



Harris County Water Control and Improvement District No. 157 Harris County, Texas

Independent Auditor's Report and Financial Statements

May 31, 2024



Harris County Water Control and Improvement District No. 157
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May 31, 2024

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Independent Auditor's Report

Board of Directors
Harris County Water Control and Improvement District No. 157
Harris County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of Harris County Water Control and Improvement District No. 157 (the District), as of and for the year ended May 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of May 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance

and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedules required by the Texas Commission on Environmental Quality listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the

responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Forvis Mazars, LLP

**Houston, Texas
October 11, 2024**

Overview of the Financial Statements

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

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of drainage 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 on the left side of the statements, a column for adjustments is to the right of the fund financial statements and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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 drainage systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund’s assets, liabilities, and deferred inflows and outflows of resources is labeled the fund balance and generally indicates the amount that can be used to finance the next fiscal year’s activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

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

Notes to Financial Statements

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

Financial Analysis of the District as a Whole

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

Summary of Net Position

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 14,719,433	\$ 13,059,229
Capital assets	<u>73,028,651</u>	<u>73,749,842</u>
Total assets	<u>87,748,084</u>	<u>86,809,071</u>
Deferred outflows of resources	<u>1,243,530</u>	<u>1,333,896</u>
Total assets and deferred outflows of resources	<u>\$ 88,991,614</u>	<u>\$ 88,142,967</u>
Long-term liabilities	\$ 94,160,083	\$ 77,048,951
Other liabilities	<u>1,111,582</u>	<u>812,599</u>
Total liabilities	<u>95,271,665</u>	<u>77,861,550</u>
Net position:		
Net investment in capital assets	(19,704,459)	(1,615,389)
Restricted	3,495,993	3,808,047
Unrestricted	<u>9,928,415</u>	<u>8,088,759</u>
Total net position	<u>\$ (6,280,051)</u>	<u>\$ 10,281,417</u>

The total net position of the District decreased by \$16,561,468, or about 161%. The majority of the decrease in net position is related to conveyance of capital assets to another governmental entity. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Changes in Net Position

	<u>2024</u>	<u>2023</u>
Revenues:		
Property taxes	\$ 7,553,028	\$ 7,322,427
Other revenues	1,737,158	754,861
Total revenues	<u>9,290,186</u>	<u>8,077,288</u>
Expenses:		
Services	2,782,714	2,374,597
Depreciation	787,939	783,055
Debt service	2,803,148	2,017,195
Conveyance of capital assets	19,477,853	-
Total expenses	<u>25,851,654</u>	<u>5,174,847</u>
Change in net position	(16,561,468)	2,902,441
Net position, beginning of year	<u>10,281,417</u>	<u>7,378,976</u>
Net position, end of year	<u>\$ (6,280,051)</u>	<u>\$ 10,281,417</u>

Financial Analysis of the District’s Funds

The District’s combined fund balances as of the end of the fiscal year ended May 31, 2024, were \$14,018,969, an increase of \$1,469,006 from the prior year.

The general fund’s fund balance increased by \$1,820,231, primarily due to property tax revenues and investment and other income exceeding service operating expenditures.

The debt service fund’s fund balance decreased by \$207,323, primarily due to property tax revenues and investment income being less than bond principal and interest requirements.

The capital projects fund’s fund balance decreased by \$143,902, primarily due to capital outlay expenditures and interfund transfers out exceeding net proceeds from the sale of the Series 2023 bonds.

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 investment and other income, regional water fee expenditures, repairs and maintenance expenditures, and capital outlay expenditures being greater than anticipated and interfund transfers out being less than anticipated. The fund balance as of May 31, 2024, was expected to be \$9,208,510 and the actual end-of-year fund balance was \$9,862,913.

Capital Assets and Related Debt

Capital Assets

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

Capital Assets (Net of Accumulated Depreciation)

	<u>2024</u>	<u>2023</u>
Land and improvements	\$ 64,470,159	\$ 64,470,159
Parks and recreation	8,558,492	9,279,683
Total capital assets	<u>\$ 73,028,651</u>	<u>\$ 73,749,842</u>

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

Booster pump No. 3 at irrigation pump station No. 1	\$ 31,757
Water level gauge and support system	20,020
Variable frequency drive and A/C unit at irrigation pump station No. 1	14,971
Total additions to capital assets	<u>\$ 66,748</u>

The developer of the District has constructed drainage and recreational facilities on behalf of the District under the terms of contracts with the District. The District has agreed to purchase these facilities from the proceeds of future bond issues subject to the approval of the Commission. At May 31, 2024, a liability for developer-constructed capital assets of \$22,442,933 was recorded in the government-wide financial statements.

Debt

The changes in the debt position of the District during the fiscal year ended May 31, 2024, are summarized as follows:

Long-term debt payable, beginning of year	\$ 77,048,951
Increases in long-term debt	20,034,649
Decreases in long-term debt	<u>(2,923,517)</u>
Long-term debt payable, end of year	<u>\$ 94,160,083</u>

At May 31, 2024, the District had \$193,300,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the drainage system within the District and \$175,330,000 for financing and constructing recreational facilities.

The District’s bonds carry an underlying rating of “A1” from Moody’s Investor’s Service. The Series 2015A, Series 2016 refunding, Series 2017, Series 2017B refunding, Series 2018, Series 2018A, Series 2019, Series 2021 refunding, Series 2021A refunding and Series 2023 bonds carry a “AA” rating from Standard & Poor’s by virtue of bond insurance issued by Build America Mutual Assurance Company. The Series 2015 refunding, Series 2016A, Series 2017A, Series 2021B and Series 2021C bonds carry a “AA” rating from Standard & Poor’s by virtue of bond insurance issued by Assured Guaranty, Inc. In addition, the Series 2016A, Series 2017A, Series 2021B and Series 2021C bonds carry an “A1” rating from Moody’s by virtue of bond insurance issued by Assured Guaranty, Inc.

Other Relevant Factors

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (the City), the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City without the District's consent. If the District is annexed, the City must assume the District's assets and obligations (including the bonded indebtedness) and abolish the District within 90 days.

Contingencies

Developers of the District are constructing drainage and recreational facilities within the boundaries of the District. The District has agreed to reimburse the developers for a portion of these costs, plus interest, from the proceeds of future bond sales, to the extent approved by the Commission. The District's engineer has stated that current construction contract amounts are approximately \$2,150,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

Harris County Water Control and Improvement District No. 157
Statement of Net Position and Governmental Funds Balance Sheet
May 31, 2024

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets						
Cash	\$ 733,514	\$ 255,384	\$ 265	\$ 989,163	\$ -	\$ 989,163
Certificates of deposit	470,000	-	-	470,000	-	470,000
Short-term investments	9,062,073	3,723,781	279,947	13,065,801	-	13,065,801
Property taxes receivable	65,502	109,556	-	175,058	-	175,058
Accrued interest	10,100	-	-	10,100	-	10,100
Due from others	9,311	-	-	9,311	-	9,311
Interfund receivables	58,140	-	-	58,140	(58,140)	-
Capital assets (net of accumulated depreciation):						
Land and improvements	-	-	-	-	64,470,159	64,470,159
Parks and recreation	-	-	-	-	8,558,492	8,558,492
Total assets	<u>10,408,640</u>	<u>4,088,721</u>	<u>280,212</u>	<u>14,777,573</u>	<u>72,970,511</u>	<u>87,748,084</u>
Deferred Outflows of Resources						
Deferred amount on debt refundings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,243,530</u>	<u>1,243,530</u>
Total assets and deferred outflows of resources	<u>\$ 10,408,640</u>	<u>\$ 4,088,721</u>	<u>\$ 280,212</u>	<u>\$ 14,777,573</u>	<u>\$ 74,214,041</u>	<u>\$ 88,991,614</u>

Harris County Water Control and Improvement District No. 157
Statement of Net Position and Governmental Funds Balance Sheet
May 31, 2024

(Continued)

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	\$ 479,512	\$ 45,338	\$ 556	\$ 525,406	\$ -	\$ 525,406
Accrued interest payable	-	-	-	-	586,176	586,176
Interfund payables	713	57,427	-	58,140	(58,140)	-
Long-term liabilities:						
Due within one year	-	-	-	-	3,170,000	3,170,000
Due after one year	-	-	-	-	90,990,083	90,990,083
Total liabilities	<u>480,225</u>	<u>102,765</u>	<u>556</u>	<u>583,546</u>	<u>94,688,119</u>	<u>95,271,665</u>
Deferred Inflows of Resources						
Deferred property tax revenues	<u>65,502</u>	<u>109,556</u>	<u>-</u>	<u>175,058</u>	<u>(175,058)</u>	<u>-</u>
Fund Balances/Net Position						
Fund balances:						
Restricted:						
Unlimited tax bonds	-	3,876,400	-	3,876,400	(3,876,400)	-
Drainage and detention	-	-	275,065	275,065	(275,065)	-
Parks and recreation	3,894,959	-	4,591	3,899,550	(3,899,550)	-
Unassigned	<u>5,967,954</u>	<u>-</u>	<u>-</u>	<u>5,967,954</u>	<u>(5,967,954)</u>	<u>-</u>
Total fund balances	<u>9,862,913</u>	<u>3,876,400</u>	<u>279,656</u>	<u>14,018,969</u>	<u>(14,018,969)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,408,640</u>	<u>\$ 4,088,721</u>	<u>\$ 280,212</u>	<u>\$ 14,777,573</u>		
Net position:						
Net investment in capital assets					(19,704,459)	(19,704,459)
Restricted for debt service					3,399,780	3,399,780
Restricted for capital projects					96,213	96,213
Unrestricted					<u>9,928,415</u>	<u>9,928,415</u>
Total net position					<u>\$ (6,280,051)</u>	<u>\$ (6,280,051)</u>

Harris County Water Control and Improvement District No. 157
Statement of Activities and Governmental Funds Revenues,
Expenditures and Changes in Fund Balances
Year Ended May 31, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	\$ 3,023,695	\$ 4,482,854	\$ -	\$ 7,506,549	\$ 46,479	\$ 7,553,028
Penalty and interest	23	64,738	-	64,761	(37,831)	26,930
Investment income	456,383	123,638	22,599	602,620	-	602,620
Other income	1,107,608	-	-	1,107,608	-	1,107,608
Total revenues	4,587,709	4,671,230	22,599	9,281,538	8,648	9,290,186
Expenditures/Expenses						
Service operations:						
Regional water fee	169,967	-	-	169,967	-	169,967
Professional fees	199,441	5,450	-	204,891	4,844	209,735
Contracted services	96,389	135,910	-	232,299	1,192	233,491
Utilities	55,787	-	-	55,787	-	55,787
Repairs and maintenance	1,958,146	-	-	1,958,146	52,180	2,010,326
Other expenditures	71,467	31,821	120	103,408	-	103,408
Capital outlay	118,928	-	10,119,459	10,238,387	(10,238,387)	-
Depreciation	-	-	-	-	787,939	787,939
Conveyance of capital assets	-	-	-	-	19,477,853	19,477,853
Debt service:						
Principal retirement	-	2,945,000	-	2,945,000	(2,945,000)	-
Interest and fees	-	2,010,372	-	2,010,372	228,282	2,238,654
Debt issuance costs	7,483	-	557,011	564,494	-	564,494
Total expenditures/expenses	2,677,608	5,128,553	10,676,590	18,482,751	7,368,903	25,851,654
Excess (Deficiency) of Revenues Over Expenditures	1,910,101	(457,323)	(10,653,991)	(9,201,213)	(7,360,255)	
Other Financing Sources (Uses)						
Interfund transfers in (out)	(89,870)	250,000	(160,130)	-	-	
General obligation bonds issued	-	-	11,000,000	11,000,000	(11,000,000)	
Discount on debt issued	-	-	(329,781)	(329,781)	329,781	
Total other financing sources (uses)	(89,870)	250,000	10,510,089	10,670,219	(10,670,219)	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,820,231	(207,323)	(143,902)	1,469,006	(1,469,006)	
Change in Net Position					(16,561,468)	(16,561,468)
Fund Balances/Net Position						
Beginning of year	8,042,682	4,083,723	423,558	12,549,963	-	10,281,417
End of year	<u>\$ 9,862,913</u>	<u>\$ 3,876,400</u>	<u>\$ 279,656</u>	<u>\$ 14,018,969</u>	<u>\$ -</u>	<u>\$ (6,280,051)</u>

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

Harris County Water Control and Improvement District No. 157 (the District) was created by an order of the Texas Commission on Environmental Quality (the Commission), effective February 21, 2005, in accordance with Article XVI, Section 59, of the Texas Constitution and the Texas Water Code, Chapter 51. The District operates in accordance with Chapters 49 and 51 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate drainage facilities and recreational facilities and to provide such facilities to the landowners of the District.

The District is governed by a Board of Directors (the Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

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

Government-Wide and Fund Financial Statements

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of 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 Water Control and Improvement District No. 157
Notes to Financial Statements
May 31, 2024

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

Capital Projects Fund – The capital projects fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

Fund Balances – Governmental Funds

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

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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

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

Harris County Water Control and Improvement District No. 157
Notes to Financial Statements
May 31, 2024

Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

Interfund Transactions

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Pension Costs

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

Use of Estimates

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

Investments and Investment Income

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

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

Property Taxes

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

Harris County Water Control and Improvement District No. 157
Notes to Financial Statements
May 31, 2024

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended May 31, 2024, include collections during the current period or within 60 days of year-end related to the 2023 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended May 31, 2024, the 2023 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.

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

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:

	<u>Years</u>
Recreational facilities	10-40

Deferred Amount on Debt Refundings

In the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt in a debt refunding is deferred and amortized to interest expense using the effective interest rate method over the remaining life of the old debt or the life of the new debt, whichever is shorter. Such amounts are classified as deferred outflows or inflows of resources.

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 premiums and discounts on bonds 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.

Harris County Water Control and Improvement District No. 157
Notes to Financial Statements
May 31, 2024

Net Position/Fund Balances

Fund balances and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

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

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.	\$ 73,028,651
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	175,058
Deferred amount on debt refundings for governmental activities are not financial resources and are not reported in the funds.	1,243,530
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	(586,176)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	<u>(94,160,083)</u>
Adjustment to fund balances to arrive at net position.	<u><u>\$ (20,299,020)</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.	\$ 1,469,006
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is conveyed to another entity for maintenance or allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense, conveyed capital assets and noncapitalized costs exceeded capital outlay expenditures in the current period.	(10,085,621)
Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	329,781

Harris County Water Control and Improvement District No. 157
Notes to Financial Statements
May 31, 2024

Governmental funds report proceeds from the sale of bonds because they provide current financial resources to governmental funds. Principal payments on debt are recorded as expenditures. None of these transactions, however, have any effects on net position. \$ (8,055,000)

Some revenues that do not provide current financial resources are not reported as revenues for the funds, but are reported as revenues in the statement of activities. Some revenues which have previously been reported in the statement of activities are reported as revenues for the funds. 8,648

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (228,282)

Change in net position of governmental activities. \$ (16,561,468)

Note 2. Deposits, Investments and Investment Income

Deposits

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

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

At May 31, 2024, none of the District’s bank balances were exposed to custodial credit risk.

Investments

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, obligations of states, agencies and counties and other political subdivisions with an investment rating not less than “A,” insured or collateralized certificates of deposit, and certain bankers’ acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts and investment pools.

The District’s investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas CLASS, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Trustees, elected by the participants, has oversight of Texas CLASS. The District’s investments may be redeemed at any time. Texas CLASS attempts to minimize its exposure to market

Harris County Water Control and Improvement District No. 157
Notes to Financial Statements
May 31, 2024

and credit risk through the use of various strategies and credit monitoring techniques and limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. The District's investments in Texas CLASS are reported at net asset value.

At May 31, 2024, the District had the following investments and maturities:

<u>Type</u>	<u>Fair Value</u>	<u>Maturities in Years</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Texas CLASS	<u>\$ 13,065,801</u>	<u>\$ 13,065,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At May 31, 2024, the District's investments in Texas CLASS were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown above are included in the balance sheet at May 31, 2024, as follows:

Carrying value:	
Deposits	\$ 1,459,163
Investments	<u>13,065,801</u>
Total	<u>\$ 14,524,964</u>

Included in the following statement of net position captions:

Cash	\$ 989,163
Certificates of deposit	470,000
Short-term investments	<u>13,065,801</u>
Total	<u>\$ 14,524,964</u>

Investment Income

Investment income of \$602,620 for the year ended May 31, 2024, consisted of interest income.

Fair Value Measurements

The District has the following recurring fair value measurements as of May 31, 2024:

- Pooled investments of \$13,065,801 are valued at fair value per share of the pool's underlying portfolio.

Harris County Water Control and Improvement District No. 157
Notes to Financial Statements
May 31, 2024

Note 3. Capital Assets

A summary of changes in capital assets for the year ended May 31, 2024, 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	\$ 64,470,159	\$ -	\$ 64,470,159
Capital assets, depreciable:			
Parks and recreation	15,364,095	66,748	15,430,843
Less accumulated depreciation:			
Parks and recreation	<u>(6,084,412)</u>	<u>(787,939)</u>	<u>(6,872,351)</u>
Total governmental activities, net	<u>\$ 73,749,842</u>	<u>\$ (721,191)</u>	<u>\$ 73,028,651</u>

Note 4. Long-Term Liabilities

Changes in long-term liabilities for the year ended May 31, 2024, were as follows:

<u>Governmental Activities</u>	<u>Balances, Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances, End of Year</u>	<u>Amounts Due in One Year</u>
Bonds payable:					
General obligation bonds	\$ 62,915,000	\$ 11,000,000	\$ 2,945,000	\$ 70,970,000	\$ 3,170,000
Less discounts on bonds	746,779	329,781	34,367	1,042,193	-
Add premiums on bonds	<u>211,661</u>	<u>-</u>	<u>12,884</u>	<u>198,777</u>	<u>-</u>
	62,379,882	10,670,219	2,923,517	70,126,584	3,170,000
Developer advances	1,590,566	-	-	1,590,566	-
Due to developer	<u>13,078,503</u>	<u>9,364,430</u>	<u>-</u>	<u>22,442,933</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 77,048,951</u>	<u>\$ 20,034,649</u>	<u>\$ 2,923,517</u>	<u>\$ 94,160,083</u>	<u>\$ 3,170,000</u>

Harris County Water Control and Improvement District No. 157
Notes to Financial Statements
May 31, 2024

General Obligation Bonds

	Series 2014	Refunding Series 2015
Amounts outstanding, May 31, 2024	\$4,050,000	\$4,470,000
Interest rates	3.00% to 4.00%	2.000% to 3.125%
Maturity dates, serially beginning/ending	September 1, 2024/2038	September 1, 2024/2034
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2022	September 1, 2022
	Series 2015A	Refunding Series 2016
Amounts outstanding, May 31, 2024	\$3,800,000	\$6,310,000
Interest rates	3.00% to 4.00%	2.00% to 3.25%
Maturity dates, serially beginning/ending	September 1, 2024/2040	September 1, 2024/2034
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2023	September 1, 2023
	Series 2016A	Series 2017
Amounts outstanding, May 31, 2024	\$3,600,000	\$5,900,000
Interest rates	2.000% to 3.125%	2.00% to 3.25%
Maturity dates, serially beginning/ending	September 1, 2024/2040	September 1, 2024/2042
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2023	September 1, 2024
	Series 2017A	Refunding Series 2017B
Amounts outstanding, May 31, 2024	\$3,700,000	\$3,790,000
Interest rates	2.125% to 3.375%	2.50% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2024/2042	September 1, 2024/2037
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2024	September 1, 2024

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

Harris County Water Control and Improvement District No. 157
Notes to Financial Statements
May 31, 2024

	Series 2018	Series 2018A
Amounts outstanding, May 31, 2024	\$7,425,000	\$1,190,000
Interest rates	3.00% to 4.00%	3.75% to 4.00%
Maturity dates, serially beginning/ending	March 1, 2025/2045	March 1, 2036/2038
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	March 1, 2024	March 1, 2024
	Series 2019	Refunding Series 2021
Amounts outstanding, May 31, 2024	\$3,620,000	\$1,010,000
Interest rates	2.25% to 3.00%	2.00% to 3.00%
Maturity dates, serially beginning/ending	March 1, 2032/2045	September 1, 2024/2037
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	March 1, 2025	September 1, 2028
	Refunding Series 2021A	Series 2021B
Amounts outstanding, May 31, 2024	\$3,260,000	\$5,085,000
Interest rates	1.00% to 4.00%	2.00% to 3.00%
Maturity dates, serially beginning/ending	September 1, 2024/2037	March 1, 2025/2043
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2028	March 1, 2026
	Series 2021C	Series 2023
Amounts outstanding, May 31, 2024	\$2,760,000	\$11,000,000
Interest rates	2.550% to 2.625%	4.25% to 6.75%
Maturity dates, serially beginning/ending	March 1, 2044/2050	March 1, 2025/2053
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	March 1, 2026	March 1, 2028

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

Harris County Water Control and Improvement District No. 157
Notes to Financial Statements
May 31, 2024

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at May 31, 2024:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 3,170,000	\$ 2,313,005	\$ 5,483,005
2026	3,220,000	2,219,539	5,439,539
2027	3,255,000	2,117,393	5,372,393
2028	3,345,000	2,017,386	5,362,386
2029	3,395,000	1,912,618	5,307,618
2030-2034	18,320,000	7,989,868	26,309,868
2035-2039	16,365,000	5,247,416	21,612,416
2040-2044	11,550,000	2,844,199	14,394,199
2045-2049	5,475,000	1,250,410	6,725,410
2050-2053	2,875,000	323,648	3,198,648
Total	<u>\$ 70,970,000</u>	<u>\$ 28,235,482</u>	<u>\$ 99,205,482</u>

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount.

Bonds voted:

Drainage facilities	\$ 256,600,000
Recreational facilities	204,300,000

Bonds sold:

Drainage facilities	63,300,000
Recreational facilities	28,970,000

Refunding bonds voted	460,900,000
Refunding bonds authorization used	1,740,000

The developer of the District has constructed drainage and recreational facilities on behalf of the District. The District is maintaining these facilities and has agreed to reimburse the developer for construction costs and interest to the extent approved by the Commission from the proceeds of future bonds sales. The District's engineer estimates reimbursable costs for completed projects are \$22,442,933. These amounts have been recorded in the financial statements as long-term liabilities.

Since inception, the developer has advanced \$1,590,566 to the District for operations (net of repayments). The District has agreed to pay these amounts, plus interest, to the extent approved by the Commission from the proceeds of future bonds sales.

Note 5. Significant Bond Order and Commission Requirements

The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended May 31, 2024, the District levied an ad valorem debt service tax at the rate of \$0.2120 per \$100 of assessed valuation, which resulted in a tax levy of \$4,541,180 on

Harris County Water Control and Improvement District No. 157
Notes to Financial Statements
May 31, 2024

the taxable valuation of \$2,142,071,878 for the 2023 tax year. The interest and principal requirements to be paid from the tax revenues and available resources are \$5,191,312, of which \$1,523,959 has been paid and \$3,667,353 is due September 1, 2024.

Note 6. Maintenance Taxes

At an election held May 7, 2005, voters authorized a general operations and maintenance tax not to exceed \$1.50 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended May 31, 2024, the District levied an ad valorem general operations and maintenance tax at the rate of \$0.1430 per \$100 of assessed valuation, which resulted in a tax levy of \$3,063,154 on the taxable valuation of \$2,142,071,878 for the 2023 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

At an election held May 7, 2005, voters authorized a recreational facilities maintenance tax not to exceed \$0.10 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended May 31, 2024, the District did not levy an ad valorem recreational facilities and maintenance tax rate.

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 years.

Note 8. Contingencies

Developers of the District are constructing drainage and recreational facilities within the boundaries of the District. The District has agreed to reimburse the developers for a portion of these costs, plus interest, from the proceeds of future bond sales, to the extent approved by the Commission. The District's engineer has stated that current construction contract amounts are approximately \$2,150,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

Required Supplementary Information

Harris County Water Control and Improvement District No. 157
Budgetary Comparison Schedule – General Fund
Year Ended May 31, 2024

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Property taxes	\$ 2,883,160	\$ 3,030,000	\$ 3,023,695	\$ (6,305)
Penalty and interest	-	-	23	23
Investment income	386,135	386,135	456,383	70,248
Other income	378,722	378,722	1,107,608	728,886
Total revenues	<u>3,648,017</u>	<u>3,794,857</u>	<u>4,587,709</u>	<u>792,852</u>
Expenditures				
Service operations:				
Regional water fee	70,000	70,000	169,967	(99,967)
Professional fees	155,800	155,800	199,441	(43,641)
Contracted services	94,000	94,000	96,389	(2,389)
Utilities	49,000	49,000	55,787	(6,787)
Repairs and maintenance	1,771,509	1,873,700	1,958,146	(84,446)
Tap connections	30,000	30,000	-	30,000
Other expenditures	89,200	89,285	71,467	17,818
Capital outlay	10,000	10,000	118,928	(108,928)
Debt service, debt issuance costs	-	7,244	7,483	(239)
Total expenditures	<u>2,269,509</u>	<u>2,379,029</u>	<u>2,677,608</u>	<u>(298,579)</u>
Excess of Revenues Over Expenditures	1,378,508	1,415,828	1,910,101	494,273
Other Financing Uses				
Interfund transfers out	-	(250,000)	(89,870)	160,130
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,378,508	1,165,828	1,820,231	654,403
Fund Balance, Beginning of Year	<u>8,042,682</u>	<u>8,042,682</u>	<u>8,042,682</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 9,421,190</u>	<u>\$ 9,208,510</u>	<u>\$ 9,862,913</u>	<u>\$ 654,403</u>

Harris County Water Control and Improvement District No. 157
Notes to Required Supplementary Information
May 31, 2024

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was amended during fiscal year 2024.

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 Water Control and Improvement District No. 157
Other Schedules Included Within This Report
May 31, 2024

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

- [X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 12-23
- [X] Schedule of Services
- [X] Schedule of General Fund Expenditures
- [X] Schedule of Temporary Investments
- [X] Analysis of Taxes Levied and Receivable
- [X] Schedule of Long-Term Debt Service Requirements by Years
- [X] Changes in Long-Term Bonded Debt
- [X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund -
Five Years
- [X] Board Members, Key Personnel and Consultants

Harris County Water Control and Improvement District No. 157
Schedule of Services
Year Ended May 31, 2024

1. Services provided by the District:

- | | | |
|---|---|--|
| <input type="checkbox"/> Retail Water | <input type="checkbox"/> Wholesale Water | <input checked="" type="checkbox"/> Drainage |
| <input type="checkbox"/> Retail Wastewater | <input type="checkbox"/> Wholesale Wastewater | <input checked="" 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 type="checkbox"/> Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect) | | |
| <input checked="" type="checkbox"/> Other <u>Regional amenity/detention ponds</u> | | |
-

Harris County Water Control and Improvement District No. 157
Schedule of General Fund Expenditures
Year Ended May 31, 2024

Personnel (including benefits)		\$ -
Professional Fees		
Auditing	\$ 19,800	
Legal	93,715	
Engineering	84,826	
Financial advisor	<u>1,100</u>	199,441
Purchased Services for Resale		
Bulk water and wastewater service purchases		-
Regional Water Fee		169,967
Contracted Services		
Bookkeeping		
General manager	61,836	
Appraisal district	-	
Tax collector	-	
Security	-	
Other contracted services	<u>34,553</u>	96,389
Utilities		55,787
Repairs and Maintenance		1,958,146
Administrative Expenditures		
Directors' fees	12,755	
Office supplies	3,491	
Insurance	22,686	
Other administrative expenditures	<u>32,535</u>	71,467
Capital Outlay		
Capitalized assets	66,748	
Expenditures not capitalized	<u>52,180</u>	118,928
Tap Connection Expenditures		-
Solid Waste Disposal		-
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		<u>7,483</u>
Total expenditures		<u><u>\$ 2,677,608</u></u>

Harris County Water Control and Improvement District No. 157
Schedule of Temporary Investments
May 31, 2024

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Face Amount</u>	<u>Accrued Interest Receivable</u>
General Fund				
Certificates of Deposit				
No. 6550131243	5.65%	10/18/24	\$ 235,000	\$ 8,294
No. 440058035	5.50%	10/07/24	235,000	1,806
Texas CLASS	5.43%	Demand	6,133,684	-
Texas CLASS	5.43%	Demand	2,928,389	-
			<u>9,532,073</u>	<u>10,100</u>
Debt Service Fund				
Texas CLASS	5.43%	Demand	3,723,781	-
Capital Projects Fund				
Texas CLASS	5.43%	Demand	25,069	-
Texas CLASS	5.43%	Demand	9,822	-
Texas CLASS	5.43%	Demand	66,358	-
Texas CLASS	5.43%	Demand	174,107	-
Texas CLASS	5.43%	Demand	4,591	-
			<u>279,947</u>	<u>-</u>
Total			<u>\$ 13,535,801</u>	<u>\$ 10,100</u>

Harris County Water Control and Improvement District No. 157
Analysis of Taxes Levied and Receivable
Year Ended May 31, 2024

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year	\$ 46,077	\$ 82,502
Additions and corrections to prior years' taxes	<u>(20,034)</u>	<u>(31,272)</u>
Adjusted receivable, beginning of year	<u>26,043</u>	<u>51,230</u>
 2023 Original Tax Levy	 2,909,358	 4,313,173
Additions and corrections	<u>153,796</u>	<u>228,007</u>
Adjusted tax levy	<u>3,063,154</u>	<u>4,541,180</u>
Total to be accounted for	3,089,197	4,592,410
Tax collections: Current year	(3,019,401)	(4,476,315)
Prior years	<u>(4,294)</u>	<u>(6,539)</u>
Receivable, end of year	<u><u>\$ 65,502</u></u>	<u><u>\$ 109,556</u></u>
 Receivable, by Years		
2023	\$ 43,753	\$ 64,865
2022	7,445	11,535
2021	4,008	7,276
2020	2,829	6,122
2019	2,268	5,479
2018	1,018	2,459
2017	914	2,703
2016	887	2,699
2015	1,040	2,526
2014	830	2,630
2013	447	1,150
2012	<u>63</u>	<u>112</u>
Receivable, end of year	<u><u>\$ 65,502</u></u>	<u><u>\$ 109,556</u></u>

**Harris County Water Control and Improvement District No. 157
 Analysis of Taxes Levied and Receivable
 Year Ended May 31, 2024**

(Continued)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Property Valuations				
Land	\$ 538,803,634	\$ 422,185,313	\$ 414,752,380	\$ 364,683,452
Improvements	1,780,431,078	1,609,673,839	1,361,737,050	1,270,725,352
Personal property	23,649,209	23,655,526	14,348,813	12,731,621
Exemptions	<u>(200,812,043)</u>	<u>(99,592,921)</u>	<u>(79,287,893)</u>	<u>(67,424,203)</u>
Total property valuations	<u>\$ 2,142,071,878</u>	<u>\$ 1,955,921,757</u>	<u>\$ 1,711,550,350</u>	<u>\$ 1,580,716,222</u>
Tax Rates per \$100 Valuation				
Debt service tax rates	\$ 0.2120	\$ 0.2279	\$ 0.2656	\$ 0.2954
Maintenance tax rates*	<u>0.1430</u>	<u>0.1471</u>	<u>0.1463</u>	<u>0.1365</u>
Total tax rates per \$100 valuation	<u>\$ 0.3550</u>	<u>\$ 0.3750</u>	<u>\$ 0.4119</u>	<u>\$ 0.4319</u>
Tax Levy	<u>\$ 7,604,334</u>	<u>\$ 7,334,689</u>	<u>\$ 7,049,856</u>	<u>\$ 6,827,092</u>
Percent of Taxes Collected to Taxes Levied**	<u>99%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>

*Maximum tax rates approved by voters: \$1.50 for general operations and \$0.10 for recreational facilities operations on May 7, 2005.

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

Harris County Water Control and Improvement District No. 157
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2024

<u>Due During Fiscal Years Ending May 31</u>	<u>Series 2014</u>		
	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 270,000	\$ 138,713	\$ 408,713
2026	270,000	130,612	400,612
2027	270,000	122,513	392,513
2028	270,000	114,075	384,075
2029	270,000	105,300	375,300
2030	270,000	96,187	366,187
2031	270,000	86,737	356,737
2032	270,000	77,288	347,288
2033	270,000	67,669	337,669
2034	270,000	57,712	327,712
2035	270,000	47,588	317,588
2036	270,000	37,462	307,462
2037	270,000	27,000	297,000
2038	270,000	16,200	286,200
2039	270,000	5,400	275,400
Totals	<u>\$ 4,050,000</u>	<u>\$ 1,130,456</u>	<u>\$ 5,180,456</u>

Harris County Water Control and Improvement District No. 157
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2024

(Continued)

Due During Fiscal Years Ending May 31	Refunding Series 2015		
	Principal Due September 1	Interest Due September 1, March 1	Total
2025	\$ 350,000	\$ 130,550	\$ 480,550
2026	360,000	119,900	479,900
2027	375,000	108,875	483,875
2028	380,000	97,550	477,550
2029	395,000	85,925	480,925
2030	405,000	73,925	478,925
2031	415,000	61,625	476,625
2032	430,000	48,950	478,950
2033	440,000	35,625	475,625
2034	455,000	21,641	476,641
2035	465,000	7,265	472,265
Totals	<u>\$ 4,470,000</u>	<u>\$ 791,831</u>	<u>\$ 5,261,831</u>

Harris County Water Control and Improvement District No. 157
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2024

(Continued)

<u>Due During Fiscal Years Ending May 31</u>	<u>Series 2015A</u>		
	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 150,000	\$ 129,125	\$ 279,125
2026	150,000	124,625	274,625
2027	150,000	120,125	270,125
2028	150,000	115,625	265,625
2029	150,000	111,125	261,125
2030	150,000	106,625	256,625
2031	150,000	102,125	252,125
2032	150,000	97,531	247,531
2033	150,000	92,844	242,844
2034	300,000	85,625	385,625
2035	300,000	75,875	375,875
2036	300,000	65,750	365,750
2037	300,000	55,250	355,250
2038	300,000	44,000	344,000
2039	300,000	32,000	332,000
2040	325,000	19,500	344,500
2041	325,000	6,500	331,500
Totals	<u>\$ 3,800,000</u>	<u>\$ 1,384,250</u>	<u>\$ 5,184,250</u>

Harris County Water Control and Improvement District No. 157
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2024

(Continued)

<u>Due During Fiscal Years Ending May 31</u>	<u>Refunding Series 2016</u>		
	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 595,000	\$ 168,000	\$ 763,000
2026	600,000	155,300	755,300
2027	605,000	140,988	745,988
2028	615,000	125,354	740,354
2029	630,000	108,619	738,619
2030	640,000	90,356	730,356
2031	655,000	70,931	725,931
2032	670,000	51,056	721,056
2033	685,000	30,303	715,303
2034	310,000	14,756	324,756
2035	305,000	4,956	309,956
Totals	<u>\$ 6,310,000</u>	<u>\$ 960,619</u>	<u>\$ 7,270,619</u>

**Harris County Water Control and Improvement District No. 157
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2024**

(Continued)

Due During Fiscal Years Ending May 31	Series 2016A		
	Principal Due September 1	Interest Due September 1, March 1	Total
2025	\$ 200,000	\$ 98,938	\$ 298,938
2026	200,000	94,813	294,813
2027	200,000	90,438	290,438
2028	200,000	85,813	285,813
2029	200,000	80,938	280,938
2030	200,000	75,813	275,813
2031	200,000	70,437	270,437
2032	200,000	64,688	264,688
2033	200,000	58,687	258,687
2034	225,000	52,313	277,313
2035	225,000	45,562	270,562
2036	225,000	38,672	263,672
2037	225,000	31,641	256,641
2038	225,000	24,609	249,609
2039	225,000	17,578	242,578
2040	225,000	10,547	235,547
2041	225,000	3,516	228,516
Totals	\$ 3,600,000	\$ 945,003	\$ 4,545,003

Harris County Water Control and Improvement District No. 157
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2024

(Continued)

<u>Due During Fiscal Years Ending May 31</u>	<u>Series 2017</u>		
	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 250,000	\$ 178,250	\$ 428,250
2026	250,000	172,000	422,000
2027	250,000	164,500	414,500
2028	250,000	157,000	407,000
2029	250,000	149,500	399,500
2030	250,000	142,000	392,000
2031	250,000	134,500	384,500
2032	250,000	127,000	377,000
2033	250,000	119,500	369,500
2034	300,000	111,250	411,250
2035	300,000	102,250	402,250
2036	350,000	92,281	442,281
2037	375,000	80,953	455,953
2038	375,000	69,235	444,235
2039	375,000	57,281	432,281
2040	375,000	45,094	420,094
2041	400,000	32,500	432,500
2042	400,000	19,500	419,500
2043	400,000	6,500	406,500
Totals	<u>\$ 5,900,000</u>	<u>\$ 1,961,094</u>	<u>\$ 7,861,094</u>

Harris County Water Control and Improvement District No. 157
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2024

(Continued)

<u>Due During Fiscal Years Ending May 31</u>	<u>Series 2017A</u>		
	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 150,000	\$ 111,156	\$ 261,156
2026	150,000	107,313	257,313
2027	150,000	104,031	254,031
2028	150,000	100,469	250,469
2029	150,000	96,344	246,344
2030	150,000	91,844	241,844
2031	150,000	87,344	237,344
2032	150,000	82,844	232,844
2033	150,000	78,344	228,344
2034	175,000	73,469	248,469
2035	175,000	68,109	243,109
2036	225,000	61,859	286,859
2037	250,000	54,282	304,282
2038	250,000	46,156	296,156
2039	250,000	38,031	288,031
2040	250,000	29,906	279,906
2041	250,000	21,781	271,781
2042	250,000	13,500	263,500
2043	275,000	4,641	279,641
Totals	<u>\$ 3,700,000</u>	<u>\$ 1,271,423</u>	<u>\$ 4,971,423</u>

Harris County Water Control and Improvement District No. 157
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2024

(Continued)

<u>Due During Fiscal Years Ending May 31</u>	<u>Refunding Series 2017B</u>		
	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 200,000	\$ 112,725	\$ 312,725
2026	210,000	107,075	317,075
2027	220,000	100,625	320,625
2028	230,000	93,875	323,875
2029	240,000	86,825	326,825
2030	250,000	79,475	329,475
2031	260,000	71,825	331,825
2032	275,000	63,800	338,800
2033	285,000	55,400	340,400
2034	295,000	46,700	341,700
2035	310,000	37,431	347,431
2036	320,000	27,588	347,588
2037	340,000	17,063	357,063
2038	355,000	5,768	360,768
Totals	<u>\$ 3,790,000</u>	<u>\$ 906,175</u>	<u>\$ 4,696,175</u>

Harris County Water Control and Improvement District No. 157
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2024

(Continued)

<u>Due During Fiscal Years Ending May 31</u>	<u>Series 2018</u>		
	<u>Principal Due March 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 250,000	\$ 274,869	\$ 524,869
2026	275,000	267,369	542,369
2027	275,000	256,369	531,369
2028	315,000	248,118	563,118
2029	325,000	238,275	563,275
2030	325,000	227,713	552,713
2031	350,000	217,150	567,150
2032	350,000	204,900	554,900
2033	375,000	192,650	567,650
2034	375,000	179,525	554,525
2035	400,000	166,400	566,400
2036	-	152,400	152,400
2037	-	152,400	152,400
2038	-	152,400	152,400
2039	470,000	152,400	622,400
2040	490,000	133,600	623,600
2041	515,000	114,000	629,000
2042	535,000	93,400	628,400
2043	575,000	72,000	647,000
2044	600,000	49,000	649,000
2045	625,000	25,000	650,000
Totals	<u>\$ 7,425,000</u>	<u>\$ 3,569,938</u>	<u>\$ 10,994,938</u>

Harris County Water Control and Improvement District No. 157
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2024

(Continued)

<u>Due During Fiscal Years Ending May 31</u>	<u>Series 2018A</u>		
	<u>Principal Due March 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ -	\$ 46,837	\$ 46,837
2026	-	46,838	46,838
2027	-	46,837	46,837
2028	-	46,838	46,838
2029	-	46,837	46,837
2030	-	46,838	46,838
2031	-	46,837	46,837
2032	-	46,838	46,838
2033	-	46,837	46,837
2034	-	46,838	46,838
2035	-	46,837	46,837
2036	305,000	46,838	351,838
2037	435,000	35,400	470,400
2038	450,000	18,000	468,000
Totals	<u>\$ 1,190,000</u>	<u>\$ 615,450</u>	<u>\$ 1,805,450</u>

**Harris County Water Control and Improvement District No. 157
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2024**

(Continued)

Due During Fiscal Years Ending May 31	Series 2019		
	Principal Due March 1	Interest Due September 1, March 1	Total
2025	\$ -	\$ 98,600	\$ 98,600
2026	-	98,600	98,600
2027	-	98,600	98,600
2028	-	98,600	98,600
2029	-	98,600	98,600
2030	-	98,600	98,600
2031	-	98,600	98,600
2032	200,000	98,600	298,600
2033	200,000	94,100	294,100
2034	225,000	89,600	314,600
2035	225,000	84,537	309,537
2036	225,000	79,194	304,194
2037	250,000	73,850	323,850
2038	250,000	67,288	317,288
2039	250,000	60,725	310,725
2040	275,000	53,850	328,850
2041	275,000	45,600	320,600
2042	300,000	37,350	337,350
2043	300,000	28,350	328,350
2044	320,000	19,350	339,350
2045	325,000	9,750	334,750
Totals	\$ 3,620,000	\$ 1,532,344	\$ 5,152,344

Harris County Water Control and Improvement District No. 157
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2024

(Continued)

<u>Due During Fiscal Years Ending May 31</u>	<u>Refunding Series 2021</u>		
	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 55,000	\$ 22,325	\$ 77,325
2026	55,000	20,675	75,675
2027	60,000	18,950	78,950
2028	60,000	17,150	77,150
2029	65,000	15,275	80,275
2030	70,000	13,600	83,600
2031	70,000	12,200	82,200
2032	70,000	10,800	80,800
2033	75,000	9,350	84,350
2034	80,000	7,800	87,800
2035	85,000	6,150	91,150
2036	85,000	4,450	89,450
2037	90,000	2,700	92,700
2038	90,000	900	90,900
Totals	<u>\$ 1,010,000</u>	<u>\$ 162,325</u>	<u>\$ 1,172,325</u>

**Harris County Water Control and Improvement District No. 157
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2024**

(Continued)

Due During Fiscal Years Ending May 31	Refunding Series 2021A		
	Principal Due September 1	Interest Due September 1, March 1	Total
2025	\$ 275,000	\$ 70,537	\$ 345,537
2026	275,000	62,288	337,288
2027	275,000	52,662	327,662
2028	275,000	43,038	318,038
2029	270,000	34,862	304,862
2030	265,000	29,488	294,488
2031	255,000	26,569	281,569
2032	245,000	23,137	268,137
2033	240,000	19,500	259,500
2034	180,000	15,900	195,900
2035	175,000	12,350	187,350
2036	215,000	8,450	223,450
2037	160,000	4,700	164,700
2038	155,000	1,550	156,550
Totals	<u>\$ 3,260,000</u>	<u>\$ 405,031</u>	<u>\$ 3,665,031</u>

Harris County Water Control and Improvement District No. 157
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2024

(Continued)

<u>Due During Fiscal Years Ending May 31</u>	<u>Series 2021B</u>		
	<u>Principal Due March 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 225,000	\$ 113,481	\$ 338,481
2026	225,000	106,732	331,732
2027	225,000	99,981	324,981
2028	225,000	95,481	320,481
2029	225,000	90,981	315,981
2030	225,000	86,482	311,482
2031	250,000	81,981	331,981
2032	250,000	76,981	326,981
2033	250,000	71,981	321,981
2034	250,000	66,982	316,982
2035	275,000	61,981	336,981
2036	275,000	56,481	331,481
2037	275,000	50,981	325,981
2038	300,000	45,482	345,482
2039	305,000	39,106	344,106
2040	325,000	32,625	357,625
2041	325,000	24,500	349,500
2042	325,000	16,375	341,375
2043	330,000	8,250	338,250
Totals	<u>\$ 5,085,000</u>	<u>\$ 1,226,844</u>	<u>\$ 6,311,844</u>

Harris County Water Control and Improvement District No. 157
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2024

(Continued)

<u>Due During Fiscal Years Ending May 31</u>	<u>Series 2021C</u>		
	<u>Principal Due March 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ -	\$ 71,618	\$ 71,618
2026	-	71,618	71,618
2027	-	71,618	71,618
2028	-	71,618	71,618
2029	-	71,618	71,618
2030	-	71,618	71,618
2031	-	71,618	71,618
2032	-	71,618	71,618
2033	-	71,618	71,618
2034	-	71,618	71,618
2035	-	71,618	71,618
2036	-	71,618	71,618
2037	-	71,618	71,618
2038	-	71,618	71,618
2039	-	71,618	71,618
2040	-	71,618	71,618
2041	-	71,618	71,618
2042	-	71,618	71,618
2043	-	71,618	71,618
2044	310,000	71,618	381,618
2045	400,000	63,712	463,712
2046	400,000	53,512	453,512
2047	400,000	43,312	443,312
2048	400,000	32,812	432,812
2049	425,000	22,312	447,312
2050	425,000	11,148	436,148
Totals	<u>\$ 2,760,000</u>	<u>\$ 1,659,168</u>	<u>\$ 4,419,168</u>

Harris County Water Control and Improvement District No. 157
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2024

(Continued)

<u>Due During Fiscal Years Ending May 31</u>	<u>Series 2023</u>		
	<u>Principal Due March 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2025	\$ 200,000	\$ 547,281	\$ 747,281
2026	200,000	533,781	733,781
2027	200,000	520,281	720,281
2028	225,000	506,782	731,782
2029	225,000	491,594	716,594
2030	250,000	479,219	729,219
2031	250,000	468,594	718,594
2032	275,000	457,969	732,969
2033	275,000	446,281	721,281
2034	275,000	434,594	709,594
2035	300,000	422,906	722,906
2036	300,000	409,406	709,406
2037	325,000	395,156	720,156
2038	350,000	379,719	729,719
2039	350,000	363,094	713,094
2040	375,000	346,469	721,469
2041	400,000	328,656	728,656
2042	400,000	309,656	709,656
2043	425,000	290,156	715,156
2044	450,000	269,437	719,437
2045	450,000	247,500	697,500
2046	475,000	225,000	700,000
2047	500,000	201,250	701,250
2048	525,000	176,250	701,250
2049	550,000	150,000	700,000
2050	575,000	122,500	697,500
2051	600,000	93,750	693,750
2052	625,000	63,750	688,750
2053	650,000	32,500	682,500
Totals	<u>\$ 11,000,000</u>	<u>\$ 9,713,531</u>	<u>\$ 20,713,531</u>

Harris County Water Control and Improvement District No. 157
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2024

(Continued)

Due During Fiscal Years Ending May 31	Annual Requirements for All Series		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2025	\$ 3,170,000	\$ 2,313,005	\$ 5,483,005
2026	3,220,000	2,219,539	5,439,539
2027	3,255,000	2,117,393	5,372,393
2028	3,345,000	2,017,386	5,362,386
2029	3,395,000	1,912,618	5,307,618
2030	3,450,000	1,809,783	5,259,783
2031	3,525,000	1,709,073	5,234,073
2032	3,785,000	1,604,000	5,389,000
2033	3,845,000	1,490,689	5,335,689
2034	3,715,000	1,376,323	5,091,323
2035	3,810,000	1,261,815	5,071,815
2036	3,095,000	1,152,449	4,247,449
2037	3,295,000	1,052,994	4,347,994
2038	3,370,000	942,925	4,312,925
2039	2,795,000	837,233	3,632,233
2040	2,640,000	743,209	3,383,209
2041	2,715,000	648,671	3,363,671
2042	2,210,000	561,399	2,771,399
2043	2,305,000	481,515	2,786,515
2044	1,680,000	409,405	2,089,405
2045	1,800,000	345,962	2,145,962
2046	875,000	278,512	1,153,512
2047	900,000	244,562	1,144,562
2048	925,000	209,062	1,134,062
2049	975,000	172,312	1,147,312
2050	1,000,000	133,648	1,133,648
2051	600,000	93,750	693,750
2052	625,000	63,750	688,750
2053	650,000	32,500	682,500
Totals	\$ 70,970,000	\$ 28,235,482	\$ 99,205,482

Harris County Water Control and Improvement District No. 157
Changes in Long-Term Bonded Debt
Year Ended May 31, 2024

Bond

	<u>Series 2014</u>	<u>Refunding Series 2015</u>	<u>Series 2015A</u>	<u>Refunding Series 2016</u>	<u>Series 2016A</u>
Interest rates	3.00% to 4.00%	2.000% to 3.125%	3.00% to 4.00%	2.00% to 3.25%	2.000% to 3.125%
Dates interest payable	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
Maturity dates	September 1, 2024/2038	September 1, 2024/2034	September 1, 2024/2040	September 1, 2024/2034	September 1, 2024/2040
Bonds outstanding, beginning of current year	\$ 4,320,000	\$ 4,535,000	\$ 3,950,000	\$ 7,180,000	\$ 3,800,000
Bonds sold during current year	-	-	-	-	-
Retirements, principal	<u>270,000</u>	<u>65,000</u>	<u>150,000</u>	<u>870,000</u>	<u>200,000</u>
Bonds outstanding, end of current year	<u>\$ 4,050,000</u>	<u>\$ 4,470,000</u>	<u>\$ 3,800,000</u>	<u>\$ 6,310,000</u>	<u>\$ 3,600,000</u>
Interest paid during current year	<u>\$ 146,812</u>	<u>\$ 136,775</u>	<u>\$ 133,625</u>	<u>\$ 182,650</u>	<u>\$ 103,938</u>

Paying agent's name and address:

Series 2014	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Series 2015	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Series 2015A	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Series 2016	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Series 2016A	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Series 2017	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Series 2017A	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Series 2017B	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Series 2018	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Series 2018A	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Series 2019	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Series 2021	- The Bank of New York Mellon Trust Company, N.A., Houston, Texas

Bond authority:

	<u>Tax Bonds</u>	<u>Recreational Bonds</u>	<u>Refunding Bonds</u>
Amount authorized by voters	\$ 256,600,000	\$ 204,300,000	\$ 460,900,000
Amount issued	\$ 63,300,000	\$ 28,970,000	\$ 1,740,000
Remaining to be issued	<u>\$ 193,300,000</u>	<u>\$ 175,330,000</u>	<u>\$ 459,160,000</u>

Debt service fund cash and temporary investment balances as of May 31, 2024: \$ 3,979,165

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 3,420,879

Issues

Series 2017	Series 2017A	Refunding Series 2017B	Series 2018	Series 2018A	Series 2019	Refunding Series 2021
2.00% to 3.25%	2.125% to 3.375%	2.50% to 4.00%	3.00% to 4.00%	3.75% to 4.00%	2.25% to 3.00%	2.00% to 3.00%
September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
September 1, 2024/2042	September 1, 2024/2042	September 1, 2024/2037	March 1, 2025/2045	March 1, 2036/2038	March 1, 2032/2045	September 1, 2024/2037
\$ 6,150,000	\$ 3,850,000	\$ 3,980,000	\$ 7,675,000	\$ 1,190,000	\$ 3,620,000	\$ 1,065,000
-	-	-	-	-	-	-
250,000	150,000	190,000	250,000	-	-	55,000
<u>\$ 5,900,000</u>	<u>\$ 3,700,000</u>	<u>\$ 3,790,000</u>	<u>\$ 7,425,000</u>	<u>\$ 1,190,000</u>	<u>\$ 3,620,000</u>	<u>\$ 1,010,000</u>
<u>\$ 183,250</u>	<u>\$ 115,656</u>	<u>\$ 119,025</u>	<u>\$ 284,869</u>	<u>\$ 46,837</u>	<u>\$ 98,600</u>	<u>\$ 23,975</u>

Harris County Water Control and Improvement District No. 157
Changes in Long-Term Bonded Debt
Year Ended May 31, 2024

(Continued)

	Bond Issues				Totals
	Refunding Series 2021A	Series 2021B	Series 2021C	Series 2023	
Interest rates	1.00% to 4.00%	2.00% to 3.00%	2.550% to 2.625%	4.25% to 6.75%	
Dates interest payable	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1	
Maturity dates	September 1, 2024/2037	March 1, 2025/2043	March 1, 2044/2050	March 1, 2025/2053	
Bonds outstanding, beginning of current year	\$ 3,540,000	\$ 5,300,000	\$ 2,760,000	\$ -	\$ 62,915,000
Bonds sold during current year	-	-	-	11,000,000	11,000,000
Retirements, principal	<u>280,000</u>	<u>215,000</u>	<u>-</u>	<u>-</u>	<u>2,945,000</u>
Bonds outstanding, end of current year	<u>\$ 3,260,000</u>	<u>\$ 5,085,000</u>	<u>\$ 2,760,000</u>	<u>\$ 11,000,000</u>	<u>\$ 70,970,000</u>
Interest paid during current year	<u>\$ 78,863</u>	<u>\$ 119,931</u>	<u>\$ 71,617</u>	<u>\$ 152,023</u>	<u>1,998,446</u>

Paying agent's name and address:

- Series 2021A** - The Bank of New York Mellon Trust Company, N.A., Houston, Texas
- Series 2021B** - The Bank of New York Mellon Trust Company, N.A., Houston, Texas
- Series 2021C** - The Bank of New York Mellon Trust Company, N.A., Houston, Texas
- Series 2023** - The Bank of New York Mellon Trust Company, N.A., Houston, Texas

Harris County Water Control and Improvement District No. 157
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended May 31,

	Amounts				
	2024	2023	2022	2021	2020
General Fund					
Revenues					
Property taxes	\$ 3,023,695	\$ 2,856,982	\$ 2,499,583	\$ 2,150,228	\$ 1,786,178
Penalty and interest	23	6,751	939	-	-
Investment income	456,383	249,010	15,186	21,140	48,215
Sale of capacity	-	-	-	-	25,860
Other income	1,107,608	319,269	776,630	1,382,069	1,290,463
Total revenues	<u>4,587,709</u>	<u>3,432,012</u>	<u>3,292,338</u>	<u>3,553,437</u>	<u>3,150,716</u>
Expenditures					
Service operations:					
Regional water fee	169,967	69,332	16,568	12,933	6,331
Professional fees	199,441	151,758	152,076	136,874	138,125
Contracted services	96,389	82,571	50,875	38,576	40,286
Utilities	55,787	50,010	60,916	82,776	81,994
Repairs and maintenance	1,958,146	1,743,562	1,570,078	1,532,728	1,225,246
Other expenditures	71,467	66,704	98,298	85,433	80,494
Tap connections	-	29,856	-	-	4,815
Capital outlay	118,928	66,374	78,345	41,245	74,863
Debt service, debt issuance costs	7,483	-	-	-	-
Total expenditures	<u>2,677,608</u>	<u>2,260,167</u>	<u>2,027,156</u>	<u>1,930,565</u>	<u>1,652,154</u>
Excess of Revenues Over Expenditures	<u>1,910,101</u>	<u>1,171,845</u>	<u>1,265,182</u>	<u>1,622,872</u>	<u>1,498,562</u>
Other Financing Sources (Uses)					
Interfund transfers out	(89,870)	-	-	-	-
Insurance reimbursement	-	-	-	36,013	-
Total other financing sources (uses)	<u>(89,870)</u>	<u>-</u>	<u>-</u>	<u>36,013</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,820,231	1,171,845	1,265,182	1,658,885	1,498,562
Fund Balance, Beginning of Year	<u>8,042,682</u>	<u>6,870,837</u>	<u>5,605,655</u>	<u>3,946,770</u>	<u>2,448,208</u>
Fund Balance, End of Year	<u>\$ 9,862,913</u>	<u>\$ 8,042,682</u>	<u>\$ 6,870,837</u>	<u>\$ 5,605,655</u>	<u>\$ 3,946,770</u>
Total Active Retail Water Connections	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total Active Retail Wastewater Connections	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Percent of Fund Total Revenues

<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
65.9 %	83.2 %	75.9 %	60.5 %	56.7 %
0.0	0.2	0.0	-	-
10.0	7.3	0.5	0.6	1.5
-	-	-	-	0.8
<u>24.1</u>	<u>9.3</u>	<u>23.6</u>	<u>38.9</u>	<u>41.0</u>
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
3.7	2.0	0.5	0.4	0.2
4.3	4.4	4.6	3.8	4.4
2.1	2.4	1.5	1.1	1.3
1.2	1.5	1.9	2.3	2.6
42.7	50.8	47.7	43.1	38.9
1.6	1.9	3.0	2.4	2.5
-	0.9	-	-	0.1
2.6	1.9	2.4	1.2	2.4
<u>0.2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>58.4</u>	<u>65.8</u>	<u>61.6</u>	<u>54.3</u>	<u>52.4</u>
<u>41.6 %</u>	<u>34.2 %</u>	<u>38.4 %</u>	<u>45.7 %</u>	<u>47.6 %</u>

Harris County Water Control and Improvement District No. 157
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Five Years Ended May 31,

	Amounts				
	2024	2023	2022	2021	2020
Debt Service Fund					
Revenues					
Property taxes	\$ 4,482,854	\$ 4,430,301	\$ 4,542,597	\$ 4,658,759	\$ 4,315,887
Penalty and interest	64,738	55,697	40,169	7,530	41,812
Investment income	123,638	99,731	6,840	6,927	57,762
Total revenues	<u>4,671,230</u>	<u>4,585,729</u>	<u>4,589,606</u>	<u>4,673,216</u>	<u>4,415,461</u>
Expenditures					
Current:					
Professional fees	5,450	5,070	11,939	6,868	4,289
Contracted services	135,910	129,814	123,711	121,489	119,343
Other expenditures	31,821	27,531	23,684	22,105	20,688
Debt service:					
Principal retirement	2,945,000	2,700,000	2,600,000	2,570,000	2,495,000
Interest and fees	2,010,372	1,934,499	1,827,621	1,998,305	1,996,662
Debt issuance costs	-	-	220,925	-	-
Debt defeasance	-	-	85,000	-	-
Total expenditures	<u>5,128,553</u>	<u>4,796,914</u>	<u>4,892,880</u>	<u>4,718,767</u>	<u>4,635,982</u>
Deficiency of Revenues Over Expenditures	<u>(457,323)</u>	<u>(211,185)</u>	<u>(303,274)</u>	<u>(45,551)</u>	<u>(220,521)</u>
Other Financing Sources (Uses)					
Interfund transfers in	250,000	-	-	-	-
General obligation bonds issued	-	-	4,940,000	-	-
Premium on debt issued	-	-	183,445	-	-
Deposit with escrow agent	-	-	(4,902,519)	-	-
Total other financing sources	<u>250,000</u>	<u>-</u>	<u>220,926</u>	<u>-</u>	<u>-</u>
Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(207,323)</u>	<u>(211,185)</u>	<u>(82,348)</u>	<u>(45,551)</u>	<u>(220,521)</u>
Fund Balance, Beginning of Year	<u>4,083,723</u>	<u>4,294,908</u>	<u>4,377,256</u>	<u>4,422,807</u>	<u>4,643,328</u>
Fund Balance, End of Year	<u>\$ 3,876,400</u>	<u>\$ 4,083,723</u>	<u>\$ 4,294,908</u>	<u>\$ 4,377,256</u>	<u>\$ 4,422,807</u>

Percent of Fund Total Revenues

<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
96.0 %	96.6 %	99.0 %	99.7 %	97.7 %
1.4	1.2	0.9	0.2	1.0
<u>2.6</u>	<u>2.2</u>	<u>0.1</u>	<u>0.1</u>	<u>1.3</u>
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
0.1	0.1	0.3	0.1	0.1
2.9	2.8	2.7	2.6	2.7
0.7	0.6	0.5	0.5	0.5
63.1	58.9	56.6	55.0	56.5
43.0	42.2	39.8	42.8	45.2
-	-	4.8	-	-
-	-	1.9	-	-
<u>109.8</u>	<u>104.6</u>	<u>106.6</u>	<u>101.0</u>	<u>105.0</u>
<u>(9.8) %</u>	<u>(4.6) %</u>	<u>(6.6) %</u>	<u>(1.0) %</u>	<u>(5.0) %</u>

**Harris County Water Control and Improvement District No. 157
Board Members, Key Personnel and Consultants
Year Ended May 31, 2024**

Complete District mailing address:	Harris County Water Control and Improvement District No. 157 c/o Schwartz, Page & Harding, L.L.P. 1300 Post Oak Boulevard, Suite 2400 Houston, Texas 77056
District business telephone number:	713.623.4531
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	May 9, 2024
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

<u>Board Members</u>	<u>Term of Office Elected & Expires</u>	<u>Fees*</u>	<u>Expense Reimbursements</u>	<u>Title at Year-End</u>
Keith Nystrom	Elected 05/22- 05/26	\$ 2,802	\$ 334	President
Cameron Dickey	Elected 05/22- 05/26	1,918	124	Vice President
Keith Perry	Elected 05/24- 05/28	2,581	371	Secretary
Ben Judd	Elected 05/24- 05/28	3,023	364	Assistant Secretary
Chad Sillman	Elected 05/24- 05/28	2,431	214	Assistant Secretary

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

**Harris County Water Control and Improvement District No. 157
Board Members, Key Personnel and Consultants
Year Ended May 31, 2024**

(Continued)

Consultants	Date Hired	Fees and Expense Reimbursements	Title
BGE, Inc.	04/14/05	\$ 135,654	Engineer
FORVIS, LLP	05/10/07	32,400	Auditor
The GMS Group, L.L.C.	09/13/18	132,635	Financial Advisor
Harris Central Appraisal District	Legislative Action	58,233	Appraiser
Inframark, LLC	03/08/07	387,410	Operator
Municipal Accounts & Consulting, L.P.	03/03/05	71,462	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	02/09/06	5,467	Delinquent Tax Attorney
Schwartz, Page & Harding, L.L.P.	03/03/05	104,281 285,284	General Counsel Bond Counsel
Wheeler & Associates, Inc.	03/03/05	119,255	Tax Assessor/ Collector
Investment Officers			
Mark M. Burton and Ghia Lewis	07/14/05	N/A	Bookkeepers