Focus and Basis of Accounting

The government-wide financial statements use the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both available and measurable to finance expenditures of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, interest earned on investments and income from District operations. Property taxes receivable at the end of the fiscal year are treated as deferred inflows because they are not considered available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Note 2 further details the adjustments from the governmental fund presentation to the government-wide presentation.

Harris County Municipal Utility District No. 155
Notes to Financial Statements
August 31, 2025

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted resources as they are needed.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At August 31, 2025, an allowance for uncollectible accounts was not considered necessary.

Unbilled Service Revenues

Utility revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled at year-end has been included in the accompanying financial statements.

Interfund Activity

During the course of operations, transactions occur between individual funds. This can include internal transfers, payables and receivables. This activity is combined as internal balances and is eliminated in both the government-wide and fund financial statement presentation.

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost that exceeds the capitalization threshold for the asset class and an estimated useful life in excess of one year. Capital assets that individually are below the capitalization threshold but, in the aggregate, are above the threshold are capitalized. Subsequent replacements of these assets that do not exceed the threshold are not capitalized. The District's capitalization threshold for infrastructure assets is \$5,000. The threshold for subscription-based information technology arrangements (SBITAs) is \$100,000. The District has no SBITAs as of August 31, 2025.

Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciable capital assets, which primarily consist of water, wastewater and drainage facilities, are depreciated using the straight-line method as follows:

<u>Assets</u>	<u>Useful Life</u>
Infrastructure	10-45 years
Park and recreational facilities	10-20 years

Harris County Municipal Utility District No. 155
Notes to Financial Statements
August 31, 2025

The District's detention facilities and drainage channels are considered improvements to land and are non-depreciable.

Deferred Inflows and Outflows of Financial Resources

A deferred inflow of financial resources is the acquisition of resources in one period that is applicable to a future period, while a deferred outflow of financial resources is the consumption of financial resources in one period that is applicable to a future period. A deferred inflow results from the acquisition of an asset without a corresponding revenue or assumption of a liability. A deferred outflow results from the use of an asset without a corresponding expenditure or reduction of a liability.

At the fund level, property taxes receivable not collected within 60 days of fiscal year end do not meet the availability criteria required for revenue recognition and are recorded as deferred inflows of financial resources.

Net Position – Governmental Activities

Governmental accounting standards establish the following three components of net position:

Net investment in capital assets – represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets.

Restricted – consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties.

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District's restricted fund balances consist of unspent bond proceeds in the Capital Projects Fund.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those

Harris County Municipal Utility District No. 155
Notes to Financial Statements
August 31, 2025

contractual requirements. The District’s committed fund balances consist of amounts in the Joint Wastewater Treatment Plant Fund and Joint Water Plant Fund.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The District’s assigned fund balances consist of amounts in the Debt Service Fund.

Unassigned - all other spendable amounts in the General Fund.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include, among others, the collectability of receivables; the value of unbilled utility revenues and receivables; the useful lives and impairment of capital assets. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

Note 2 – Adjustment from Governmental to Government-wide Basis

Reconciliation of the *Governmental Funds Balance Sheet* to the *Statement of Net Position*

Total fund balance, governmental funds		\$ 4,301,749
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

Historical cost		\$ 10,127,352	
Less accumulated depreciation		<u>(5,742,253)</u>	
			4,385,099

Deferred inflows in the fund statements consist of property taxes receivable and related penalties and interest that have been levied and are due, but are not available to pay current period expenditures. These amounts are included in revenues in the government-wide statements.

96,280

Total net position - governmental activities		<u>\$ 8,783,128</u>
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Harris County Municipal Utility District No. 155
Notes to Financial Statements
August 31, 2025

Reconciliation of the *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* to the *Statement of Activities*

Net change in fund balances - total governmental funds \$ 687,392

Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for property taxes and related penalties and interest. (10,629)

Financial reporting for capital assets varies significantly between the fund statements and the government-wide statements. Reporting at the fund level focuses on the impact of transactions on financial resources (i.e., cash), while reporting at the government-wide level seeks to allocate the cost of the acquisition of capital assets over their useful lives and to measure the economic impact of developer financing of capital assets used by the District or conveyed to other governmental entities. Differences during the current fiscal year are for the following:

Capital outlays	\$ 636,127	
Depreciation expense	<u>(278,869)</u>	
		357,258

Change in net position of governmental activities	\$ 1,034,021
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Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

Custodial credit risk as it applies to deposits (i.e. cash) is the risk that, in the event of the failure of the depository institution, a government will not be able to recover its deposits or will not be able to recover collateral securities. The *Public Funds Collateral Act* (Chapter 2257, Texas Government Code) requires that all of the District’s deposits with financial institutions be covered by federal depository insurance and, if necessary, pledged collateral held by a third-party custodian. The act further specifies the types of securities that can be used as collateral.

Investments

The District is authorized by the *Public Funds Investment Act* (Chapter 2256, Texas Government Code) to invest in the following: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including Federal Home Loan Banks, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies or 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, (5)

Harris County Municipal Utility District No. 155
Notes to Financial Statements
August 31, 2025

certain A rated or higher obligations of states and political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) certain insured or collateralized certificates of deposit and share certificates, (8) certain fully collateralized repurchase agreements, (9) bankers' acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds, with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

The District has adopted a written investment policy to establish the principles by which the District's investment program should be managed.

As of August 31, 2025, the District's investments consist of the following:

<u>Type</u>	<u>Fund</u>	<u>Carrying Value</u>	<u>Percentage of Total</u>	<u>Rating</u>	<u>Weighted Average Maturity</u>
TexPool	General	\$ 3,725,616			
	Debt Service	15			
	Capital Projects	2,744			
		<u>3,728,375</u>	86%	AAAm	42 days
Texas CLASS	General	402,005			
	Capital Projects	202,731			
		<u>604,736</u>	14%	AAAm	44 days
Total		<u>\$ 4,333,111</u>	<u>100%</u>		

TexPool

The District participates in TexPool, the Texas Local Government Investment Pool. The State Comptroller of Public Accounts exercises oversight responsibility of TexPool, which includes (1) the ability to significantly influence operations, (2) designation of management and (3) accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

As permitted by GAAP, TexPool uses amortized cost (which excludes unrealized gains and losses) rather than market value to compute share price and seeks to maintain a constant dollar value per share. Accordingly, the fair value of the District's position in TexPool is the same as the value of TexPool shares. Investments in TexPool may be withdrawn on a same day basis, as long as the transaction is executed by 3:30 p.m.

Harris County Municipal Utility District No. 155
Notes to Financial Statements
August 31, 2025

Texas CLASS

The District also participates in Texas Cooperative Liquid Assets Securities System (Texas CLASS). Texas CLASS is managed by an elected Board of Trustees consisting of members of the pool. Additionally, the Board of Trustees has established an advisory board, the function of which is to provide guidance on investment policies and strategies. The Board of Trustees has selected Public Trust Advisors, LLC as the program administrator and UMB Bank N.A., as the custodian.

The District’s investment in Texas CLASS is reported at fair value because Texas CLASS uses fair value to report investments (other than repurchase agreements which are valued at amortized cost). Governmental accounting standards establish the following hierarchy of inputs used to measure fair value: Level 1 inputs are based on quoted prices in active markets, Level 2 inputs are based on significant other observable inputs, and Level 3 inputs are based on significant unobservable inputs. The District’s investment in Texas CLASS is measured using published fair value per share (level 1 inputs).

Investments in Texas CLASS may be withdrawn via wire transfer on a same day basis, as long as the transaction is executed by 4 p.m. ACH withdrawals made by 4 p.m. will settle on the next business day.

Investment Credit and Interest Rate Risk

Investment credit risk is the risk that the investor may not recover the value of an investment from the issuer, while interest rate risk is the risk that the value of an investment will be adversely affected by changes in interest rates. The District’s investment policies do not address investment credit and interest rate risk beyond the rating and maturity restrictions established by state statutes.

Note 4 – Interfund Balances and Transactions

Amounts due to/from other funds at August 31, 2025, consist of the following:

Receivable Fund	Payable Fund	Amounts	Purpose
Joint Wastewater Treatment Plant Fund	General Fund	\$ 2,510	Purchased wastewater services billed but not yet paid as of year end
Joint Water Plant Fund	General Fund	108,784	Purchased water services billed but not yet paid as of year end

Amounts reported as internal balances between funds are considered temporary balances and will be paid during the following fiscal year.

Harris County Municipal Utility District No. 155
Notes to Financial Statements
August 31, 2025

Note 5 – Capital Assets

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

	Beginning Balances	Additions	Ending Balances
Capital assets not being depreciated			
Land and improvements	\$ 894,039	\$ -	\$ 894,039
Construction in progress	29,151		29,151
	<u>923,190</u>		<u>923,190</u>
Capital assets being depreciated			
Infrastructure	6,691,440	145,823	6,837,263
Parks and recreational facilities	1,876,594	490,305	2,366,899
	<u>8,568,034</u>	<u>636,128</u>	<u>9,204,162</u>
Less accumulated depreciation			
Infrastructure	(4,701,459)	(154,597)	(4,856,056)
Parks and recreation	(761,925)	(124,272)	(886,197)
	<u>(5,463,384)</u>	<u>(278,869)</u>	<u>(5,742,253)</u>
Subtotal depreciable capital assets, net	<u>3,104,650</u>	<u>357,259</u>	<u>3,461,909</u>
Capital assets, net	<u>\$ 4,027,840</u>	<u>\$ 357,259</u>	<u>\$ 4,385,099</u>

Depreciation expense for the current fiscal year was \$278,869.

Note 6 – Long-Term Debt

At August 31, 2025, the District had authorized but unissued bonds in the amount of \$2,025,000 for water, sewer and drainage facilities; \$30,000 for park and recreational facilities and \$2,870,000 for refunding purposes..

Note 7 – Property Taxes

On April 6, 1985, the voters of the District authorized the District’s Board of Directors to levy taxes annually for use in financing general operations limited to \$1.00 per \$100 of assessed value. The District’s bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

All property values and exempt status, if any, are determined by the Harris Central Appraisal District. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

Property taxes are collected based on rates adopted in the year of the levy. The District’s 2025 fiscal year was financed through the 2024 tax levy, pursuant to which the District levied property taxes of

Harris County Municipal Utility District No. 155
Notes to Financial Statements
August 31, 2025

\$0.65 per \$100 of assessed value, all of which allocated to maintenance and operations. The resulting tax levy was \$1,482,946 on the adjusted taxable value of \$228,145,483.

Property taxes receivable, at August 31, 2025, consisted of the following:

Current year taxes receivable	\$ 12,230
Prior years taxes receivable	39,047
	<u>51,277</u>
Penalty and interest receivable	45,003
Property taxes receivable	<u><u>\$ 96,280</u></u>

Note 8 – Contracts With Other Districts

Wastewater Treatment

On May 15, 1986, as amended, the District entered into an agreement with Harris County Municipal Utility District No. 172 (District No. 172), Harris County Municipal District No. 173 (District No. 173) and Harris County Municipal Utility District No. 156 (District No. 156) for the financing, construction and operation of regional wastewater treatment facilities. Pursuant to the agreement construction costs are allocated among the participants based upon capacity acquired; fixed operating costs are allocated based on capacity owned, while variable costs are allocated based on the number of connections served. The term of the agreement will expire May 15, 2026.

In 1994, the District sold 200,000 gpd of wastewater treatment capacity to District No. 173 for \$530,000. In 1995, District No. 173 advanced \$41,750 to pay for its proportionate share of modifications to the wastewater treatment plant. The permitted capacity of the plant was increased to 640,000 gpd as a result of those modifications.

In May 2006, the District completed a major plant expansion on behalf of all four participants, as well as the Cy-Fair Independent School District (Cy-Fair ISD) and North Harris Montgomery (now Lone Star) College District, which hold nonpermanent capacity rights pursuant to long-term agreements with the District. The permitted plant capacity was increased to 1,550,000 gallons per day as a result of the expansion and is allocated as follows:

Participant	Million Gallons Capacity	Percent of Ownership
The District	285,000	18.39%
Harris County Municipal Utility District No. 156	343,333	22.15%
Harris County Municipal Utility District No. 172	335,242	21.63%
Harris County Municipal Utility District No. 173	390,120	25.17%
Lone Stare College District	155,120	10.01%
CY-Fair ISD	41,185	2.66%
Totals	<u><u>1,550,000</u></u>	<u><u>100.00%</u></u>

Harris County Municipal Utility District No. 155
Notes to Financial Statements
August 31, 2025

The District operates the facilities on behalf of all participants. Transactions for the current year are summarized as follows:

	The District	District No. 156	District No. 172	District No. 173	Lone Star College District	Cy-Fair ISD	Total
Beginning receivable	\$ 16,311	\$ 31,832	\$ 33,019	\$ (16,591)	\$ 6,938	\$ 2,629	\$ 74,138
Participant billings/ adjustments	136,641	169,402	224,108	329,372	45,068	19,052	923,642
Collections	<u>(150,442)</u>	<u>(171,017)</u>	<u>(226,429)</u>	<u>(227,068)</u>	<u>(43,354)</u>	<u>(19,441)</u>	<u>(837,751)</u>
Ending receivable	<u>\$ 2,510</u>	<u>\$ 30,217</u>	<u>\$ 30,698</u>	<u>\$ 85,713</u>	<u>\$ 8,652</u>	<u>\$ 2,240</u>	<u>\$ 160,029</u>

The agreement also provides for the establishment of an operating reserve. The District's share of the reserve is \$37,643 and the other participants advanced \$165,395 for their share of the operating reserve.

Water Supply

Pursuant to the joint water supply contract dated January 15, 2007, between the District and District No. 156 as amended November 19, 2012, the District sold 534,100 gpd of surplus water capacity in the District's water plant to District No. 156 for \$797,778. The contract also provided for major modification of the water plant to be funded entirely by District No. 156. On November 19, 2012, the District and District No. 156 amended the joint water supply contract to address allocation between the districts of fees charged by the West Harris County Regional Water Authority on the basis of water consumption by each district during a billing period.

Operating costs are allocated on a proportional share between the District and District No. 156 of 39% and 61%, respectively. Transactions for the current year are summarized below:

	The District	District No. 156	Total
Beginning receivable	\$ 35,120	\$ 157,432	\$ 192,552
Participant billings	678,033	724,014	1,402,047
Collections	<u>(604,369)</u>	<u>(691,703)</u>	<u>(1,296,072)</u>
Ending receivable	<u>\$ 108,784</u>	<u>\$ 189,743</u>	<u>\$ 298,527</u>

The contract also provides for the establishment of an operating reserve. The District's share of the reserve is \$107,384 and District No. 156's share of the reserve is \$167,960.

Harris County Municipal Utility District No. 155
Notes to Financial Statements
August 31, 2025

Note 9 – Regional Water Authority

The District is within the boundaries of the West Harris Regional Water Authority (the “Authority”), which was created by the Texas Legislature. The Authority is a political subdivision of the State of Texas, governed by an elected five-member Board of Directors. 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 Coastal Subsidence District, which regulates groundwater withdrawal.

As of August 31, 2025, the Authority’s rates are \$3.95 per 1,000 gallons of water pumped from the District’s wells and \$4.35 for surface water supplied to the District. These rates are subject to future increases. The District passes these costs on to its customers.

Note 10 – Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Required Supplementary Information

***Harris County Municipal Utility District No. 155
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended August 31, 2025***

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Water service	\$ 156,000	\$ 160,238	\$ 4,238
Sewer service	183,000	184,600	1,600
Regional water authority fees	402,000	366,892	(35,108)
Property taxes	1,342,986	1,478,636	135,650
Penalties and interest	16,800	33,165	16,365
Tap connection and inspection	10,200	22,398	12,198
Miscellaneous		1,771	1,771
Investment earnings	120,000	168,907	48,907
Total Revenues	2,230,986	2,416,607	185,621
Expenditures			
Current service operations			
Purchased services	783,255	760,957	22,298
Professional fees	104,500	114,611	(10,111)
Contracted services	132,920	158,420	(25,500)
Repairs and maintenance	483,652	188,315	295,337
Utilities	1,200	1,050	150
Administrative	123,420	87,080	36,340
Other	14,557	13,375	1,182
Capital Outlay	325,000	636,127	(311,127)
Total Expenditures	1,968,504	1,959,935	8,569
Revenues Over Expenditures	262,482	456,672	194,190
Other Financing Sources			
Insurance proceeds		221,450	221,450
Net Change in Fund Balance	262,482	678,122	415,640
Fund Balance			
Beginning of the year	3,273,110	3,273,110	
End of the year	\$ 3,535,592	\$ 3,951,232	\$ 415,640

*Harris County Municipal Utility District No. 155
Required Supplementary Information - Budgetary Comparison Schedule
Joint Wastewater Treatment Plant Fund
For the Year Ended August 31, 2025*

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Sewer service	\$ 954,264	\$ 825,367	\$ (128,897)
Investment earnings		35	35
Total Revenues	<u>954,264</u>	<u>825,402</u>	<u>(128,862)</u>
Expenditures			
Current service operations			
Professional fees	65,000	14,257	50,743
Contracted services	85,200	87,440	(2,240)
Repairs and maintenance	630,024	587,556	42,468
Utilities	110,100	95,181	14,919
Other	63,940	40,968	22,972
Total Expenditures	<u>954,264</u>	<u>825,402</u>	<u>128,862</u>
Revenues Over/(Under) Expenditures			
Fund Balance			
Beginning of the year	37,643	37,643	
End of the year	<u>\$ 37,643</u>	<u>\$ 37,643</u>	<u>\$ -</u>

Harris County Municipal Utility District No. 155
Required Supplementary Information - Budgetary Comparison Schedule -
Joint Water Plant Fund
For the Year Ended August 31, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Participant billings	\$ 1,452,940	\$ 1,327,324	\$ (125,616)
Investment earnings		756	756
Total Revenues	<u>1,452,940</u>	<u>1,328,080</u>	<u>(124,860)</u>
Expenditures			
Current service operations			
Professional fees	51,500	6,785	44,715
Contracted services	36,900	38,293	(1,393)
Repairs and maintenance	92,820	64,294	28,526
Utilities	54,000	54,069	(69)
Regional water authority fees	852,000	1,152,277	(300,277)
Administrative	15,120	12,362	2,758
Other	600		600
Capital outlay	350,000		350,000
Total Expenditures	<u>1,452,940</u>	<u>1,328,080</u>	<u>124,860</u>
Revenues Over/(Under) Expenditures			
Fund Balance			
Beginning of the year	107,384	107,384	
End of the year	<u>\$ 107,384</u>	<u>\$ 107,384</u>	<u>\$ -</u>

Harris County Municipal Utility District No. 155
Notes to Required Supplementary Information
August 31, 2025

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund, Joint Wastewater Treatment Plant Fund, and Joint Water Plant Fund by the District's Board of Directors. The budgets are prepared using the same method of accounting as for financial reporting. There were no amendments to the budgets during the year.

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Texas Supplementary Information

Harris County Municipal Utility District No. 155
TSI-1. Services and Rates
August 31, 2025

1. Services provided by the District During the Fiscal Year:

- Retail Water Wholesale Water Solid Waste / Garbage Drainage
 Retail Wastewater Wholesale Wastewater Flood Control Irrigation
 Parks / Recreation Fire Protection Roads Security
 Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)
 Other (Specify): _____

2. Retail Service Providers

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

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels
Water:	\$ 2.00	5,000	N	\$ 2.00	5,001 to No limit
Wastewater:	\$ 15.00		Y	N/A	0 to No limit
Surcharge:	\$ 4.57	1	Y	\$ 4.57	1,001 to No limit

District employs winter averaging for wastewater usage? Yes No

Total charges per 10,000 gallons usage: Water \$ 57.70 Wastewater \$ 15.00

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered			x 1.0	
less than 3/4"	785	778	x 1.0	778
1"	15	15	x 2.5	38
1.5"	4	4	x 5.0	20
2"	12	12	x 8.0	96
3"	1	1	x 15.0	15
4"	3	3	x 25.0	75
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water	820	813		1,022
Total Wastewater	794	787	x 1.0	787

See accompanying auditor's report.

Harris County Municipal Utility District No. 155
TSI-1. Services and Rates
August 31, 2025

3. Total Water Consumption during the fiscal year (rounded to the nearest thousand):

Gallons pumped into system:	<u>279,109,000</u>	Water Accountability Ratio: (Gallons billed and sold / Gallons pumped)
Gallons billed to customers:	<u>85,064,000</u>	
*Gallons sold:	<u>174,484,000</u>	<u>92.99%</u>

4. Standby Fees (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes No

If yes, Date of the most recent commission Order: _____

Does the District have Operation and Maintenance standby fees? Yes No

If yes, Date of the most recent commission Order: _____

5. Location of District

Is the District located entirely within one county? Yes No

County(ies) in which the District is located: Harris County

Is the District located within a city? Entirely Partly Not at all

City(ies) in which the District is located: _____

Is the District located within a city's extra territorial jurisdiction (ETJ)?

Entirely Partly Not at all

ETJs in which the District is located: City of Houston

Are Board members appointed by an office outside the district? Yes No

If Yes, by whom? _____

* Gallons sold to Harris County Municipal Utility District No. 156, No. 172, No. 173
 Lone Star College District and Cy-Fair Independent School District

See accompanying auditor's report.

Harris County Municipal Utility District No. 155
TSI-2. General Fund Expenditures
For the Year Ended August 31, 2025

Purchased services	<u>\$ 760,957</u>
Professional fees	
Legal	74,841
Audit	22,790
Engineering	16,980
	<u>114,611</u>
Contracted services	
Bookkeeping	38,330
Operator	93,617
Tap connection and inspection	2,100
Tax collector	13,217
Appraisal district	11,156
	<u>158,420</u>
Repairs and maintenance	<u>188,315</u>
Utilities	<u>1,050</u>
Administrative	
Directors fees	28,893
Printing and office supplies	32,209
Insurance	10,476
Other	15,502
	<u>87,080</u>
Other	<u>13,375</u>
Capital outlay	<u>636,127</u>
Total expenditures	<u><u>\$ 1,959,935</u></u>

See accompanying auditor's report.

Harris County Municipal Utility District No. 155
TSI-3. Investments
August 31, 2025

Fund	Interest Rate	Maturity Date	Balance at End of Year
General			
Texas CLASS	Variable	N/A	\$ 402,005
TexPool	Variable	N/A	<u>3,725,616</u>
			<u>4,127,621</u>
Debt Service			
TexPool	Variable	N/A	<u>15</u>
Capital Projects			
Texas CLASS	Variable	N/A	202,731
TexPool	Variable	N/A	<u>2,744</u>
			<u>205,475</u>
Total - All Funds			<u><u>\$ 4,333,111</u></u>

See accompanying auditor's report.

Harris County Municipal Utility District No. 155
TSI-4. Taxes Levied and Receivable
August 31, 2025

	Maintenance Taxes	Debt Service Taxes	Totals	
Taxes Receivable, Beginning of Year	\$ 44,458	\$ 15,992	\$ 60,450	
Adjustments to Prior Year Tax Levy	(13,469)	(14)	(13,483)	
Adjusted Receivable	30,989	15,978	46,967	
2024 Original Tax Levy	1,418,047		1,418,047	
Adjustments	64,899		64,899	
Adjusted Tax Levy	1,482,946		1,482,946	
Total to be accounted for	1,513,935	15,978	1,529,913	
Tax collections:				
Current year	1,470,716		1,470,716	
Prior years	5,728	2,192	7,920	
Total Collections	1,476,444	2,192	1,478,636	
Taxes Receivable, End of Year	\$ 37,491	\$ 13,786	\$ 51,277	
Taxes Receivable, By Years				
2024	\$ 12,230	\$ -	\$ 12,230	
2023	9,993		9,993	
2022	3,204	419	3,623	
2021 and prior	12,064	13,367	25,431	
Taxes Receivable, End of Year	\$ 37,491	\$ 13,786	\$ 51,277	
	2024	2023	2022	2021
Property Valuations:				
Land	\$ 66,410,611	\$ 65,458,254	\$ 44,525,046	\$ 44,506,366
Improvements	225,567,756	233,415,405	227,755,598	174,597,704
Personal Property	4,038,849	3,977,543	3,686,902	3,450,850
Exemptions	(67,871,733)	(86,697,110)	(78,526,978)	(48,941,310)
Total Property Valuations	\$ 228,145,483	\$ 216,154,092	\$ 197,440,568	\$ 173,613,610
Tax Rates per \$100 Valuation:				
Maintenance tax rates	\$ 0.65	\$ 0.69	\$ 0.650	\$ 0.70
Debt service tax rates			0.085	0.09
Total Tax Rates per \$100 Valuation	\$ 0.65	\$ 0.69	\$ 0.735	\$ 0.79
Adjusted Tax Levy:	\$ 1,482,946	\$ 1,491,463	\$ 1,451,188	\$ 1,371,548
Percentage of Taxes Collected to Taxes Levied **	99.18%	99.33%	99.75%	98.15%

* Maximum Maintenance Tax Rate Approved by Voters: \$1.00 on April 6, 1985

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

See accompanying auditor's report.

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Harris County Municipal Utility District No. 155
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2025	2024	2023	2022	2021
Revenues					
Water service	\$ 160,238	\$ 181,019	\$ 175,281	\$ 205,217	\$ 218,630
Sewer service	184,600	192,984	168,857	170,576	178,105
Regional water authority fees	366,892	351,570	408,398	370,612	311,659
Property taxes	1,478,636	1,488,844	1,281,758	1,225,437	1,091,945
Penalties and interest	33,165	30,131	14,640	15,109	9,269
Tap connection and inspection	22,398	3,905	6,729	7,305	7,869
Miscellaneous	1,771	25,375			
Investment earnings	168,907	168,266	118,408	11,869	1,719
Total Revenues	2,416,607	2,442,094	2,174,071	2,006,125	1,819,196
Expenditures					
Current service operations					
Purchased services	760,957	656,147	709,307	728,965	534,426
Professional fees	114,611	89,056	88,394	101,614	114,585
Contracted services	158,420	128,219	96,460	93,911	90,629
Repairs and maintenance	188,315	202,603	376,385	587,978	143,236
Utilities	1,050	1,118	1,114	867	1,188
Administrative	87,080				
Other	13,375	104,674	80,773	75,452	68,401
Debt service					
Principal retirement		62,577			510,000
Interest and fees					8,007
Capital outlay	636,127	667,606	174,730		
Total Expenditures	1,959,935	1,912,000	1,527,163	1,588,787	1,470,472
Revenues Over Expenditures	456,672	530,094	646,908	417,338	348,724
Other Financing Sources/(Uses)					
Internal transfers		8,462	4,527	(70,722)	
Insurance proceeds	221,450				
Net Change in Fund Balance	678,122	538,556	651,435	346,616	348,724
Fund Balance, Beginning of the year	3,273,110	2,734,554	2,083,119	1,736,503	1,387,779
End of the year	\$ 3,951,232	\$ 3,273,110	\$ 2,734,554	\$ 2,083,119	\$ 1,736,503
Total Active Retail Water Connections	813	814	822	819	820
Total Active Retail Wastewater Connections	787	788	792	797	794

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues

2025	2024	2023	2022	2021
7%	7%	8%	10%	11%
8%	8%	8%	9%	10%
15%	14%	19%	18%	17%
61%	62%	59%	61%	61%
1%	1%	1%	1%	1%
1%	*	*	*	*
*	1%			
7%	7%	5%	1%	*
100%	100%	100%	100%	100%
31%	27%	33%	36%	29%
5%	4%	4%	5%	6%
7%	5%	4%	5%	5%
8%	8%	17%	29%	8%
*	*	*	*	*
4%				
1%	4%	4%	4%	4%
	3%			28%
				*
26%	27%	8%		
82%	78%	70%	79%	80%
18%	22%	30%	21%	20%

Harris County Municipal Utility District No. 155

TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund

For the Last Five Fiscal Years

	Amounts				
	2025	2024	2023	2022	2021
Revenues					
Property taxes	\$ -	\$ -	\$ 169,512	\$ 160,276	\$ 225,050
Penalties and interest			17,025	17,465	8,068
Investment earnings		1,214	6,590	1,152	450
Total Revenues	-	1,214	193,127	178,893	233,568
Expenditures					
Tax collection services			35,297	34,457	26,477
Debt service					
Principal		32,423	285,000	270,000	260,000
Interest and fees		3,800	15,950	26,750	37,900
Total Expenditures	-	36,223	336,247	331,207	324,377
Revenues Over/(Under) Expenditures		(35,009)	(143,120)	(152,314)	(90,809)
Other Financing Sources Uses					
Internal transfers		(28,026)			
Net Change in Fund Balance	-	(63,035)	(143,120)	(152,314)	(90,809)
Fund Balance, Beginning of the year	15	63,050	206,170	358,484	449,293
End of the year	\$ 15	\$ 15	\$ 63,050	\$ 206,170	\$ 358,484

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues

2025	2024	2023	2022	2021
		88%	89%	97%
		9%	10%	3%
	100%	3%	1%	*
0%	100%	100%	100%	100%
		18%	19%	11%
	2671%	148%	151%	111%
	313%	8%	15%	16%
0%	2984%	174%	185%	138%
0%	(2,884%)	(74%)	(85%)	(38%)

Harris County Municipal Utility District No. 155
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended August 31, 2025

Complete District Mailing Address: 2727 Allen Parkway, Suite 1100 Houston, Texas 77019
District Business Telephone Number: 713-652-6500
Submission Date of the most recent District Registration Form
(TWC Sections 36.054 and 49.054): May 20, 2025
Limit on Fees of Office that a Director may receive during a fiscal year: \$ 7,200
(Set by Board Resolution -- TWC Section 49.060)

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse- ments	Title at Year End
Board Members				
Margaret Dawson	05/24 - 05/28	\$ 7,200	\$ -	President
Jim Denmon	05/24 - 05/28	7,200		Vice President
Clint Wilhelm	05/22 - 05/26	7,200		Secretary
Corey Manahan	05/22 - 05/26	5,083		Director
Barbara Scott	05/24 - 05/28	2,210		Director
Consultants				
		<u>Amounts Paid</u>		
Smith, Murdaugh, Little & Bonham, L.L.P. <i>General legal fees</i>	1980	\$ 67,800		Attorney
Municipal Operations & Consulting, LLC	2019	61,470		Operator
McLennan & Associates	2013	38,140		Bookkeeper
Bob Leared Interests	1987	13,217		Tax Collector
Harris Central Appraisal District	Legislation	11,156		Property Valuation
Perdue, Brandon, Fielder, Collins & Mott	1997	5,857		Delinquent Tax Attorney
Texas Land Engineers, Inc.	2013	28,120		Engineer
McGrath & Co., PLLC	2025			Auditor
RBC Capital Markets, LLC	1989			Financial Advisor
Forvis Mazars, LLP	1989	22,700		Former Auditor

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

See accompanying auditor's report.