



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

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

September 30, 2025



**Harris County Municipal Utility District No. 147**  
**Contents**  
**September 30, 2025**

---

**Independent Auditor’s Report**..... 1

**Management’s Discussion and Analysis** ..... 3

**Basic Financial Statements**

    Statement of Net Position and Governmental Funds Balance Sheet ..... 7

    Statement of Activities and Governmental Funds Revenues,  
        Expenditures, and Changes in Fund Balances ..... 9

    Notes to Financial Statements ..... 10

**Required Supplementary Information**

    Budgetary Comparison Schedule – General Fund ..... 20

    Notes to Required Supplementary Information ..... 21

**Supplementary Information**

    Other Schedules Included Within This Report ..... 22

    Schedule of Services and Rates ..... 23

    Schedule of General Fund Expenditures ..... 24

    Schedule of Temporary Investments ..... 25

    Analysis of Taxes Levied and Receivable ..... 26

    Comparative Schedules of Revenues and Expenditures – General Fund  
        and Debt Service Fund – Five Years ..... 28

    Board Members, Key Personnel, and Consultants ..... 30

## 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 (District), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of September 30, 2025, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

**Forvis Mazars, LLP**

**Houston, Texas  
February 11, 2026**

**Harris County Municipal Utility District No. 147  
Management's Discussion and Analysis  
Year Ended September 30, 2025**

---

***Overview of the Financial Statements***

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and by the District's state oversight agency, the Texas Commission on Environmental Quality (Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities that 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.

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

***Fund Financial Statements***

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

**Harris County Municipal Utility District No. 147  
Management's Discussion and Analysis  
Year Ended September 30, 2025**

---

**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.

**Financial Analysis of the District as a Whole**

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

**Summary of Net Position**

	<b>2025</b>	<b>2024</b>
Current and other assets	\$ 3,685,312	\$ 3,308,222
Capital assets	1,598,246	1,649,641
Total assets	<b>\$ 5,283,558</b>	<b>\$ 4,957,863</b>
Other liabilities	\$ 220,366	\$ 235,678
Net position		
Investment in capital assets	1,598,246	1,649,641
Unrestricted	3,464,946	3,072,544
Total net position	<b>\$ 5,063,192</b>	<b>\$ 4,722,185</b>

**Harris County Municipal Utility District No. 147  
Management's Discussion and Analysis  
Year Ended September 30, 2025**

The total net position of the District increased by \$341,007, or about 7%. 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**

	<u>2025</u>	<u>2024</u>
Revenues		
Property taxes	\$ 909,765	\$ 905,149
City of Houston sales tax	12,836	5,715
Charges for services	952,827	867,364
Other revenues	<u>187,056</u>	<u>212,060</u>
Total revenues	<u>2,062,484</u>	<u>1,990,288</u>
Expenses		
Services	1,596,191	1,366,325
Depreciation	<u>125,286</u>	<u>123,213</u>
Total expenses	<u>1,721,477</u>	<u>1,489,538</u>
Change in net position	341,007	500,750
Net position, beginning of year	<u>4,722,185</u>	<u>4,221,435</u>
Net position, end of year	<u>\$ 5,063,192</u>	<u>\$ 4,722,185</u>

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

The District's combined fund balances as of the end of the fiscal year ended September 30, 2025 were \$3,287,822, an increase of \$403,901 from the prior year.

The general fund's fund balance increased by \$403,868 primarily due to property taxes and service revenues as well as investment income being greater than service operation and capital outlay expenditures.

The debt service fund's fund balance increased by \$33 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 water service and surface water conversion revenues and investment income as well as purchased services expenditures being greater than anticipated and regional water fee, professional fees, and capital outlay expenditures being less than anticipated. The fund balance as of September 30, 2025 was expected to be \$2,682,951, and the actual end-of-year fund balance was \$3,287,033.

***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.

**Harris County Municipal Utility District No. 147  
Management's Discussion and Analysis  
Year Ended September 30, 2025**

**Capital Assets (Net of Accumulated Depreciation)**

	<u>2025</u>	<u>2024</u>
Land and improvements	\$ 10,000	\$ 10,000
Construction in progress	17,275	-
Water facilities	332,310	332,308
Wastewater facilities	1,238,661	1,307,333
	<u>1,598,246</u>	<u>1,649,641</u>
Total capital assets	<u>\$ 1,598,246</u>	<u>\$ 1,649,641</u>

During the current year, additions to capital assets included the following:

Construction in progress related to the lift station electrical improvements	\$ 17,275
Booster pump No. 3 and check valve replacement	<u>56,616</u>
Total additions to capital assets	<u>\$ 73,891</u>

***Debt***

At September 30, 2025, 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 (City) entered into a Strategic Partnership Agreement (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 (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, 2025**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>Assets</b>					
Cash	\$ 378,590	\$ -	\$ 378,590	\$ -	\$ 378,590
Short-term investments	2,924,517	789	2,925,306	-	2,925,306
Receivables					
Property taxes	95,941	-	95,941	-	95,941
Service accounts	148,110	-	148,110	-	148,110
Accrued penalty and interest	-	-	-	81,183	81,183
Operating reserve	46,099	-	46,099	-	46,099
Due from others	10,083	-	10,083	-	10,083
Capital assets (net of accumulated depreciation)					
Land and improvements	-	-	-	10,000	10,000
Construction in progress	-	-	-	17,275	17,275
Infrastructure	-	-	-	1,570,971	1,570,971
<b>Total Assets</b>	<b>\$ 3,603,340</b>	<b>\$ 789</b>	<b>\$ 3,604,129</b>	<b>\$ 1,679,429</b>	<b>\$ 5,283,558</b>

**Harris County Municipal Utility District No. 147**  
**Statement of Net Position and Governmental Funds Balance Sheet**  
**September 30, 2025**

**(Continued)**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>Liabilities</b>					
Accounts payable	\$ 148,898	\$ -	\$ 148,898	\$ -	\$ 148,898
Customer deposits	71,468	-	71,468	-	71,468
<b>Total Liabilities</b>	<u>220,366</u>	<u>-</u>	<u>220,366</u>	<u>-</u>	<u>220,366</u>
<b>Deferred Inflows of Resources</b>					
Deferred property tax revenues	95,941	-	95,941	(95,941)	-
<b>Fund Balances/Net Position</b>					
Fund balances					
Restricted, debt service	-	789	789	(789)	-
Assigned					
Future expenditures	209,150	-	209,150	(209,150)	-
Operating reserve	46,099	-	46,099	(46,099)	-
Unassigned	3,031,784	-	3,031,784	(3,031,784)	-
Total fund balances	<u>3,287,033</u>	<u>789</u>	<u>3,287,822</u>	<u>(3,287,822)</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 3,603,340</u>	<u>\$ 789</u>	<u>\$ 3,604,129</u>		
Net position					
Investment in capital assets				1,598,246	1,598,246
Unrestricted				<u>3,464,946</u>	<u>3,464,946</u>
Total net position				<u>\$ 5,063,192</u>	<u>\$ 5,063,192</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, 2025**

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
<b>Revenues</b>					
Property taxes	\$ 917,378	\$ -	\$ 917,378	\$ (7,613)	\$ 909,765
City of Houston sales tax	12,836	-	12,836	-	12,836
Water service	452,508	-	452,508	-	452,508
Sewer service	257,702	-	257,702	-	257,702
Surface water conversion	242,617	-	242,617	-	242,617
Penalty and interest	41,501	-	41,501	(3,886)	37,615
Investment income	134,337	33	134,370	-	134,370
Other income	15,071	-	15,071	-	15,071
<b>Total Revenues</b>	<u>2,073,950</u>	<u>33</u>	<u>2,073,983</u>	<u>(11,499)</u>	<u>2,062,484</u>
<b>Expenditures/Expenses</b>					
Service operations					
Purchased services	209,308	-	209,308	-	209,308
Regional water fee	250,373	-	250,373	-	250,373
Professional fees	162,587	-	162,587	-	162,587
Contracted services	128,777	-	128,777	-	128,777
Utilities	76,745	-	76,745	-	76,745
Repairs and maintenance	577,869	-	577,869	98,543	676,412
Other expenditures	91,989	-	91,989	-	91,989
Capital outlay	172,434	-	172,434	(172,434)	-
Depreciation	-	-	-	125,286	125,286
<b>Total Expenditures/Expenses</b>	<u>1,670,082</u>	<u>-</u>	<u>1,670,082</u>	<u>51,395</u>	<u>1,721,477</u>
<b>Excess of Revenues Over Expenditures</b>	403,868	33	403,901	(403,901)	-
<b>Change in Net Position</b>				341,007	341,007
<b>Fund Balances/Net Position</b>					
Beginning of year	<u>2,883,165</u>	<u>756</u>	<u>2,883,921</u>	<u>-</u>	<u>4,722,185</u>
End of year	<u>\$ 3,287,033</u>	<u>\$ 789</u>	<u>\$ 3,287,822</u>	<u>\$ -</u>	<u>\$ 5,063,192</u>

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

Harris County Municipal Utility District No. 147 (District) was created by an order of the Texas Water Rights Commission, now known as the Texas Commission on Environmental Quality (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 (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 that engage in a single governmental program, such as the provision of water, wastewater, drainage, and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

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

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

The District presents the following major governmental funds:

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

**Harris County Municipal Utility District No. 147**  
**Notes to Financial Statements**  
**September 30, 2025**

---

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

***Fund Balances – Governmental Funds***

The fund balances for the District’s governmental funds can be displayed in up to five components:

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

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

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

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

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

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

***Measurement Focus and Basis of Accounting***

***Government-Wide Financial Statements***

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

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

***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

**Harris County Municipal Utility District No. 147**  
**Notes to Financial Statements**  
**September 30, 2025**

---

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.

***Pension Costs***

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

***Use of Estimates***

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

***Investments and Investment Income***

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

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

***Property Taxes***

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

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, 2025 include collections during the current period or within 60 days of year-end related to the 2024 and prior years' tax levies.

**Harris County Municipal Utility District No. 147**  
**Notes to Financial Statements**  
**September 30, 2025**

---

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, 2025, the 2024 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of \$5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

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

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

**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, it is generally the District's policy to use restricted resources first.

**Harris County Municipal Utility District No. 147**  
**Notes to Financial Statements**  
**September 30, 2025**

---

**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.	\$ 1,598,246
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	95,941
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.	<u>81,183</u>
Adjustment to fund balances to arrive at net position.	<u><u>\$ 1,775,370</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.	\$ 403,901
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense and noncapitalized costs exceeded capital outlay expenditures in the current period.	(51,395)
Revenues collected in the current year, which have previously been reported in the statement of activities, are reported as revenues in the governmental funds.	<u>(11,499)</u>
Change in net position of governmental activities.	<u><u>\$ 341,007</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.

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, 2025, none of the District's bank balances were exposed to custodial credit risk.

**Harris County Municipal Utility District No. 147**  
**Notes to Financial Statements**  
**September 30, 2025**

**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. The District’s investments in TexPool are reported at amortized cost.

At September 30, 2025, 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	\$ 2,925,306	\$ 2,925,306	\$ -	\$ -	\$ -

**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, 2025, the District’s investments in TexPool were rated “AAAm” by Standard & Poor’s.

**Summary of Carrying Values**

The carrying values of deposits and investments shown previously are included in the balance sheet and statement of net position at September 30, 2025 as follows:

Carrying value	
Deposits	\$ 378,590
Investments	<u>2,925,306</u>
Total	<u>\$ 3,303,896</u>

**Investment Income**

Investment income of \$134,370 for the year ended September 30, 2025 consisted of interest income.

**Harris County Municipal Utility District No. 147**  
**Notes to Financial Statements**  
**September 30, 2025**

**Note 3. Capital Assets**

A summary of changes in capital assets for the year ended September 30, 2025 is presented below:

<u>Governmental Activities</u>	<u>Balances, Beginning of Year</u>	<u>Additions</u>	<u>Balances, End of Year</u>
Capital assets, non-depreciable			
Land and improvements	\$ 10,000	\$ -	\$ 10,000
Construction in progress	-	17,275	17,275
	<u>10,000</u>	<u>17,275</u>	<u>27,275</u>
Total capital assets, non-depreciable			
	<u>10,000</u>	<u>17,275</u>	<u>27,275</u>
Capital assets, depreciable			
Water production and distribution facilities	2,600,594	56,616	2,657,210
Wastewater collection and treatment facilities	4,205,744	-	4,205,744
	<u>6,806,338</u>	<u>56,616</u>	<u>6,862,954</u>
Total capital assets, depreciable			
	<u>6,806,338</u>	<u>56,616</u>	<u>6,862,954</u>
Less accumulated depreciation			
Water production and distribution facilities	(2,268,286)	(56,614)	(2,324,900)
Wastewater collection and treatment facilities	(2,898,411)	(68,672)	(2,967,083)
	<u>(5,166,697)</u>	<u>(125,286)</u>	<u>(5,291,983)</u>
Total accumulated depreciation			
	<u>(5,166,697)</u>	<u>(125,286)</u>	<u>(5,291,983)</u>
Total governmental activities, net			
	<u>\$ 1,649,641</u>	<u>\$ (51,395)</u>	<u>\$ 1,598,246</u>

**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, 2025, the District levied an ad valorem maintenance tax at the rate of \$0.43056 per \$100 of assessed valuation, which resulted in a tax levy of \$916,644 on the taxable valuation of \$212,895,835 for the 2024 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

**Harris County Municipal Utility District No. 147**  
**Notes to Financial Statements**  
**September 30, 2025**

**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:

<b>Participants</b>	<b>Date of Agreement</b>
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 (City).

On March 8, 2010 and August 15, 2016, Chelford City entered into agreements with the participants to expand the service area of the treatment facilities.

At September 30, 2025, each participant's capacity and percent of ownership is as follows:

<b>Participants</b>	<b>Gallons-per-Day Capacity</b>	<b>Percent</b>
Chelford City Municipal Utility District	966,600	8.79 %
Chelford One Municipal Utility District	533,500	4.85
City of Houston (formerly Harris County Municipal Utility District No. 98)	1,086,800	9.88
Harris County Municipal Utility District No. 120	2,959,700	26.90
Harris County Municipal Utility District No. 147	489,500	4.45
Mission Bend Municipal Utility District No. 1	1,041,700	9.47
Mission Bend Municipal Utility District No. 2	2,441,600	22.20

**Harris County Municipal Utility District No. 147**  
**Notes to Financial Statements**  
**September 30, 2025**

<u>Participants (Continued)</u>	<u>Gallons-per-Day Capacity</u>	<u>Percent</u>
City of Houston (formerly West Houston Municipal Utility District)	1,472,900	13.39
Alief Church of the Nazarene (formerly United Savings of Texas)	7,700	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 \$209,308 for its share of operating costs. At September 30, 2025, the District has recorded advances to Chelford City Regional Wastewater Treatment Plant (Plant) of \$46,099 as its share of future operations and capital improvements.

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, 2025:

	<u>General Fund</u>	<u>The District's Proportionate Share</u>
Total assets	\$ 1,523,058	\$ 67,776
Total liabilities	\$ 420,992	\$ 18,734
Total fund balance	1,102,066	49,042
Total liabilities and fund balance	<u>\$ 1,523,058</u>	<u>\$ 67,776</u>
Total revenues	\$ 3,302,657	\$ 146,968
Total expenditures	4,152,961	184,807
Excess expenditures	<u>\$ (850,304)</u>	<u>\$ (37,839)</u>

**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 (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 (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 \$12,836 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 (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.

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, 2025, the Authority was billing the District \$3.95 per 1,000 gallons of water pumped from its wells. This amount is subject to future adjustments.

***Required Supplementary Information***

**Harris County Municipal Utility District No. 147  
 Budgetary Comparison Schedule - General Fund  
 Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Property taxes	\$ 891,407	\$ 917,378	\$ 25,971
City of Houston sales tax	6,000	12,836	6,836
Water service	300,000	452,508	152,508
Sewer service	265,000	257,702	(7,298)
Surface water conversion	200,000	242,617	42,617
Penalty and interest	12,000	41,501	29,501
Investment income	80,000	134,337	54,337
Other income	15,000	15,071	71
<b>Total Revenues</b>	<u>1,769,407</u>	<u>2,073,950</u>	<u>304,543</u>
<b>Expenditures</b>			
Service operations			
Purchased services	165,971	209,308	(43,337)
Regional water fee	300,000	250,373	49,627
Professional fees	448,400	162,587	285,813
Contracted services	106,500	128,777	(22,277)
Utilities	70,000	76,745	(6,745)
Repairs and maintenance	558,000	577,869	(19,869)
Other expenditures	91,600	91,989	(389)
Capital outlay	229,150	172,434	56,716
<b>Total Expenditures</b>	<u>1,969,621</u>	<u>1,670,082</u>	<u>299,539</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(200,214)	403,868	604,082
<b>Fund Balance, Beginning of Year</b>	<u>2,883,165</u>	<u>2,883,165</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 2,682,951</u>	<u>\$ 3,287,033</u>	<u>\$ 604,082</u>

***Budgets and Budgetary Accounting***

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was not amended during fiscal 2025.

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

***Supplementary Information***

**Harris County Municipal Utility District No. 147  
Other Schedules Included Within This Report  
September 30, 2025**

---

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

- Notes Required by the Water District Accounting Manual  
See "Notes to Financial Statements," Pages 10–19
- Schedule of Services and Rates
- Schedule of General Fund Expenditures
- Schedule of Temporary Investments
- Analysis of Taxes Levied and Receivable
- Schedule of Long-Term Debt Service Requirements by Years – Not Applicable
- Changes in Long-Term Bonded Debt – Not Applicable
- Comparative Schedules of Revenues and Expenditures – General Fund and Debt Service Fund –  
Five Years
- Board Members, Key Personnel, and Consultants

**Harris County Municipal Utility District No. 147**  
**Schedule of Services and Rates**  
**Year Ended September 30, 2025**

1. Services provided by the District

- |  |   |  |
|--|---|--|
| <input checked="" type="checkbox"/> Retail Water   | <input type="checkbox"/> Wholesale Water      | <input checked="" type="checkbox"/> Drainage |
| <input checked="" type="checkbox"/> Retail Wastewater  | <input type="checkbox"/> Wholesale Wastewater | <input type="checkbox"/> Irrigation          |
| <input checked="" type="checkbox"/> Parks/Recreation   | <input type="checkbox"/> Fire Protection      | <input type="checkbox"/> Security            |
| <input type="checkbox"/> Solid Waste/Garbage   | <input type="checkbox"/> Flood Control        | <input type="checkbox"/> Roads               |
| <input 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:	<u>\$ 24.00</u>	<u>5,000</u>	<u>N</u>	<u>\$ 5.05</u>	<u>5,001 to 10,000</u>
				<u>\$ 5.30</u>	<u>10,001 to 20,000</u>
				<u>\$ 5.55</u>	<u>20,001 to 30,000</u>
				<u>\$ 5.80</u>	<u>30,001 to No Limit</u>
Wastewater:	<u>\$ 21.00</u>	<u>-</u>	<u>Y</u>		
Regional water fee:	<u>\$ 4.345</u>	<u>1</u>	<u>N</u>	<u>\$ 4.345</u>	<u>1,001 to No Limit</u>

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	<u>-</u>	<u>-</u>	<u>x1.0</u>	<u>-</u>
≤ 3/4"	<u>801</u>	<u>791</u>	<u>x1.0</u>	<u>791</u>
1"	<u>46</u>	<u>45</u>	<u>x2.5</u>	<u>113</u>
1 1/2"	<u>5</u>	<u>5</u>	<u>x5.0</u>	<u>25</u>
2"	<u>4</u>	<u>4</u>	<u>x8.0</u>	<u>32</u>
3"	<u>2</u>	<u>-</u>	<u>x15.0</u>	<u>-</u>
4"	<u>1</u>	<u>1</u>	<u>x25.0</u>	<u>25</u>
6"	<u>-</u>	<u>-</u>	<u>x50.0</u>	<u>-</u>
8"	<u>-</u>	<u>-</u>	<u>x80.0</u>	<u>-</u>
10"	<u>-</u>	<u>-</u>	<u>x115.0</u>	<u>-</u>
Total water	<u>859</u>	<u>846</u>		<u>986</u>
Total wastewater	<u>854</u>	<u>841</u>	<u>x1.0</u>	<u>841</u>

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

Gallons pumped into the system:	<u>69,164</u>
Gallons billed to customers:	<u>57,396</u>
Water accountability ratio (gallons billed/gallons pumped):	<u>82.99%</u>

\*"ESFC" means equivalent single-family connections

**Harris County Municipal Utility District No. 147**  
**Schedule of General Fund Expenditures**  
**Year Ended September 30, 2025**

<b>Personnel (including benefits)</b>		\$	-
<b>Professional Fees</b>			
Auditing	\$ 21,300		
Legal	95,956		
Engineering	45,331		
Financial advisor	-		
	<u>          </u>		162,587
<b>Purchased Services for Resale</b>			
Bulk water and wastewater service purchases			209,308
<b>Regional Water Fee</b>			250,373
<b>Contracted Services</b>			
Bookkeeping	19,122		
General manager	-		
Appraisal district	6,562		
Tax collector	18,311		
Security	-		
Other contracted services	84,782		
	<u>          </u>		128,777
<b>Utilities</b>			76,745
<b>Repairs and Maintenance</b>			577,869
<b>Administrative Expenditures</b>			
Directors' fees	29,649		
Office supplies	7,599		
Insurance	12,158		
Other administrative expenditures	42,583		
	<u>          </u>		91,989
<b>Capital Outlay</b>			
Capitalized assets	73,891		
Expenditures not capitalized	98,543		
	<u>          </u>		172,434
<b>Tap Connection Expenditures</b>			-
<b>Solid Waste Disposal</b>			-
<b>Fire Fighting</b>			-
<b>Parks and Recreation</b>			-
<b>Other Expenditures</b>			-
<b>Total Expenditures</b>		<u>\$</u>	<u>1,670,082</u>

**Harris County Municipal Utility District No. 147  
Schedule of Temporary Investments  
September 30, 2025**

---

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Face Amount</u>	<u>Accrued Interest Receivable</u>
<b>General Fund</b>				
TexPool	4.18%	Demand	\$ 2,924,517	\$ -
<b>Debt Service Fund</b>				
TexPool	4.18%	Demand	<u>789</u>	<u>-</u>
Totals			<u>\$ 2,925,306</u>	<u>\$ -</u>

**Harris County Municipal Utility District No. 147**  
**Analysis of Taxes Levied and Receivable**  
**Year Ended September 30, 2025**

	<u>Maintenance Taxes</u>	<u>Debt Service Taxes</u>
<b>Receivable, Beginning of Year</b>	\$ 82,736	\$ 20,818
Additions and corrections to prior years' taxes	<u>(4,752)</u>	<u>(2,127)</u>
<b>Adjusted Receivable, Beginning of Year</b>	<u>77,984</u>	<u>18,691</u>
<b>2024 Original Tax Levy</b>	863,413	-
Additions and corrections	<u>53,231</u>	<u>-</u>
Adjusted tax levy	<u>916,644</u>	<u>-</u>
<b>Total to Be Accounted For</b>	994,628	18,691
Tax collections: Current year	(895,719)	-
Prior years	<u>(20,464)</u>	<u>(1,195)</u>
<b>Receivable, End of Year</b>	<u>\$ 78,445</u>	<u>\$ 17,496</u>
<b>Receivable, by Years</b>		
2024	\$ 20,925	\$ -
2023	9,809	-
2022	7,942	-
2021	5,892	-
2020	5,386	-
2019	5,070	1,626
2018	3,912	1,845
2017	2,794	1,476
2016	2,516	1,472
2015	2,263	1,537
2014	2,033	1,458
2013	1,790	1,445
2012	1,285	1,083
2011	1,429	1,196
2010	1,432	1,193
2009 and prior	<u>3,967</u>	<u>3,165</u>
<b>Receivable, End of Year</b>	<u>\$ 78,445</u>	<u>\$ 17,496</u>

**Harris County Municipal Utility District No. 147  
 Analysis of Taxes Levied and Receivable  
 Year Ended September 30, 2025**

**(Continued)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Property Valuations</b>				
Land	\$ 49,775,497	\$ 49,772,335	\$ 48,130,583	\$ 35,109,425
Improvements	173,112,977	171,648,376	149,196,550	125,132,147
Personal property	3,103,151	2,964,153	3,243,058	2,892,920
Exemptions	<u>(13,095,790)</u>	<u>(23,582,053)</u>	<u>(19,373,982)</u>	<u>(5,563,092)</u>
<b>Total Property Valuations</b>	<u>\$ 212,895,835</u>	<u>\$ 200,802,811</u>	<u>\$ 181,196,209</u>	<u>\$ 157,571,400</u>
<b>Tax Rates per \$100 Valuation</b>				
Debt service tax rates	\$ -	\$ -	\$ -	\$ -
Maintenance tax rates*	<u>0.43056</u>	<u>0.45296</u>	<u>0.48360</u>	<u>0.51570</u>
<b>Total Tax Rates Per \$100 Valuation</b>	<u>\$ 0.43056</u>	<u>\$ 0.45296</u>	<u>\$ 0.48360</u>	<u>\$ 0.51570</u>
<b>Tax Levy</b>	<u>\$ 916,644</u>	<u>\$ 909,556</u>	<u>\$ 876,265</u>	<u>\$ 812,596</u>
<b>Percent of Taxes Collected to Taxes Levied**</b>	<u>98%</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				
	2025	2024	2023	2022	2021
<b>General Fund</b>					
<b>Revenues</b>					
Property taxes	\$ 917,378	\$ 895,114	\$ 865,464	\$ 798,327	\$ 794,752
City of Houston sales tax	12,836	5,715	6,705	4,293	5,598
Water service	452,508	371,451	339,809	224,743	217,197
Sewer service	257,702	264,179	243,554	199,765	202,138
Surface water conversion	242,617	231,734	245,834	213,633	201,378
Penalty and interest	41,501	28,610	29,819	34,174	19,033
Investment income	134,337	136,350	89,093	12,466	1,302
Other income	15,071	36,176	25,665	2,382	6,801
<b>Total Revenues</b>	<u>2,073,950</u>	<u>1,969,329</u>	<u>1,845,943</u>	<u>1,489,783</u>	<u>1,448,199</u>
<b>Expenditures</b>					
Service operations					
Purchased services	209,308	157,298	165,787	230,633	244,786
Regional water fee	250,373	266,026	299,849	265,217	133,401
Professional fees	162,587	152,801	156,401	170,187	184,409
Contracted services	128,777	133,886	113,559	87,879	92,555
Utilities	76,745	69,304	53,071	43,558	27,928
Repairs and maintenance	577,869	437,247	559,920	536,658	447,181
Parks and recreation	-	-	-	4,200	-
Other expenditures	91,989	86,253	69,608	70,769	80,024
Capital outlay	172,434	68,451	46,020	12,324	189,128
<b>Total Expenditures</b>	<u>1,670,082</u>	<u>1,371,266</u>	<u>1,464,215</u>	<u>1,421,425</u>	<u>1,399,412</u>
<b>Excess of Revenues Over Expenditures</b>	403,868	598,063	381,728	68,358	48,787
<b>Other Financing Sources</b>					
Interfund transfers in	-	-	33,804	-	18,700
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	403,868	598,063	415,532	68,358	67,487
<b>Fund Balance, Beginning of Year</b>	<u>2,883,165</u>	<u>2,285,102</u>	<u>1,869,570</u>	<u>1,801,212</u>	<u>1,733,725</u>
<b>Fund Balance, End of Year</b>	<u>\$ 3,287,033</u>	<u>\$ 2,883,165</u>	<u>\$ 2,285,102</u>	<u>\$ 1,869,570</u>	<u>\$ 1,801,212</u>
<b>Total Active Retail Water Connections</b>	<u>846</u>	<u>848</u>	<u>847</u>	<u>842</u>	<u>844</u>
<b>Total Active Retail Wastewater Connections</b>	<u>841</u>	<u>843</u>	<u>842</u>	<u>837</u>	<u>840</u>



Percent of Fund Total Revenues

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
44.2 %	45.4 %	46.9 %	53.6 %	54.9 %
0.6	0.3	0.4	0.3	0.4
21.8	18.9	18.4	15.1	15.0
12.4	13.4	13.2	13.4	14.0
11.7	11.8	13.3	14.3	13.9
2.0	1.5	1.6	2.3	1.3
6.5	6.9	4.8	0.8	0.1
0.8	1.8	1.4	0.2	0.4
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
10.1	8.0	8.9	15.5	16.9
12.1	13.5	16.2	17.8	9.2
7.8	7.7	8.5	11.4	12.7
6.2	6.8	6.2	5.9	6.4
3.7	3.5	2.9	2.9	1.9
27.9	22.2	30.3	36.0	30.9
-	-	-	0.3	-
4.4	4.4	3.8	4.8	5.5
8.3	3.5	2.5	0.8	13.1
<u>80.5</u>	<u>69.6</u>	<u>79.3</u>	<u>95.4</u>	<u>96.6</u>
<u>19.5 %</u>	<u>30.4 %</u>	<u>20.7 %</u>	<u>4.6 %</u>	<u>3.4 %</u>

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

	Amounts				
	2025	2024	2023	2022	2021
<b>Debt Service Fund</b>					
<b>Revenues</b>					
Investment income	\$ 33	\$ 40	\$ 32	\$ 5	\$ -
<b>Expenditures</b>					
Debt service					
Interest and fees	-	-	-	-	485
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	33	40	32	5	(485)
<b>Other Financing Uses</b>					
Interfund transfers out	-	-	-	-	(18,700)
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	33	40	32	5	(19,185)
<b>Fund Balance, Beginning of Year</b>	756	716	684	679	19,864
<b>Fund Balance, End of Year</b>	\$ 789	\$ 756	\$ 716	\$ 684	\$ 679

---

**Percent of Fund Total Revenues**

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>- %</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.0</u>
<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>- %</u>

**Harris County Municipal Utility District No. 147  
Board Members, Key Personnel, and Consultants  
Year Ended September 30, 2025**

Complete District mailing address:	Harris County Municipal Utility District No. 147 c/o Allen Boone Humphries Robinson LLP 3200 Southwest Freeway, Suite 2600 Houston, TX 77027
District business telephone number:	713.860.6400
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	May 8, 2024
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

<u>Board Members</u>	<u>Term of Office Elected &amp; Expires</u>	<u>Fees*</u>	<u>Expense Reimbursements</u>	<u>Title at Year-End</u>
David E. Bugyi	Elected 05/22– 05/26	\$ 7,200	\$ 1,446	President
Kay L. Pugh	Elected 05/24– 05/28	5,083	120	Vice President
Michelle M. Miller	Elected 05/22– 05/26	6,851	3,022	Secretary
Lynea Gallagher	Appointed 05/22– 05/26	3,315	70	Assistant Secretary
Kirt Rimpela	Elected 05/24– 05/28	7,200	1,604	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  
Year Ended September 30, 2025**

**(Continued)**

<b>Consultants</b>	<b>Date Hired</b>	<b>Fees and Expense Reimbursements</b>	<b>Title</b>
Allen Boone Humphries Robinson LLP	07/28/03	\$ 86,493	Attorney
Bob Leared Interests	06/23/77	24,283	Tax Assessor/ Collector
District Data Services, Inc.	05/13/81	19,122	Bookkeeper
Forvis Mazars, LLP	09/18/85	21,300	Auditor
Harris Central Appraisal District	Legislative Action	6,562	Appraiser
Inframark, LLC	02/12/97	711,742	Operator
Masterson Advisors LLC	05/09/18	-	Financial Advisor
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/23/91	9,103	Delinquent Tax Attorney
Vogler & Spencer Engineering, Inc.	06/23/77	73,059	Engineer
<b>Investment Officer</b>			
Stephanie Viator	01/11/21	N/A	Bookkeeper