

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

MAY 31, 2022

DRAFT SUBJECT TO CHANGE

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harris County Municipal
Utility District No. 151
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. 151 (the "District") as of and for the year May 31, 2022, 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 the District as of May 31, 2022, and the respective changes in financial position 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 the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors
Harris County Municipal
Utility District No. 151

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 supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is 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 supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

September 13, 2022

DRAFT SUBJECT TO CHANGE

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2022**

Management's discussion and analysis of the financial performance of Harris County Municipal Utility District No. 151 (the "District") provides an overview of the District's financial activities for the year ended May 31, 2022. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. This report also includes required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide portion of these statements provides both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes all of the District's assets, liabilities and, if applicable, deferred inflows and outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District's net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has two governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2022**

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") and other supplementary information. The budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by \$18,089,522 as of May 31, 2022. A portion of the District's net position reflects its net investment in capital assets (land as well as the water, wastewater, and drainage facilities and the District's capacity interest in the Atascocita Central Plant facilities, less any debt used to acquire those assets that is still outstanding). The following is a comparative analysis of government-wide changes in the Statement of Net Position:

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2022	2021	Change Positive (Negative)
Current and Other Assets	\$ 7,260,952	\$ 7,227,878	\$ 33,074
Capital Assets (Net of Accumulated Depreciation)	<u>11,766,123</u>	<u>12,176,702</u>	<u>(410,579)</u>
Total Assets	\$ <u>19,027,075</u>	\$ <u>19,404,580</u>	\$ <u>(377,505)</u>
Deferred Outflows of Resources	\$ - 0 -	\$ 20,487	\$ (20,487)
Bonds Payable	\$ 505,000	\$ 1,671,476	\$ 1,166,476
Other Liabilities	<u>432,553</u>	<u>358,151</u>	<u>(74,402)</u>
Total Liabilities	\$ <u>937,553</u>	\$ <u>2,029,627</u>	\$ <u>1,092,074</u>
Net Position:			
Net Investment in Capital Assets	\$ 11,261,123	\$ 10,525,713	\$ 735,410
Restricted	494,109	1,424,205	(930,096)
Unrestricted	<u>6,334,290</u>	<u>5,445,522</u>	<u>888,768</u>
Total Net Position	\$ <u>18,089,522</u>	\$ <u>17,395,440</u>	\$ <u>694,082</u>

The following table provides a summary of the District's operations for the years ending May 31, 2022, and May 31, 2021.

	Summary of Changes in the Statement of Activities		
	2022	2021	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 1,843,659	\$ 1,826,130	\$ 17,529
Charges for Services	1,640,722	1,677,380	(36,658)
Other Revenues	<u>34,012</u>	<u>45,656</u>	<u>(11,644)</u>
Total Revenues	\$ 3,518,393	\$ 3,549,166	\$ (30,773)
Expenses for Services	<u>2,824,311</u>	<u>2,721,506</u>	<u>(102,805)</u>
Change in Net Position	\$ 694,082	\$ 827,660	\$ (133,578)
Net Position, Beginning of Year	<u>17,395,440</u>	<u>16,567,780</u>	<u>827,660</u>
Net Position, End of Year	\$ <u>18,089,522</u>	\$ <u>17,395,440</u>	\$ <u>694,082</u>

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT’S GOVERNMENTAL FUNDS

The District’s combined fund balances as of May 31, 2022, were \$6,757,583, a decrease of \$48,547 from the prior year.

The General Fund fund balance increased by \$882,961, primarily due to service and tax revenues exceeding operating and administrative costs.

The Debt Service Fund fund balance decreased by \$931,508, primarily due to the structure of the District’s outstanding debt service requirements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated budget for the current fiscal year. Actual revenues were more than budgeted revenues by \$620,495 and actual expenditures were \$1,001,335 less than budgeted expenditures which resulted in a positive variance of \$1,621,830. See the budget to actual comparison for more information.

LONG-TERM DEBT ACTIVITY

As of May 31, 2022, the District had total bond debt payable of \$505,000. The changes in the debt position of the District during the year ended May 31, 2022, are summarized as follows:

Bond Debt Payable, June 1, 2021	\$ 1,640,000
Less: Bond Principal Paid	<u>1,135,000</u>
Bond Debt Payable, May 31, 2022	<u>\$ 505,000</u>

The District carries an underlying rating of “A+” by Standard and Poor’s. The Series 2014 Refunding Bonds carry an insured rating of “AA” by virtue of bond insurance issued by Build America Mutual Assurance Company. The bond ratings above reflect rating changes, if any, during the year ended May 31, 2022.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2022**

CAPITAL ASSETS

Capital assets as of May 31, 2022, total \$11,766,123 (net of accumulated depreciation) and include land as well as the water, wastewater and drainage facilities and the District's capacity interest in the Atascocita Central Plant facilities. Current year additions to capital assets included the construction and engineering costs for the Ground Storage Tank No. 3 replacement project.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2022	2021	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 45,817	\$ 45,817	\$
Construction in Progress	275,379	78,669	196,710
Capital Assets, Net of Accumulated Depreciation:			
Water System	2,740,038	2,921,233	(181,195)
Wastewater System	3,620,562	3,749,480	(128,918)
Drainage System	4,309,352	4,545,293	(235,941)
Capacity Interest in AJOB Facilities	774,975	836,210	(61,235)
Total Net Capital Assets	\$ 11,766,123	\$ 12,176,702	\$ (410,579)

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Harris County Municipal Utility District No. 151, c/o Norton Rose Fulbright US L.L.P., 1301 McKinney Avenue, Suite 5100, Houston, TX 77010-3095.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
MAY 31, 2022

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 1,497,594	\$ 224,717
Investments	4,710,920	330,562
Receivables:		
Property Taxes	24,719	32,435
Penalty and Interest on Delinquent Taxes		
Service Accounts	155,127	
Other	23,205	
Due from Other Governmental Units	86,481	
Due from Other Funds	100,757	
Joint Facilities Operating Advance	157,742	
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	\$ 6,756,545	\$ 587,714

The accompanying notes to the financial
statements are an integral part of this report.

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 1,722,311	\$	\$ 1,722,311
5,041,482		5,041,482
57,154		57,154
	17,450	17,450
155,127		155,127
23,205		23,205
86,481		86,481
100,757	(100,757)	
157,742		157,742
	45,817	45,817
	275,379	275,379
	11,444,927	11,444,927
\$ 7,344,259	\$ 11,682,816	\$ 19,027,075

The accompanying notes to the financial statements are an integral part of this report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
MAY 31, 2022

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	\$ 206,568	\$ 6,510
Accrued Interest Payable		
Due to Other Funds		100,757
Security Deposits	215,687	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
TOTAL LIABILITIES	\$ 422,255	\$ 107,267
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 24,719	\$ 32,435
FUND BALANCES		
Nonspendable: Operating Advance	\$ 157,742	\$
Restricted for Debt Service		448,012
Committed for Construction	999,250	
Unassigned	5,152,579	
TOTAL FUND BALANCES	\$ 6,309,571	\$ 448,012
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,756,545	\$ 587,714
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

The accompanying notes to the financial statements are an integral part of this report.

Total	Adjustments	Statement of Net Position
\$ 213,078	\$	\$ 213,078
	3,788	3,788
100,757	(100,757)	
215,687		215,687
	505,000	505,000
<u>\$ 529,522</u>	<u>\$ 408,031</u>	<u>\$ 937,553</u>
<u>\$ 57,154</u>	<u>\$ (57,154)</u>	<u>\$ - 0 -</u>
\$ 157,742	\$ (157,742)	\$
448,012	(448,012)	
999,250	(999,250)	
5,152,579	(5,152,579)	
<u>\$ 6,757,583</u>	<u>\$ (6,757,583)</u>	<u>\$ - 0 -</u>
<u>\$ 7,344,259</u>		
	\$ 11,261,123	\$ 11,261,123
	494,109	494,109
	6,334,290	6,334,290
	<u>\$ 18,089,522</u>	<u>\$ 18,089,522</u>

The accompanying notes to the financial statements are an integral part of this report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
MAY 31, 2022**

Total Fund Balances - Governmental Funds		\$ 6,757,583
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		11,766,123
Deferred inflows of resources from property tax revenues and penalty and interest receivable on delinquent taxes for the 2021 and prior tax levies became part of recognized revenue in the governmental activities of the District.		74,604
<p>Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:</p>		
Accrued Interest Payable	\$ (3,788)	
Bonds Payable	<u>(505,000)</u>	<u>(508,788)</u>
Total Net Position - Governmental Activities		<u>\$ 18,089,522</u>

The accompanying notes to the financial statements are an integral part of this report.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MAY 31, 2022

	<u>General Fund</u>	<u>Debt Service Fund</u>
REVENUES		
Property Taxes	\$ 1,551,198	\$ 295,487
Water Service	391,693	
Wastewater Service	431,504	
Water Authority Fees	802,079	
Penalty and Interest	5,689	8,149
Investment and Miscellaneous Revenues	<u>32,222</u>	<u>1,790</u>
TOTAL REVENUES	<u>\$ 3,214,385</u>	<u>\$ 305,426</u>
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 97,924	\$ 1,230
Contracted Services	131,808	50,585
Purchased Water Service	53,392	
Purchased Wastewater Service	273,279	
Utilities	74,024	
Water Authority Assessments	850,277	
Repairs and Maintenance	413,940	
Depreciation		
Other	136,438	15,047
Capital Outlay	300,342	
Debt Service:		
Bond Principal		1,135,000
Bond Interest		<u>35,072</u>
TOTAL EXPENDITURES/EXPENSES	<u>\$ 2,331,424</u>	<u>\$ 1,236,934</u>
NET CHANGE IN FUND BALANCES	\$ 882,961	\$ (931,508)
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JUNE 1, 2021	<u>5,426,610</u>	<u>1,379,520</u>
FUND BALANCES/NET POSITION - MAY 31, 2022	<u>\$ 6,309,571</u>	<u>\$ 448,012</u>

The accompanying notes to the financial statements are an integral part of this report.

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
\$ 1,846,685	\$ (3,026)	\$ 1,843,659
391,693		391,693
431,504		431,504
802,079		802,079
13,838	1,608	15,446
34,012		34,012
<u>\$ 3,519,811</u>	<u>\$ (1,418)</u>	<u>\$ 3,518,393</u>
\$ 99,154	\$ 66,280	\$ 165,434
182,393		182,393
53,392		53,392
273,279		273,279
74,024		74,024
850,277		850,277
413,940		413,940
	644,641	644,641
151,485		151,485
300,342	(300,342)	
1,135,000	(1,135,000)	
35,072	(19,626)	15,446
<u>\$ 3,568,358</u>	<u>\$ (744,047)</u>	<u>\$ 2,824,311</u>
\$ (48,547)	\$ 48,547	\$
	694,082	694,082
<u>6,806,130</u>	<u>10,589,310</u>	<u>17,395,440</u>
<u>\$ 6,757,583</u>	<u>\$ 11,331,939</u>	<u>\$ 18,089,522</u>

The accompanying notes to the financial statements are an integral part of this report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2022

Net Change in Fund Balances - Governmental Funds \$ (48,547)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied. (3,026)

Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed. 1,608

Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities. (644,641)

Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected. 300,342

Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities. 1,135,000

Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end. 19,626

Change in Net Position - Governmental Activities \$ 760,362

The accompanying notes to the financial statements are an integral part of this report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2022

NOTE 1. CREATION OF DISTRICT

Harris County Municipal Utility District No. 151 of Harris County, Texas (the “District”) was created effective March 14, 1977, by an Order of the Texas Water Rights Commission, presently known as the Texas Commission on Environmental Quality (the “Commission”). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, wastewater service, storm sewer drainage, irrigation, solid waste collection and disposal. The District is also empowered to but does not plan to contract for or employ its own peace officers with powers to make arrests and to establish, operate and maintain a fire department to perform all fire-fighting activities within the District including recycling, and to construct parks and recreational facilities for the residents of the District. The Board of Directors held its first meeting on March 29, 1977, and the first bonds were issued on August 28, 1978.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local 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 statement as component units.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2022

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of net assets imposed by creditors (such as through debt covenants, grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation).
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2022

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

The District has two governmental funds and considers each to be a major fund.

General Fund - To account for resources not required to be accounted for in another fund, customer service revenues, operating costs and general expenditures.

Debt Service Fund - To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of May 31, 2022, the Debt Service Fund owed the General Fund \$100,757 for maintenance tax collections.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2022

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset. Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Water System	10-45
Wastewater System	10-45
Drainage System	10-45

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District’s Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original budget amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Directors are considered wages subject to federal income tax withholding for payroll tax purposes only.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2022

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Fund balances in governmental funds are classified using the following hierarchy:

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.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District has committed \$999,250 of the General Fund fund balance for construction costs for the Ground Storage Tank No. 3 replacement.

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 has not adopted a formal policy regarding the assignment of fund balances. The District has no assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2022

NOTE 3. LONG-TERM DEBT

	Refunding Series 2014
Amount Outstanding – May 31, 2022	\$ 505,000
Interest Rates	3.00%
Maturity Dates – Serially Beginning/Ending	September 1, 2022
Interest Payment Dates	September 1/ March 1
Callable Dates	Non-callable

The following is a summary of transactions regarding bonds payable for the year ended May 31, 2022:

	June 1, 2021	Additions	Retirements	May 31, 2022
Bonds Payable	\$ 1,640,000	\$	\$ 1,135,000	\$ 505,000
Unamortized Discounts	(1,555)		(1,555)	
Unamortized Premiums	33,031		33,031	
Bonds Payable, Net	\$ 1,671,476	\$ -0-	\$ 1,166,476	\$ 505,000
			Amount Due Within One Year	\$ 505,000
			Amount Due After One Year	
			Bonds Payable, Net	\$ 505,000

As of May 31, 2022, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 505,000	\$ 7,575	\$ 512,575

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2022

NOTE 3. LONG-TERM DEBT (Continued)

The bonds are payable from proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount. As of May 31, 2022, the District had authorized but unissued bonds in the amount of \$8,055,000 for utility facilities and \$14,110,000 for refunding purposes.

During the year ended May 31, 2022, the District levied an ad valorem debt service tax rate of \$0.05 per \$100 of assessed valuation, which resulted in a tax levy of \$289,088 on the adjusted taxable valuation of \$578,180,350 for the 2021 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

All property values and exempt status, if any, are determined by the 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.

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the Bonds, within the meaning of Section 148(f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on the five-year anniversary of each use.

The bond orders state that the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data with respect to the District to certain information repositories. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2022

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$2,778,383 and the bank balance was \$2,896,656. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at May 31, 2022, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 1,497,594	\$ 1,056,072	\$ 2,553,666
DEBT SERVICE FUND	224,717		224,717
TOTAL DEPOSITS	\$ 1,722,311	\$ 1,056,072	\$ 2,778,383

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest District funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District's investment policy may be more restrictive than the Public Funds Investment Act.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2022

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District invests in TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Investors, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool. The District records its investments in certificates of deposit at acquisition cost. As of May 31, 2022, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
TexPool	\$ 3,654,848	\$ 3,654,848
Certificates of Deposit	1,056,072	1,056,072
<u>DEBT SERVICE FUND</u>		
TexPool	330,562	330,562
TOTAL INVESTMENTS	<u><u>\$ 5,041,482</u></u>	<u><u>\$ 5,041,482</u></u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At May 31, 2022, the District's investment in TexPool was rated AAAM by Standard and Poor's. The District also addresses credit risk by investing in certificates of deposit with balances covered by FDIC insurance and letters of credit.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in TexPool to have a maturity of less than one year since the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value. The District also addresses interest rate risk by investing in certificates of deposit with maturities of less than one year.

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2022

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended May 31, 2022, is as follows:

	June 1, 2021	Increases	Decreases	May 31, 2022
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 45,817	\$	\$	\$ 45,817
Construction in Progress	<u>78,669</u>	<u>234,062</u>	<u>37,352</u>	<u>275,379</u>
Total Capital Assets Not Being Depreciated	<u>\$ 124,486</u>	<u>\$ 234,062</u>	<u>\$ 37,352</u>	<u>\$ 321,196</u>
Capital Assets Subject to Depreciation				
Water System	\$ 7,401,357	\$	\$	\$ 7,401,357
Wastewater System	7,464,482	37,352		7,501,834
Drainage System	10,617,356			10,617,356
Capacity Interest AJOB Facilities	<u>2,931,559</u>			<u>2,931,559</u>
Total Capital Assets Subject to Depreciation	<u>\$ 28,414,754</u>	<u>\$ 37,352</u>	<u>\$ - 0 -</u>	<u>\$ 28,452,106</u>
Accumulated Depreciation				
Water System	\$ 4,480,124	\$ 181,195	\$	\$ 4,661,319
Wastewater System	3,715,002	166,270		3,881,272
Drainage System	6,072,063	235,941		6,308,004
Capacity Interest AJOB Facilities	<u>2,095,349</u>	<u>61,235</u>		<u>2,156,584</u>
Total Accumulated Depreciation	<u>\$ 16,362,538</u>	<u>\$ 644,641</u>	<u>\$ - 0 -</u>	<u>\$ 17,007,179</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 12,052,216</u>	<u>\$ (607,289)</u>	<u>\$ - 0 -</u>	<u>\$ 11,444,927</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 12,176,702</u>	<u>\$ (373,227)</u>	<u>\$ 37,352</u>	<u>\$ 11,766,123</u>

NOTE 7. MAINTENANCE TAX

On November 8, 1977, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$1.00 per \$100 of assessed valuation of taxable property within the District. During the year ended May 31, 2022, the District levied an ad valorem maintenance tax rate of \$0.27 per \$100 of assessed valuation, which resulted in a tax levy of \$1,561,079 on the adjusted taxable valuation of \$578,180,350 for the 2021 tax year. The maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater system.

NOTE 8. EMERGENCY WATER SUPPLY AGREEMENT

On November 19, 1984, the District entered into an agreement with Harris County Municipal Utility District No. 132 (District No. 132) whereby each district will provide the other district with delivery of water during emergency conditions. The term of the original contract was ten years. On June 9, 1994, the contract was extended for one year and will automatically extend for successive one-year periods. The agreement can be terminated upon 60 days written notice. The contract enables the district providing emergency water service for more than five days to either bill the receiving district at the out-of-district water service rate or to receive repayment in kind.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2022

NOTE 9. WATER AND WASTEWATER SERVICE AGREEMENT

On July 1, 1996, the District and Harris County Municipal Utility District No. 109 (District No. 109) entered into an agreement which outlines the terms in which each district will provide water and wastewater collection services for certain areas of the other district. A supplement to this agreement was signed on April 18, 2000. The agreement has a term of 40 years.

This agreement calls for water to be provided by District No. 109 to several specific tracts of land within the District. The agreement states that the meters in this area will be read by the District's operator on a monthly basis and the total gallons of water registered on all such meters will be provided to District No. 109's operator. The agreement states District No. 109 will charge the District for all water at its rate per 1,000 gallons for the first 1,000 gallons of usage in excess of the minimum bill for residential customers of District No. 109, as such rate is set forth in District No. 109's current rate order plus regional water authority fees. The District is treated as a single customer for purposes of calculating the amount due to District No. 109.

The agreement also makes provisions for wastewater collection and emergency water services to the other district. Wastewater collection services are provided by each district to the other district at no charge. Emergency water service is to be paid in kind for water supplied for less than five days. The district supplying water may bill the district receiving the emergency water service for such period in excess of the first five days, at a rate equal to the out-of-district water service rate for the district providing the emergency water service.

NOTE 10. JOINT SEWAGE TREATMENT OPERATIONS

Harris County Municipal Utility District Nos. 46, 106, 109, 132, 151, 152 and 153 previously entered into a Waste Disposal Contract to operate and maintain a regional sewage treatment plant to serve surrounding areas. The agreement calls for each district to pay its pro rata share of operating costs of the plant based upon a budget of the estimated costs. The participants in the plant amended the agreement to provide for the establishment of a Joint Operations Board. The Joint Operations Board is responsible for adoption of a budget for both Exhibit B and C costs for the fiscal year June 1 through May 31 and determines the rates to be charged based upon the expected operating budgets.

On December 1, 2012, the participants in the treatment plant executed a Fourth Amended and Restated Waste Disposal Contract whereby certain participants agreed to sell and assign capacity to Harris County Municipal Utility District No. 494 (District No. 494). The term of the agreement ends August 1, 2048. On December 1, 2012, the participants also executed an amended sanitary sewer line contract which provides for the participants to sell capacity in the line to District No. 494. As of May 31, 2022, the District's advance for operation and maintenance of the regional sewage treatment plant was \$157,742 and the District recorded a total of \$273,279 for its share of plant operating costs.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2022

NOTE 10. JOINT SEWAGE TREATMENT OPERATIONS (Continued)

The following summary financial data on the regional sewage treatment plant is presented for the fiscal year ended May 31, 2022. A copy of the financial statements for the plant can be obtained by contacting Norton Rose Fulbright US L.L.P. at 1301 McKinney, Suite 5100, Houston, Texas 77010-3095.

	Joint Venture
Total Assets	\$ 1,806,396
Total Liabilities	452,396
Total Fund Balance	\$ 1,354,000
Total Revenues	\$ 2,387,158
Total Expenditures	2,387,158
Excess Revenues (Expenditures)	\$ -0-
Other Financing Sources (Uses)	
Reserve Adjustment	35,050
Net Increase (Decrease) in Fund Balance	\$ 35,050
Fund Balance, Beginning of Year	1,318,950
Fund Balance, End of Year	\$ 1,354,000

NOTE 11. WASTEWATER PUMP STATION AND FORCE MAIN AGREEMENT

On April 18, 1983, the District executed an Agreement for Construction, Maintenance, Sale and Lease of Wastewater Pump Station, Force Main and Site with District No. 132 and District No. 153. The agreement provides for the acquisition and construction of a wastewater pump station and force main to provide for transportation of waste from the land within each districts' boundaries to the Atascocita Central Plant. The agreement further provides that District No. 132 will operate and maintain the facilities, and each district will pay its pro rata share of the operating and maintenance costs. The agreement was amended on August 21, 2014, to establish a definitive basis for sharing the construction costs of improvements to the facilities. The term of the agreement is 40 years.

NOTE 12. CONTRACT FOR WASTE TRANSPORTATION

On February 1, 1998, the District executed a Contract for Waste Transportation with District No. 132. In accordance with the agreement, the District constructed lift station no. 3, three 15-inch wastewater collection lines and one 10-inch force main. On November 1, 1998, the District executed an amendment to the contract to include a fourth 15-inch wastewater collection line. Both districts shared all costs of the construction, maintenance and operation on a pro rata basis. The District operates, maintains and repairs the lines and force main. The District's current

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2022

NOTE 12. CONTRACT FOR WASTE TRANSPORTATION (Continued)

capacity is 28.4% and District No. 132's capacity is 71.6%. The term of the agreement is 40 years and will automatically renew for additional one-year terms unless either party gives written notice of termination not less than 90 days prior to such termination.

On July 1, 2000, the District executed a Contract for Parkside at Kingwood Glen Waste Transportation with District No. 132. In accordance with the agreement, the District constructed lift station no. 4, one 10-inch wastewater collection line and one 6-inch force main. On September 21, 2006, the District executed an amendment to the contract which increased District No. 132's capacity in the lift station and sanitary sewer lines. Both districts shared all costs of the construction, maintenance and operation on a pro rata basis. The District operates, maintains and repairs the lines and force main. The District's current capacity is 24.42% and District No. 132's capacity is 75.58%. The term of the agreement is 40 years and will automatically renew for additional one-year terms unless either party gives written notice of termination not less than 90 days prior to such termination.

NOTE 13. GROUNDWATER REDUCTION PLAN PARTICIPATION AGREEMENT

The West Harris County Regional Water Authority (the "Authority") was created under Article 16, Section 59 of the Texas Constitution by House Bill 1842 (the "Act"), as passed by the 77th Texas Legislature, in 2001. The Act empowers the Authority for purposes including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, and the control of subsidence caused by withdrawal of water from those groundwater reservoirs or their subdivisions. The term of this agreement is for 40 years. The District pays the Authority a water well pumpage fee of \$3.70 per 1,000 gallons of water pumped from each well. During the current fiscal year, the District paid pumpage fees of \$850,277.

NOTE 14 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. The District carries commercial insurance for its fidelity bonds and participates in the Texas Municipal League Intergovernmental Risk Pool (TML) to provide property, general liability, automobile, boiler and machinery, errors and omissions and workers compensation coverage. The District, along with other participating entities, contributes annual amounts determined by TML's management. As claims arise they are submitted and paid by TML. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151

REQUIRED SUPPLEMENTARY INFORMATION

MAY 31, 2022

DRAFT SUBJECT TO CHANGE

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED MAY 31, 2022**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 793,350	\$ 1,551,198	\$ 757,848
Water Service	406,800	391,693	(15,107)
Wastewater Service	421,200	431,504	10,304
Water Authority Fees	872,400	802,079	(70,321)
Penalty and Interest	16,200	5,689	(10,511)
Investment and Miscellaneous Revenues	83,940	32,222	(51,718)
TOTAL REVENUES	<u>\$ 2,593,890</u>	<u>\$ 3,214,385</u>	<u>\$ 620,495</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 75,640	\$ 97,924	\$ (22,284)
Contracted Services	129,510	131,808	(2,298)
Purchased Services	348,900	326,671	22,229
Utilities	76,800	74,024	2,776
Water Authority Assessments	847,200	850,277	(3,077)
Repairs and Maintenance	379,100	413,940	(34,840)
Other	175,609	136,438	39,171
Capital Outlay	1,300,000	300,342	999,658
TOTAL EXPENDITURES	<u>\$ 3,332,759</u>	<u>\$ 2,331,424</u>	<u>\$ 1,001,335</u>
NET CHANGE IN FUND BALANCE	\$ (738,869)	\$ 882,961	\$ 1,621,830
FUND BALANCE - JUNE 1, 2021	<u>5,426,610</u>	<u>5,426,610</u>	<u> </u>
FUND BALANCE - MAY 31, 2022	<u>\$ 4,687,741</u>	<u>\$ 6,309,571</u>	<u>\$ 1,621,830</u>

See accompanying independent auditor's report.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

MAY 31, 2022

DRAFT SUBJECT TO CHANGE

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2022**

1. SERVICES PROVIDED BY THE DISTRICT DURING THE CURRENT YEAR:

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

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 5/8" METER (OR EQUIVALENT):

Based on the rate order approved May 10, 2022

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
WATER:	\$ 11.00	10,000	N	\$ 1.25	10,001 to 20,000
				\$ 1.50	20,001 to 30,000
				\$ 1.75	30,001 to 40,000
				\$ 2.00	40,001 and up

WASTEWATER: \$ 16.00 Y

SURCHARGE:

Water Authority Fees \$3.70 per 1,000 gallons of water

District employs winter averaging for wastewater usage?

 Yes X No

Total monthly charges per 10,000 gallons usage: Water: \$11.00 Wastewater: \$16.00 Surcharge: \$37.00

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2022

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤ ³ / ₄ "	2,186	2,172	x 1.0	2,172
1"	15	14	x 2.5	35
1½"	18	16	x 5.0	80
2"	22	21	x 8.0	168
3"	1	1	x 15.0	15
4"	1	1	x 25.0	25
6"	1	1	x 50.0	50
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u>2,244</u>	<u>2,226</u>		<u>2,545</u>
Total Wastewater Connections	<u>2,206</u>	<u>2,191</u>	x 1.0	<u>2,191</u>

3. TOTAL WATER CONSUMPTION DURING THE CURRENT YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)

Gallons pumped into system:	226,942,000	Water Accountability Ratio 96% (Gallons billed/Gallons pumped and purchased)
Gallons billed to customers:	228,220,000	
Gallons purchased:	9,805,000	From: <u>Harris County Municipal Utility</u> <u>District No. 109</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2022

4. STANDBY FEES (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes No

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No

County in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely Partly Not at all

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

Entirely Partly Not at all

ETJ in which District is located:

City of Houston, Texas.

Are Board Members appointed by an office outside the District?

Yes No

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED MAY 31, 2022

PROFESSIONAL FEES:	
Audit and Agreed-Upon Procedures	\$ 17,500
Engineering	27,028
Legal	<u>53,396</u>
TOTAL PROFESSIONAL FEES	<u>\$ 97,924</u>
PURCHASED SERVICES FOR RESALE:	
Purchased Water Service	\$ 53,392
Purchased Wastewater Service	<u>273,279</u>
PURCHASED SERVICES FOR RESALE	<u>\$ 326,671</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 27,913
Operations and Billing	<u>103,895</u>
TOTAL CONTRACTED SERVICES	<u>\$ 131,808</u>
UTILITIES	<u>\$ 74,024</u>
REPAIRS AND MAINTENANCE	<u>\$ 413,940</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes and Administration	\$ 13,553
Insurance	20,435
Office Supplies and Postage	39,805
Other	<u>5,354</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 79,147</u>
CAPITAL OUTLAY	<u>\$ 300,342</u>
OTHER EXPENDITURES:	
Chemicals	\$ 18,761
Laboratory Fees	4,654
Permit Fees	5,843
Inspection and Reconnection Fees	24,015
Water Authority Assessments	850,277
Regulatory Assessment	<u>4,018</u>
TOTAL OTHER EXPENDITURES	<u>\$ 907,568</u>
TOTAL EXPENDITURES	<u>\$ 2,331,424</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
INVESTMENTS
MAY 31, 2022

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<u>GENERAL FUND</u>					
TexPool	XXXX0001	Varies	Daily	\$ 2,521,616	\$
TexPool	XXXX0002	Varies	Daily	1,133,232	
Certificate of Deposit	XXXX0604	0.12%	09/05/22	526,416	144
Certificate of Deposit	XXXX0809	0.25%	09/17/22	529,656	257
TOTAL GENERAL FUND				<u>\$ 4,710,920</u>	<u>\$ 401</u>
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0001	Varies	Daily	\$ 330,562	\$ -0-
TOTAL - ALL FUNDS				<u>\$ 5,041,482</u>	<u>\$ 401</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MAY 31, 2022

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
JUNE 1, 2021	\$	17,589	\$	42,591
Adjustments to Beginning				
Balance		<u>(2,751)</u>	\$	<u>(3,757)</u>
		\$	14,838	\$
				38,834
Original 2021 Tax Levy	\$	1,389,887	\$	257,386
Adjustment to 2021 Tax Levy		<u>171,192</u>	<u>1,561,079</u>	<u>31,702</u>
				<u>289,088</u>
TOTAL TO BE				
ACCOUNTED FOR		\$	1,575,917	\$
				327,922
TAX COLLECTIONS:				
Prior Years	\$	7,367	\$	9,593
Current Year		<u>1,543,831</u>	<u>1,551,198</u>	<u>285,894</u>
				<u>295,487</u>
TAXES RECEIVABLE -				
MAY 31, 2022		<u>\$</u>	<u>24,719</u>	<u>\$</u>
				<u>32,435</u>
TAXES RECEIVABLE BY				
YEAR:				
2021	\$	17,248	\$	3,194
2020		2,283		2,891
2019		1,206		3,350
2018		836		3,227
2017		700		3,385
2016		535		3,317
2015		561		3,816
2014		515		3,808
2013		362		2,350
2012		211		1,371
2011		131		852
2010		<u>131</u>		<u>874</u>
TOTAL	\$	<u>24,719</u>	\$	<u>32,435</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MAY 31, 2022

	2021	2020	2019	2018
PROPERTY VALUATIONS:				
Land	\$ 97,765,401	\$ 92,973,202	\$ 89,368,343	\$ 85,037,439
Improvements	526,353,840	491,638,198	475,038,862	456,286,700
Personal Property	10,232,132	8,211,115	7,553,951	6,832,437
Exemptions	(56,171,023)	(53,274,660)	(50,207,481)	(43,893,283)
TOTAL PROPERTY VALUATIONS	\$ 578,180,350	\$ 539,547,855	\$ 521,753,675	\$ 504,263,293
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.05	\$ 0.19	\$ 0.25	\$ 0.27
Maintenance	0.27	0.15	0.09	0.07
TOTAL TAX RATES PER \$100 VALUATION	\$ 0.32	\$ 0.34	\$ 0.34	\$ 0.34
ADJUSTED TAX LEVY*	\$ 1,850,167	\$ 1,834,452	\$ 1,773,953	\$ 1,714,485
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	98.90 %	99.72 %	99.74 %	99.76 %

* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

Maintenance Tax – Maximum tax rate of \$1.00 per \$100 of assessed valuation approved by voters on November 8, 1977.

See accompanying independent auditor's report.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2022

SERIES - 2014 REFUNDING			
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2023	\$ <u>505,000</u>	\$ <u>7,575</u>	\$ <u>512,575</u>

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED MAY 31, 2022

Description	Original Bonds Issued	Bonds Outstanding June 1, 2021
Harris County Municipal Utility District No. 151 Unlimited Tax Refunding Bonds - Series 2010	\$ 2,920,000	\$ 285,000
Harris County Municipal Utility District No. 151 Unlimited Tax Refunding Bonds - Series 2012	2,125,000	330,000
Harris County Municipal Utility District No. 151 Unlimited Tax Refunding Bonds - Series 2014	<u>5,400,000</u>	<u>1,025,000</u>
TOTAL	<u><u>\$ 10,445,000</u></u>	<u><u>\$ 1,640,000</u></u>

Bond Authority:	<u>Utility Bonds</u>	<u>Refunding Bonds</u>
Amount Authorized by Voters	\$ 34,260,000	\$ 15,260,000
Amount Issued	<u>26,205,000</u>	<u>1,150,000</u>
Remaining to be Issued	<u><u>\$ 8,055,000</u></u>	<u><u>\$ 14,110,000</u></u>

Debt Service Fund cash and investment balances as of May 31, 2022: \$ 555,279

Average annual debt service payment for remaining term of all debt: \$ 512,575

See Note 3 for interest rates, interest payment dates and maturity dates.

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				<u>Bonds Outstanding May 31, 2022</u>	<u>Paying Agent</u>
<u>Bonds Sold</u>	<u>Retirements</u>				
	<u>Principal</u>	<u>Interest</u>			
\$	\$ 285,000	\$ 5,522	\$ - 0 -	The Bank of New York Mellon Trust Company, N.A. Dallas, TX	
	330,000	6,600	- 0 -	The Bank of New York Mellon Trust Company, N.A. Dallas, TX	
	<u>520,000</u>	<u>22,950</u>	<u>505,000</u>	The Bank of New York Mellon Trust Company, N.A. Dallas, TX	
<u>\$ - 0 -</u>	<u>\$ 1,135,000</u>	<u>\$ 35,072</u>	<u>\$ 505,000</u>		

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

	Amounts		
	2022	2021	2020
REVENUES			
Property Taxes	\$ 1,551,198	\$ 801,283	\$ 466,678
Water Service	391,693	388,109	431,047
Wastewater Service	431,504	432,379	461,137
Water Authority Fees	802,079	822,897	743,167
Sale of Capacity			
Penalty and Interest	5,689	17,156	11,755
Investment and Miscellaneous Revenues	32,222	44,598	227,890
TOTAL REVENUES	\$ 3,214,385	\$ 2,506,422	\$ 2,341,674
EXPENDITURES			
Audit and Agreed Upon Procedures	\$ 17,500	\$ 15,500	\$ 15,000
Engineering Fees	27,028	23,947	20,606
Legal Fees	53,396	35,672	44,065
Purchased and Contracted Services	458,479	402,820	362,796
Utilities	74,024	79,310	64,498
Repairs and Maintenance	413,940	421,055	414,547
Water Authority Assessments	850,277	829,847	782,043
Other	136,438	144,449	195,987
Capital Outlay	300,342	93,424	26,340
TOTAL EXPENDITURES	\$ 2,331,424	\$ 2,046,024	\$ 1,925,882
NET CHANGE IN FUND BALANCE	\$ 882,961	\$ 460,398	\$ 415,792
BEGINNING FUND BALANCE	5,426,610	4,966,212	4,550,420
ENDING FUND BALANCE	\$ 6,309,571	\$ 5,426,610	\$ 4,966,212

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2019	2018	2022	2021	2020	2019	2018
\$ 349,711	\$ 302,649	48.2 %	31.9 %	20.0 %	17.3 %	15.7 %
402,237	408,851	12.2	15.5	18.4	19.7	21.3
410,553	401,869	13.4	17.3	19.7	20.1	20.9
652,306	642,387	25.0	32.8	31.7	32.0	33.5
110,379	96,210				5.4	5.0
14,165	10,718	0.2	0.7	0.5	0.7	0.6
98,350	56,971	1.0	1.8	9.7	4.8	3.0
<u>\$ 2,037,701</u>	<u>\$ 1,919,655</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 14,750	\$ 14,500	0.5 %	0.6 %	0.6 %	0.7 %	0.8 %
19,245	14,951	0.8	1.0	0.9	0.9	0.8
41,979	36,946	1.7	1.4	1.9	2.1	1.9
358,881	339,943	14.3	16.1	15.5	17.6	17.7
69,137	76,226	2.3	3.2	2.8	3.4	4.0
413,888	303,946	12.9	16.8	17.7	20.3	15.8
692,121	683,428	26.5	33.1	33.4	34.0	35.6
144,355	145,216	4.2	5.8	8.4	7.1	7.6
112,132	24,674	9.3	3.7	1.1	5.5	1.3
<u>\$ 1,866,488</u>	<u>\$ 1,639,830</u>	<u>72.5 %</u>	<u>81.7 %</u>	<u>82.3 %</u>	<u>91.6 %</u>	<u>85.5 %</u>
\$ 171,213	\$ 279,825	<u>27.5 %</u>	<u>18.3 %</u>	<u>17.7 %</u>	<u>8.4 %</u>	<u>14.5 %</u>
<u>4,379,207</u>	<u>4,099,382</u>					
<u>\$ 4,550,420</u>	<u>\$ 4,379,207</u>					

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2022	2021	2020
REVENUES			
Property Taxes	\$ 295,487	\$ 1,021,158	\$ 1,301,249
Penalty and Interest	8,149	14,467	11,364
Investment and Miscellaneous Revenues	1,790	1,058	13,050
TOTAL REVENUES	\$ 305,426	\$ 1,036,683	\$ 1,325,663
EXPENDITURES			
Tax Collection Expenditures	\$ 66,112	\$ 66,138	\$ 58,553
Debt Service Principal	1,135,000	1,155,000	1,185,000
Debt Service Interest and Fees	35,822	77,056	113,065
TOTAL EXPENDITURES	\$ 1,236,934	\$ 1,298,194	\$ 1,356,618
NET CHANGE IN FUND BALANCE	\$ (931,508)	\$ (261,511)	\$ (30,955)
BEGINNING FUND BALANCE	1,379,520	1,641,031	1,671,986
ENDING FUND BALANCE	\$ 448,012	\$ 1,379,520	\$ 1,641,031
TOTAL ACTIVE RETAIL WATER CONNECTIONS	2,226	2,229	2,223
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	2,191	2,188	2,189

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2019	2018	2022	2021	2020	2019	2018
\$ 1,351,864	\$ 1,464,497	96.7 %	98.5 %	98.1 %	98.0 %	98.6 %
9,488	8,191	2.7	1.4	0.9	0.7	0.6
18,229	12,273	0.6	0.1	1.0	1.3	0.8
<u>\$ 1,379,581</u>	<u>\$ 1,484,961</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 61,475	\$ 58,031	21.6 %	6.4 %	4.4 %	4.5 %	3.9 %
1,245,000	1,280,000	371.6	111.4	89.4	90.2	86.2
143,600	171,169	11.7	7.4	8.5	10.4	11.5
<u>\$ 1,450,075</u>	<u>\$ 1,509,200</u>	<u>404.9 %</u>	<u>125.2 %</u>	<u>102.3 %</u>	<u>105.1 %</u>	<u>101.6 %</u>
\$ (70,494)	\$ (24,239)	<u>(304.9) %</u>	<u>(25.2) %</u>	<u>(2.3) %</u>	<u>(5.1) %</u>	<u>(1.6) %</u>
1,742,480	1,766,719					
<u>\$ 1,671,986</u>	<u>\$ 1,742,480</u>					
<u>2,222</u>	<u>2,219</u>					
<u>2,185</u>	<u>2,184</u>					

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MAY 31, 2022

District Mailing Address - Harris County Municipal Utility District No. 151
c/o Norton Rose Fulbright US L.L.P.
1301 McKinney Ave., Suite 5100
Houston, TX 77010-3095

District Telephone Number - (713) 651-3646

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended <u>May 31, 2022</u>	Expense Reimbursements for the year ended <u>May 31, 2022</u>	<u>Title</u>
Kent F. Spitzmiller	05/2020 05/2024 (Elected)	\$ 2,950	\$ 41	President
Jerry Berry	05/2022 05/2026 (Elected)	\$ 2,751	\$ 41	Vice President
Steve Robb	05/2022 05/2026 (Elected)	\$ 1,401	\$ -0-	Secretary
Dan Czyz	05/2022 05/2026 (Elected)	\$ 1,500	\$ 41	Assistant Secretary
Ken Ebeling	03/2021 05/2024 (Appointed)	\$ 1,950	\$ 41	Assistant Secretary

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

Submission date of most recent District Registration Form: _____

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution on August 12, 2003. Fees of Office are the amounts actually paid to a Director during the District's current year.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MAY 31, 2022

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended May 31, 2022</u>	<u>Title</u>
Norton Rose Fulbright US L.L.P.	03/29/77	\$ 53,396	General Counsel
McCall Gibson Swedlund Barfoot PLLC	08/10/87	\$ 15,500 \$ 2,000	Auditor AUP
McLennan & Associates	04/13/04	\$ 35,620	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P	04/09/96	\$ 1,507	Delinquent Tax Attorney
IDS Engineering Group	11/13/18	\$ 84,143	Engineer
Masterson Advisors LLC	05/08/18	\$ -0-	Financial Advisor
Jorge Diaz	02/14/17	\$ -0-	Investment Officer
Inframark, LLC	11/24/92	\$ 660,651	Operator
Barbara Wheeler	02/02/78	\$ 45,717	Tax Assessor/ Collector

See accompanying independent auditor's report.

