

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

MAY 31, 2018

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ANNUAL FINANCIAL REPORT
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harris County Municipal
Utility District No. 152
Harris County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 152 (the "District"), as of and for the year ended May 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of May 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

August 22, 2018

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2018**

Management's discussion and analysis of Harris County Municipal Utility District No. 152's (the "District") financial performance provides an overview of the District's financial activities for the year ended May 31, 2018. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2018**

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by \$8,761,835 as of May 31, 2018. A portion of the District's net position reflects its net investment in capital assets (land, water, wastewater and drainage facilities as well as the District's capacity interest in the Atascocita joint facilities, less any debt used to acquire those assets that is still outstanding). The following is a comparative analysis of government-wide changes in net position:

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2018	2017	Change Positive (Negative)
Current and Other Assets	\$ 5,603,408	\$ 5,073,110	\$ 530,298
Capital Assets (Net of Accumulated Depreciation)	11,511,315	11,959,733	(448,418)
Total Assets	\$ 17,114,723	\$ 17,032,843	\$ 81,880
Bonds Payable	\$ 8,006,727	\$ 8,948,050	\$ 941,323
Other Liabilities	346,161	284,647	(61,514)
Total Liabilities	\$ 8,352,888	\$ 9,232,697	\$ 879,809
Net Position:			
Net Investment in Capital Assets	\$ 3,504,588	\$ 3,011,683	\$ 492,905
Restricted	1,560,205	1,577,467	(17,262)
Unrestricted	3,697,042	3,210,996	486,046
Total Net Position	\$ 8,761,835	\$ 7,800,146	\$ 961,689

The following table provides a summary of the District's operations for the years ended May 31, 2018, and May 31, 2017.

	Summary of Changes in the Statement of Activities		
	2018	2017	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 1,473,582	\$ 1,535,456	\$ (61,874)
Charges for Services	1,566,934	1,513,793	53,141
Other Revenues	413,906	394,080	19,826
Total Revenues	\$ 3,454,422	\$ 3,443,329	\$ 11,093
Expenses for Services	2,492,733	2,495,144	2,411
Change in Net Position	\$ 961,689	\$ 948,185	\$ 13,504
Net Position, Beginning of Year	7,800,146	6,851,961	948,185
Net Position, End of Year	\$ 8,761,835	\$ 7,800,146	\$ 961,689

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2018**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of May 31, 2018, were \$5,289,024, an increase of \$460,071 from the prior year.

The General Fund fund balance increased by \$485,703, primarily due to service, property tax, and sales tax revenues exceeding operating and administrative expenditures.

The Debt Service Fund fund balance decreased by \$25,632, primarily due to the structure of the District's outstanding debt requirements.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues were \$243,923 more than budgeted revenues primarily due to higher than expected sales tax revenues, service revenues, and unbudgeted sale of capacity in wastewater treatment facilities. Actual expenditures were \$117,260 less than budgeted expenditures primarily due to lower than anticipated capital outlay, professional fees, contracted services, purchased wastewater service, and utilities during the current fiscal year.

CAPITAL ASSETS

Capital assets as of May 31, 2018, total \$11,511,315 (net of accumulated depreciation) and include land and the District's capacity interest in joint facilities as well as the water, wastewater and drainage systems.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2018	2017	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 196,101	\$ 196,101	\$
Construction in Progress	78,185		78,185
Capital Assets, Net of Accumulated Depreciation:			
Water System	3,517,412	3,580,142	(62,730)
Wastewater System	2,636,356	2,744,198	(107,842)
Drainage System	3,852,631	4,028,731	(176,100)
Capacity Interest in Joint Facilities	1,230,630	1,410,561	(179,931)
Total Net Capital Assets	\$ 11,511,315	\$ 11,959,733	\$ (448,418)

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2018**

LONG-TERM DEBT ACTIVITY

At year end, the District had total bond debt payable of \$7,820,000. The changes in the debt position of the District during the year ended May 31, 2018, are summarized as follows:

Bond Debt Payable, June 1, 2017	\$ 8,740,000
Less: Bond Principal Paid	<u>920,000</u>
Bond Debt Payable, May 31, 2018	<u>\$ 7,820,000</u>

The District carries an underlying rating of "A+" by Standards and Poor's Rating Agency. The 2010 and 2012 bonds carry insured ratings of "AA" by virtue of bond insurance issued by Assured Guaranty Municipal. The ratings above reflect any changes through May 31, 2018.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Harris County Municipal Utility District No. 152, c/o Norton Rose Fulbright US L.L.P., 1301 McKinney Avenue, Suite 5100, Houston, TX 77010-3095.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
MAY 31, 2018

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 2,327,199	\$ 1,553,693
Investments	1,234,412	
Receivables:		
Property Taxes	6,234	37,274
Penalty and Interest on Delinquent Taxes		
Service Accounts	152,866	
Accrued Interest	6,696	
City of Houston	96,015	
Due from Atascocita Central Plant	20,194	
Due from Other Funds		54,638
Advance for Wastewater Pump Station and Force Main	2,011	
Advance for Regional Wastewater Treatment		
Plant Operations	153,866	
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	\$ 3,999,493	\$ 1,645,605

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

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 3,880,892	\$	\$ 3,880,892
1,234,412		1,234,412
43,508		43,508
	12,948	12,948
152,866		152,866
6,696		6,696
96,015		96,015
20,194		20,194
54,638	(54,638)	
2,011		2,011
153,866		153,866
	196,101	196,101
	78,185	78,185
	<u>11,237,029</u>	<u>11,237,029</u>
<u>\$ 5,645,098</u>	<u>\$ 11,469,625</u>	<u>\$ 17,114,723</u>

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
MAY 31, 2018

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	\$ 111,365	\$
Accrued Interest Payable		
Due to Other Funds	54,638	
Due to Taxpayers		10,115
Security Deposits	136,448	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	\$ 302,451	\$ 10,115
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 6,234	\$ 37,274
FUND BALANCES		
Nonspendable:		
Operating Advances	\$ 155,877	\$
Restricted for Debt Service		1,598,216
Unassigned	3,534,931	
TOTAL FUND BALANCES	\$ 3,690,808	\$ 1,598,216
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,999,493	\$ 1,645,605
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 111,365	\$ 88,233	\$ 111,365
54,638	(54,638)	88,233
10,115		10,115
136,448		136,448
	925,000	925,000
	<u>7,081,727</u>	<u>7,081,727</u>
<u>\$ 312,566</u>	<u>\$ 8,040,322</u>	<u>\$ 8,352,888</u>
<u>\$ 43,508</u>	<u>\$ (43,508)</u>	<u>\$ -0-</u>
\$ 155,877	\$ (155,877)	\$
1,598,216	(1,598,216)	
<u>3,534,931</u>	<u>(3,534,931)</u>	
<u>\$ 5,289,024</u>	<u>\$ (5,289,024)</u>	<u>\$ -0-</u>
<u>\$ 5,645,098</u>		
	\$ 3,504,588	\$ 3,504,588
	1,560,205	1,560,205
	<u>3,697,042</u>	<u>3,697,042</u>
	<u>\$ 8,761,835</u>	<u>\$ 8,761,835</u>

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
MAY 31, 2018

Total Fund Balances - Governmental Funds	\$	5,289,024
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		11,511,315
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Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2017 and prior tax levies became part of recognized revenue in the governmental activities of the District.		56,456
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Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Accrued Interest Payable	\$ (88,233)			
Bonds Payable	<u>(8,006,727)</u>		<u>(8,094,960)</u>	

Total Net Position - Governmental Activities	\$	<u><u>8,761,835</u></u>
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The accompanying notes to the financial statements are an integral part of this report.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MAY 31, 2018

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 253,913	\$ 1,219,255
Water Service	441,259	
Wastewater Service	413,829	
Water Authority Fees	642,855	
Penalty and Interest	28,816	10,482
Tap Connection and Inspection Fees	28,440	
Sales Tax Revenues	375,637	
Sale of Capacity	112,776	
Miscellaneous Revenues	34,868	3,401
TOTAL REVENUES	\$ 2,332,393	\$ 1,233,138
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 78,942	\$ 3,583
Contracted Services	105,719	43,244
Purchased Wastewater Service	266,096	
Utilities	47,565	
Repairs and Maintenance	285,933	
Water Authority Assessments	726,124	
Depreciation		
Other	143,273	16,674
Capital Outlay	193,038	
Debt Service:		
Bond Principal		920,000
Bond Interest		275,269
TOTAL EXPENDITURES/EXPENSES	\$ 1,846,690	\$ 1,258,770
NET CHANGE IN FUND BALANCES	\$ 485,703	\$ (25,632)
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JUNE 1, 2017	3,205,105	1,623,848
FUND BALANCES/NET POSITION - MAY 31, 2018	\$ 3,690,808	\$ 1,598,216

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

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
\$ 1,473,168	\$ 414	\$ 1,473,582
441,259		441,259
413,829		413,829
642,855		642,855
39,298	1,253	40,551
28,440		28,440
375,637		375,637
112,776	(112,776)	
38,269		38,269
\$ 3,565,531	\$ (111,109)	\$ 3,454,422
\$ 82,525	\$	\$ 82,525
148,963		148,963
266,096		266,096
47,565		47,565
285,933		285,933
726,124		726,124
	528,680	528,680
159,947		159,947
193,038	(193,038)	
920,000	(920,000)	
275,269	(28,369)	246,900
\$ 3,105,460	\$ (612,727)	\$ 2,492,733
\$ 460,071	\$ (460,071)	\$
	961,689	961,689
4,828,953	2,971,193	7,800,146
\$ 5,289,024	\$ 3,472,811	\$ 8,761,835

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2018**

Net Change in Fund Balances - Governmental Funds \$ 460,071

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

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied. 414

Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed. 1,253

Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities. (528,680)

Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected. 193,038

The sale of capacity is shown as revenue in governmental funds but reduces the District's investment in joint facilities in governmental activities. (112,776)

Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities. 920,000

Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end. 28,369

Change in Net Position - Governmental Activities \$ 961,689

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2018

NOTE 1. CREATION OF DISTRICT

Harris County Municipal Utility District No. 152 (the “District”) was created effective December 29, 1976, by an Order of the Texas Water Rights Commission, presently known as the Texas Commission on Environmental Quality (the “Commission”). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The District is also empowered to contract for or employ its own peace officers with powers to make arrests and subject to certain regulatory approvals, to establish, operate and maintain a fire department to perform all fire-fighting activities within the District. The Board of Directors held its first meeting on March 28, 1977, and the first bonds were sold on March 6, 1979.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units. See Note 9 for information concerning the District’s participation in a regional sewage treatment plant.

Financial Statement Presentation

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

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

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

Government-Wide Financial Statements

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

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

Governmental Funds

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

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

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

Basis of Accounting

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

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of May 31, 2018, the General Fund owed the Debt Service Fund \$54,638 for the over-transfer of maintenance tax collections.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Interest costs, including developer interest, engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$10,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

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

Budgeting

In compliance with governmental accounting principles, the Board of Directors annually adopts an unappropriated budget for the General Fund. The budget was not amended during the current fiscal year.

Pensions

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

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

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

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2018

NOTE 3. LONG-TERM DEBT

	<u>Refunding Series 2010</u>	<u>Refunding Series 2012</u>
Amount Outstanding –May 31, 2018	\$ 2,220,000	\$ 5,600,000
Interest Rates	3.00% - 3.625%	2.00% - 4.00%
Maturity Dates – Serially Beginning/Ending	August 1, 2018/2023	August 1, 2018/2026
Interest Payment Dates	August 1/ February 1	August 1/ February 1
Callable Dates	August 1, 2019*	August 1, 2019*

* Or any date thereafter, callable at the principal amount plus accrued interest from the date of the most recent interest payment date to the date fixed for redemption. Series 2012 term bonds maturing on August 1, 2020 are subject to mandatory redemption starting August 1, 2019.

The following is a summary of transactions regarding bonds payable for the year ended May 31, 2018:

	<u>June 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>May 31, 2018</u>
Bonds Payable	\$ 8,740,000	\$	\$ 920,000	\$ 7,820,000
Unamortized Discounts	(61,957)		(8,105)	(53,852)
Unamortized Premiums	270,007		29,428	240,579
Bonds Payable, Net	<u>\$ 8,948,050</u>	<u>\$ -0-</u>	<u>\$ 941,323</u>	<u>\$ 8,006,727</u>
			Amount Due Within One Year	\$ 925,000
			Amount Due After One Year	<u>7,081,727</u>
			Bonds Payable, Net	<u>\$ 8,006,727</u>

As of May 31, 2018, the debt service requirements on the bonds outstanding were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 925,000	\$ 253,525	\$ 1,178,525
2020	935,000	230,863	1,165,863
2021	915,000	207,881	1,122,881
2022	950,000	178,528	1,128,528
2023	940,000	142,768	1,082,768
2024-2027	<u>3,155,000</u>	<u>218,834</u>	<u>3,373,834</u>
	<u>\$ 7,820,000</u>	<u>\$ 1,232,399</u>	<u>\$ 9,052,399</u>

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2018

NOTE 3. LONG-TERM DEBT (Continued)

As of May 31, 2018, the District had authorized but unissued bonds in the amount of \$21,525,000 for utility facilities and \$26,190,000 for refunding purposes. The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount.

During the year ended May 31, 2018, the District levied an ad valorem debt service tax rate of \$0.24 per \$100 of assessed valuation, which resulted in a tax levy of \$1,233,416 on the adjusted taxable valuation of \$513,927,281 for the 2017 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

The District's tax calendar is as follows:

Levy Date	- October 1, or as soon thereafter as practicable.
Lien Date	- January 1.
Due Date	- Not later than January 31.
Delinquent Date	- February 1, at which time the taxpayer is liable for penalty and interest.

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

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

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

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2018

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$5,115,304 and the bank balance was \$5,216,909. The District was not exposed to custodial credit risk at year-end. The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at May 31, 2018, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 2,327,199	\$ 1,234,412	\$ 3,561,611
DEBT SERVICE FUND	1,553,693		1,553,693
TOTAL DEPOSITS	\$ 3,880,892	\$ 1,234,412	\$ 5,115,304

Investments

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

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

As of May 31, 2018, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
Certificates of Deposit	\$ 1,234,412	\$ 1,234,412

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2018

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District records its investments in certificates of deposit at amortized cost. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District manages credit risk by investing in certificates of deposit with balances below FDIC insurance. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages interest rate risk by investing in certificates of deposit with maturities of less than one year.

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

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended May 31, 2018:

	June 1, 2017	Increases	Decreases	May 31, 2018
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 196,101	\$	\$	\$ 196,101
Construction in Progress	<u> </u>	<u>193,038</u>	<u>114,853</u>	<u>78,185</u>
Total Capital Assets Not Being Depreciated	<u>\$ 196,101</u>	<u>\$ 193,038</u>	<u>\$ 114,853</u>	<u>\$ 274,286</u>
Capital Assets Subject to Depreciation				
Water System	\$ 6,435,483	\$ 114,853	\$	\$ 6,550,336
Wastewater System	4,880,957			4,880,957
Drainage System	7,934,251			7,934,251
Capacity Interest in Joint Facilities	<u>3,340,253</u>	<u> </u>	<u>112,776</u>	<u>3,227,477</u>
Total Capital Assets Subject to Depreciation	<u>\$ 22,590,944</u>	<u>\$ 114,853</u>	<u>\$ 112,776</u>	<u>\$ 22,593,021</u>
Accumulated Depreciation				
Water System	\$ 2,855,341	\$ 177,583	\$	\$ 3,032,924
Wastewater System	2,136,759	107,842		2,244,601
Drainage System	3,905,520	176,100		4,081,620
Capacity Interest in Joint Facilities	<u>1,929,692</u>	<u>67,155</u>	<u> </u>	<u>1,996,847</u>
Total Accumulated Depreciation	<u>\$ 10,827,312</u>	<u>\$ 528,680</u>	<u>\$ - 0 -</u>	<u>\$ 11,355,992</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 11,763,632</u>	<u>\$ (413,827)</u>	<u>\$ 112,776</u>	<u>\$ 11,237,029</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 11,959,733</u>	<u>\$ (220,789)</u>	<u>\$ 227,629</u>	<u>\$ 11,511,315</u>

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2018

NOTE 7. MAINTENANCE TAX

On April 1, 1978, the voters of the District approved the levy and collection of a maintenance tax of not more than \$1.00 per \$100 of assessed valuation of taxable property within the District. A maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater system. During the year ended May 31, 2018, the District levied an ad valorem maintenance tax rate of \$0.05 per \$100 of assessed valuation, which resulted in a tax levy of \$256,961 on the adjusted taxable valuation of \$513,927,281 for the 2017 tax year.

NOTE 8. EMERGENCY WATER SUPPLY CONTRACTS

On February 16, 1982, the District entered into an Interim and Emergency Water Supply contract with Harris County Municipal Utility District No. 153 (District No. 153). This agreement was amended on August 8, 1983, October 15, 1985, February 10, 1992 and November 17, 1999.

On September 15, 2004, the District entered into an Amended and Restated Water Supply Contract with District No. 153. The contract was amended on December 18, 2013. The District will charge \$1.00 per 1,000 gallons of water plus a pumpage fee for emergency water service. This contract also states the District will continue to supply water to District No. 153 sufficient to serve the Atascocita Middle School at the rates for customers in the District. The term of this agreement is 40 years, but may be terminated by either district giving 180 days' notice of termination.

On May 4, 1987, the District entered into a contract with Harris County Municipal Utility District No. 132 (District No. 132) to provide emergency water supply services. The districts jointly operate and maintain the interconnect facilities. The amendment dated March 20, 2014, enables the district providing emergency water service for more than five days to either bill the receiving district at the out-of-district water service rate or to receive repayment in kind. For the first five days the water is required to be repaid in-kind. The agreement has been extended to June 1, 2037.

NOTE 9. SEWAGE TREATMENT OPERATIONS AND MAINTENANCE CONTRACTS

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2018

NOTE 9. SEWAGE TREATMENT OPERATIONS AND MAINTENANCE CONTRACTS (Continued)

On December 1, 2012, the participants in the plant executed a Fourth Amended and Restated Waste Disposal Contract whereby certain participants agreed to sell and assign capacity to Harris County Municipal Utility District No. 494 (District No. 494). The pro rata share of capacity is amended upon each sale. The term of the agreement ends August 1, 2048.

The participants, with the exception of District No. 109, entered into a separate Sanitary Sewer Line Contract to transport waste from the participating districts to the plant. The term of this agreement remains in effect so long as the Waste Disposal Contract is in effect. On December 1, 2012, the participants executed an amended Sanitary Sewer Line Contract which provides for the participants to sell capacity in the line to District No. 494. During the current year, District No. 494 purchased wastewater treatment plant capacity and capacity in the wastewater trunkline from the District for \$112,776.

As of May 31, 2018, the District's advance for operation and maintenance of the regional sewage treatment plant was \$153,866 and the District recorded a total of \$266,096 for its share of operating costs of the plant.

The following summary financial data of the Atascocita Central Plant is presented for the fiscal year ended May 31, 2018. A copy of the financial statements for the plant can be obtained by contacting Norton Rose Fulbright US L.L.P. at 1301 McKinney, Suite 5100, Houston, Texas 77010-3095.

	Joint Venture
Total Assets	\$ 1,353,758
Total Liabilities	<u>334,408</u>
Total Fund Balance	<u>\$ 1,019,350</u>
Total Revenues	\$ 1,755,890
Total Expenditures	<u>1,755,890</u>
Excess Revenues (Expenditures)	\$ -0-
Other Financing Sources (Uses)	
Reserve Adjustment	<u>\$ 56,500</u>
Net Change in Fund Balance	\$ 56,500
Fund Balance, Beginning of Year	<u>962,850</u>
Fund Balance, End of Year	<u>\$ 1,019,350</u>

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2018

NOTE 10. AGREEMENT FOR CONSTRUCTION, MAINTENANCE, SALE AND LEASE OF WASTEWATER PUMP STATION, FORCE MAIN AND SITE

On March 11, 1983, the District entered into an agreement with Harris County Municipal Utility District No. 153 to acquire, construct, operate and maintain a wastewater pump station and force main for the transportation of waste from the land within their boundaries to the Atascocita Central Sewage Treatment Plant. This agreement was amended on June 14, 2006. Under the terms of the agreement, each district agrees to pay its pro-rata share of the construction costs. District No. 153 will operate and maintain the facilities and each district will pay its pro-rata share of operating and maintenance costs. The term of the agreement is 40 years. As of May 31, 2018, the District's advance for operations and maintenance was \$2,011.

NOTE 11. GROUNDWATER REDUCTION PLAN PARTICIPATION AGREEMENT

On April 30, 2002, the District entered into a Groundwater Reduction Plan Participation Agreement with the West Harris County Regional Water Authority (the "Authority"). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 1842 (the "Act"), as passed by the 77th Texas Legislature, in 2001. The Act empowers the Authority for purposes including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, and the control of subsidence caused by withdrawal of water from those groundwater reservoirs or their subdivisions. The term of this agreement is 40 years.

The District agrees to pay the Authority a water well pumpage fee, based on the amount of water pumped from all well(s) owned and operated by the District. This fee will enable the Authority to fulfill its purpose and regulatory functions. The current fee charged is \$2.70 per 1,000 gallons of water pumped from each well. During the current year, the District paid pumpage fees of \$726,124.

NOTE 12. RISK MANAGEMENT

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2018

NOTE 13. STRATEGIC PARTNERSHIP AGREEMENT

The District has entered into a Strategic Partnership Agreement with the City of Houston, Texas. The Agreement provides that in accordance with Subchapter F of Chapter 43 of the Local Government Code and Act, the City shall annex a tract of land defined as the “Tract” for the limited purposes of applying the City’s Planning, Zoning, Health, and Safety Ordinances within the Tract within the boundaries of the District. The District will continue to develop, to own, and to operate and maintain a water, wastewater, and drainage system in the District.

The City imposes a Sales and Use Tax within the boundaries of the Tract on the receipts from the sale and use at retail of taxable items at the rate of one percent or the rate specified under the future amendments to Chapter 321 of the Tax Code. The City pays the District one-half of all Sales and Use Tax revenues generated within the boundaries of the Tract within 30 days of the City receiving the funds from the State Comptroller’s office.

The City agrees that it will not annex the District for full purposes or commence any action to annex the District for full purposes during the term of this Agreement. The term of this Agreement is 30 years from its effective date. During the year ended May 31, 2018, the District received \$375,637 in sales tax revenues, of which \$96,015 was recorded as a receivable at year-end.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152

REQUIRED SUPPLEMENTARY INFORMATION

MAY 31, 2018

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED MAY 31, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 244,470	\$ 253,913	\$ 9,443
Water Service	460,000	441,259	(18,741)
Wastewater Service	395,000	413,829	18,829
Water Authority Fees	605,000	642,855	37,855
Penalty and Interest	35,000	28,816	(6,184)
Tap Connection and Inspection Fees	8,000	28,440	20,440
Sales Tax Revenues	335,000	375,637	40,637
Miscellaneous Revenues	6,000	147,644	141,644
TOTAL REVENUES	\$ 2,088,470	\$ 2,332,393	\$ 243,923
EXPENDITURES			
Services Operations:			
Professional Fees	\$ 90,800	\$ 78,942	\$ 11,858
Contracted Services	118,000	105,719	12,281
Purchased Wastewater Service	300,000	266,096	33,904
Utilities	78,000	47,565	30,435
Water Authority Assessments	750,000	726,124	23,876
Repairs and Maintenance	240,000	285,933	(45,933)
Other	112,150	143,273	(31,123)
Capital Outlay	275,000	193,038	81,962
TOTAL EXPENDITURES	\$ 1,963,950	\$ 1,846,690	\$ 117,260
NET CHANGE IN FUND BALANCE	\$ 124,520	\$ 485,703	\$ 361,183
FUND BALANCE - JUNE 1, 2017	3,205,105	3,205,105	
FUND BALANCE - MAY 31, 2018	\$ 3,329,625	\$ 3,690,808	\$ 361,183

See accompanying independent auditor's report.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

MAY 31, 2018

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2018**

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

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

2. RETAIL SERVICE PROVIDERS

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

Based on the rate order approved December 21, 2016.

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
WATER:	\$ 10.00	8,000	N	\$ 1.50 \$ 1.75	8,001 to 20,000 20,001 and up
WASTEWATER:	\$ 13.00		Y		
SURCHARGE: Regional Water Authority Fees			N	\$ 2.70	0,001 and up
District employs winter averaging for wastewater usage?					_____ <u> X </u> Yes No

Total monthly charges per 10,000 gallons usage: Water: \$13.00 Wastewater: \$13.00 Surcharge: \$27.00 Total: \$53.00

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2018

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤¾"	2,395	2,382	x 1.0	2,382
1"	18	18	x 2.5	45
1½"	11	11	x 5.0	55
2"	32	32	x 8.0	256
3"			x 15.0	
4"	2	2	x 25.0	50
6"	1	1	x 50.0	50
8"	1	1	x 80.0	80
10"	1	1	x 115.0	115
Total Water Connections	<u>2,461</u>	<u>2,448</u>		<u>3,033</u>
Total Wastewater Connections	<u>2,433</u>	<u>2,420</u>	x 1.0	<u>2,420</u>

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

Gallons pumped into system:	274,749,000	Water Accountability Ratio: 93% (Gallons billed/Gallons pumped)
Gallons billed to customers:	256,507,000	

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2018

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

Does the District have Debt Service standby fees? Yes No

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No

County in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely Partly Not at all

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

Entirely Partly Not at all

ETJ in which District is located:

City of Houston, Texas

Are Board Members appointed by an office outside the District?

Yes No

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED MAY 31, 2018

PROFESSIONAL FEES:	
Auditing	\$ 15,000
Engineering	13,562
Legal	50,380
TOTAL PROFESSIONAL FEES	<u>\$ 78,942</u>
PURCHASED WASTEWATER SERVICE	<u>\$ 266,096</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 18,226
Operations and Billing	87,493
TOTAL CONTRACTED SERVICES	<u>\$ 105,719</u>
UTILITIES	<u>\$ 47,565</u>
REPAIRS AND MAINTENANCE	<u>\$ 285,933</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 11,550
Insurance	7,881
Office Supplies and Postage	32,400
Travel and Meetings	2,322
Other	16,235
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 70,388</u>
CAPITAL OUTLAY	<u>\$ 193,038</u>
TAP CONNECTIONS	<u>\$ 29,810</u>
OTHER EXPENDITURES:	
Chemicals	\$ 17,402
Laboratory Fees	11,282
Permit Fees	6,005
Inspection Fees	4,228
Water Authority Assessments	726,124
Regulatory Assessment	4,158
TOTAL OTHER EXPENDITURES	<u>\$ 769,199</u>
TOTAL EXPENDITURES	<u><u>\$ 1,846,690</u></u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
INVESTMENTS
MAY 31, 2018

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
Certificate of Deposit	XXXX6254	0.90%	07/29/18	\$ 202,414	\$ 1,527
Certificate of Deposit	XXXX2127	1.10%	12/24/18	203,755	970
Certificate of Deposit	XXXX8603	1.00%	03/02/19	243,251	600
Certificate of Deposit	XXXX7218	1.30%	03/02/19	104,992	337
Certificate of Deposit	XXXX0567	1.35%	09/07/18	240,000	2,361
Certificate of Deposit	XXXX3741	1.65%	03/09/19	240,000	901
TOTAL GENERAL FUND				<u>\$ 1,234,412</u>	<u>\$ 6,696</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MAY 31, 2018

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
JUNE 1, 2017	\$	5,891		\$ 37,203
Adjustments to Beginning				
Balance		<u>(2,705)</u>	\$ 3,186	<u>(14,090)</u> \$ 23,113
Original 2017 Tax Levy	\$	243,633		\$ 1,169,440
Adjustment to 2017 Tax Levy		<u>13,328</u>	<u>256,961</u>	<u>63,976</u> <u>1,233,416</u>
TOTAL TO BE				
ACCOUNTED FOR			\$ 260,147	\$ 1,256,529
TAX COLLECTIONS:				
Prior Years	\$	169		\$ 1,286
Current Year		<u>253,744</u>	<u>253,913</u>	<u>1,217,969</u> <u>1,219,255</u>
TAXES RECEIVABLE -				
MAY 31, 2018			<u>\$ 6,234</u>	<u>\$ 37,274</u>
TAXES RECEIVABLE BY				
YEAR:				
2017		\$ 3,217		\$ 15,447
2016		909		4,728
2015		515		2,986
2014		449		2,781
2013		296		2,441
2012		211		1,353
2011		217		1,517
2010		174		1,562
2009		98		878
2008		75		921
2007		73		929
2006				533
2005				593
2004				<u>605</u>
TOTAL			<u>\$ 6,234</u>	<u>\$ 37,274</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MAY 31, 2018

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
PROPERTY VALUATIONS:				
Land	\$ 107,238,621	\$ 102,721,204	\$ 100,881,147	\$ 91,944,354
Improvements	475,232,657	461,269,868	422,890,004	384,489,717
Personal Property	16,931,863	16,816,185	16,736,865	15,963,643
Exemptions	<u>(85,475,860)</u>	<u>(80,615,583)</u>	<u>(79,962,526)</u>	<u>(76,243,178)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 513,927,281</u>	<u>\$ 500,191,674</u>	<u>\$ 460,545,490</u>	<u>\$ 416,154,536</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.24	\$ 0.26	\$ 0.29	\$ 0.31
Maintenance	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.29</u>	<u>\$ 0.31</u>	<u>\$ 0.34</u>	<u>\$ 0.36</u>
ADJUSTED TAX LEVY*	<u>\$ 1,490,377</u>	<u>\$ 1,550,583</u>	<u>\$ 1,565,843</u>	<u>\$ 1,498,145</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>98.75 %</u>	<u>99.64 %</u>	<u>99.78 %</u>	<u>99.78 %</u>

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

Maintenance Tax – Maximum tax rate of \$1.00 per \$100 of assessed valuation approved by voters on April 1, 1978.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2018

SERIES - 2010 REFUNDING

Due During Fiscal Years Ending May 31	Principal Due August 1	Interest Due August 1/ February 1	Total
2019	\$ 385,000	\$ 67,625	\$ 452,625
2020	380,000	55,913	435,913
2021	375,000	43,881	418,881
2022	365,000	31,628	396,628
2023	360,000	19,168	379,168
2024	355,000	6,434	361,434
2025			
2026			
2027			
	<u>\$ 2,220,000</u>	<u>\$ 224,649</u>	<u>\$ 2,444,649</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2018

SERIES - 2012 REFUNDING

Due During Fiscal Years Ending May 31	Principal Due August 1	Interest Due August 1/ February 1	Total
2019	\$ 540,000	\$ 185,900	\$ 725,900
2020	555,000	174,950	729,950
2021	540,000	164,000	704,000
2022	585,000	146,900	731,900
2023	580,000	123,600	703,600
2024	575,000	100,500	675,500
2025	920,000	70,600	990,600
2026	925,000	33,700	958,700
2027	380,000	7,600	387,600
	<u>\$ 5,600,000</u>	<u>\$ 1,007,750</u>	<u>\$ 6,607,750</u>

See accompanying independent auditor's report.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2018

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending May 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2019	\$ 925,000	\$ 253,525	\$ 1,178,525
2020	935,000	230,863	1,165,863
2021	915,000	207,881	1,122,881
2022	950,000	178,528	1,128,528
2023	940,000	142,768	1,082,768
2024	930,000	106,934	1,036,934
2025	920,000	70,600	990,600
2026	925,000	33,700	958,700
2027	380,000	7,600	387,600
	<u>\$ 7,820,000</u>	<u>\$ 1,232,399</u>	<u>\$ 9,052,399</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED MAY 31, 2018

Description	Original Bonds Issued	Bonds Outstanding June 1, 2017
Harris County Municipal Utility District No. 152 Unlimited Tax Refunding Bonds - Series 2010	\$ 4,360,000	\$ 2,585,000
Harris County Municipal Utility District No. 152 Unlimited Tax Refunding Bonds - Series 2012	<u>7,630,000</u>	<u>6,155,000</u>
TOTAL	<u>\$ 11,990,000</u>	<u>\$ 8,740,000</u>
Bond Authority:	<u>Tax Bonds</u>	<u>Refunding Bonds</u>
Amount Authorized by Voters	\$ 44,955,000	\$ 26,605,000
Amount Issued	<u>23,430,000</u>	<u>415,000</u>
Remaining to be Issued	<u>\$ 21,525,000</u>	<u>\$ 26,190,000</u>
Debt Service Fund cash and investment balances as of May 31, 2018:		<u>\$ 1,553,693</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:		<u>\$ 1,005,822</u>

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

See accompanying independent auditor's report.

Current Year Transactions

Bonds Sold	Retirements		Bonds Outstanding May 31, 2018	Paying Agent
	Principal	Interest		
\$	\$ 365,000	\$ 78,419	\$ 2,220,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	555,000	196,850	5,600,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
\$ - 0 -	\$ 920,000	\$ 275,269	\$ 7,820,000	

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2018	2017	2016
REVENUES			
Property Taxes	\$ 253,913	\$ 248,377	\$ 225,610
Water Service	441,259	451,150	434,885
Wastewater Service	413,829	405,667	411,071
Water Authority Fees	642,855	606,565	502,995
Penalty and Interest	28,816	32,931	32,949
Tap Connection and Inspection Fees	28,440	8,180	25,043
Sales Tax Revenues	375,637	361,171	345,169
Sale of Capacity	112,776	108,964	142,383
Miscellaneous Revenues	34,868	31,164	43,516
TOTAL REVENUES	\$ 2,332,393	\$ 2,254,169	\$ 2,163,621
EXPENDITURES			
Professional Fees	\$ 78,942	\$ 58,088	\$ 71,355
Contracted Services	105,719	107,095	111,664
Purchased Wastewater Service	266,096	196,234	260,391
Utilities	47,565	104,526	79,042
Repairs and Maintenance	285,933	304,375	252,384
Water Authority Assessments	726,124	696,539	629,560
Other	143,273	103,489	96,453
Capital Outlay	193,038		162,915
Bond Principal		1,130,000	
Bond Interest		18,204	
TOTAL EXPENDITURES	\$ 1,846,690	\$ 2,718,550	\$ 1,663,764
NET CHANGE IN FUND BALANCE	\$ 485,703	\$ (464,381)	\$ 499,857
BEGINNING FUND BALANCE	3,205,105	3,669,486	3,169,629
ENDING FUND BALANCE	\$ 3,690,808	\$ 3,205,105	\$ 3,669,486

See accompanying independent auditor's report.

		Percentage of Total Revenues						
2015	2014	2018	2017	2016	2015	2014		
\$ 206,498	\$ 153,397	11.0 %	11.0 %	10.4 %	10.6 %	7.8 %		
418,644	430,019	18.9	20.0	20.1	21.6	21.9		
398,984	402,514	17.7	18.0	19.0	20.6	20.5		
458,430	482,503	27.6	26.9	23.2	23.7	24.5		
24,753	39,244	1.2	1.5	1.5	1.3	2.0		
98,895	12,380	1.2	0.4	1.2	5.1	0.6		
300,227	290,829	16.1	16.0	16.0	15.5	14.8		
5,473	126,423	4.8	4.8	6.6	0.3	6.4		
25,240	29,067	1.5	1.4	2.0	1.3	1.5		
<u>\$ 1,937,144</u>	<u>\$ 1,966,376</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>		
\$ 71,525	\$ 81,414	3.4 %	2.6 %	3.3 %	3.7 %	4.1 %		
110,832	108,757	4.5	4.8	5.2	5.7	5.5		
281,685	243,076	11.4	8.7	12.0	14.5	12.4		
71,174	77,157	2.0	4.6	3.7	3.7	3.9		
274,715	214,193	12.3	13.5	11.7	14.2	10.9		
498,028	559,519	31.1	30.9	29.1	25.7	28.5		
133,153	122,521	6.1	4.6	4.5	6.9	6.2		
		8.3		7.5				
			50.1					
			0.8					
<u>\$ 1,441,112</u>	<u>\$ 1,406,637</u>	<u>79.1 %</u>	<u>120.6 %</u>	<u>77.0 %</u>	<u>74.4 %</u>	<u>71.5 %</u>		
\$ 496,032	\$ 559,739	<u>20.9 %</u>	<u>(20.6) %</u>	<u>23.0 %</u>	<u>25.6 %</u>	<u>28.5 %</u>		
<u>2,673,597</u>	<u>2,113,858</u>							
<u>\$ 3,169,629</u>	<u>\$ 2,673,597</u>							

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2018	2017	2016
REVENUES			
Property Taxes	\$ 1,219,255	\$ 1,292,773	\$ 1,305,347
Penalty and Interest	10,482	13,063	9,820
Miscellaneous Revenues	3,401	1,745	1,762
TOTAL REVENUES	\$ 1,233,138	\$ 1,307,581	\$ 1,316,929
EXPENDITURES			
Tax Collection Expenditures	\$ 62,251	\$ 57,255	\$ 62,180
Debt Service Principal	920,000	990,000	985,000
Debt Service Interest and Fees	276,519	323,693	370,174
TOTAL EXPENDITURES	\$ 1,258,770	\$ 1,370,948	\$ 1,417,354
NET CHANGE IN FUND BALANCE	(25,632)	(63,367)	(100,425)
BEGINNING FUND BALANCE	1,623,848	1,687,215	1,787,640
ENDING FUND BALANCE	\$ 1,598,216	\$ 1,623,848	\$ 1,687,215
TOTAL ACTIVE RETAIL WATER CONNECTIONS	2,448	2,448	2,446
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	2,420	2,420	2,417

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2015	2014	2018	2017	2016	2015	2014
\$ 1,281,896	\$ 1,255,753	98.8 %	98.9 %	99.1 %	98.8 %	97.2 %
11,347	26,461	0.9	1.0	0.8	0.9	2.0
3,767	9,959	0.3	0.1	0.1	0.3	0.8
<u>\$ 1,297,010</u>	<u>\$ 1,292,173</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 56,618	\$ 66,014	5.0 %	4.4 %	4.7 %	4.4 %	5.1 %
970,000	950,000	74.6	75.7	74.8	74.8	73.5
392,224	416,399	22.4	24.8	28.1	30.2	32.2
<u>\$ 1,418,842</u>	<u>\$ 1,432,413</u>	<u>102.0 %</u>	<u>104.9 %</u>	<u>107.6 %</u>	<u>109.4 %</u>	<u>110.8 %</u>
(121,832)	(140,240)	<u>(2.0) %</u>	<u>(4.9) %</u>	<u>(7.6) %</u>	<u>(9.4) %</u>	<u>(10.8) %</u>
<u>1,909,472</u>	<u>2,049,712</u>					
<u>\$ 1,787,640</u>	<u>\$ 1,909,472</u>					
2,433	2,419					
<u>2,405</u>	<u>2,395</u>					

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MAY 31, 2018

District Mailing Address - Harris County Municipal Utility District No. 152
c/o Norton Rose Fulbright US L.L.P.
1301 McKinney Ave., Suite 5100
Houston, TX 77010-3095

District Telephone Number - (713) 651-5151

Board Members	<u>Term of Office (Elected or Appointed)</u>	<u>Fees of Office for the year ended May 31, 2018</u>	<u>Expense Reimbursements for the year ended May 31, 2018</u>	<u>Title</u>
Kelly Cline	05/18 – 05/22 (Elected)	\$ 3,600	\$ 362	President
Ernest Bezdek	05/16 – 05/20 (Elected)	\$ 1,650	\$ 346	Vice President
Charlie Crocker	05/16 – 05/20 (Elected)	\$ 600	\$ 101	Secretary
Andrew Galeucia	06/16 – 05/20 (Appointed)	\$ 2,250	\$ 1,154	Assistant Secretary
Asdrubal Gutierrez	05/18 – 05/22 (Elected)	\$ -0-	\$ -0-	Assistant Secretary

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

The submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054): July 24, 2014.

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution (TWC Section 49.060) on August 20, 2003. Fees of Office are the amounts actually paid to a Director during the District’s current period.

See accompanying independent auditor’s report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MAY 31, 2018

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended May 31, 2018</u>	<u>Title</u>
Norton Rose Fulbright US L.L.P.	03/28/77	\$ 51,380	General Counsel
McCall Gibson Swedlund Barfoot PLLC	08/18/87	\$ 15,000	Auditor
Myrtle Cruz, Inc.	1981	\$ 19,722	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, LLP	03/20/96	\$ 2,671	Delinquent Tax Attorney
IDS Engineering Group	01/20/99	\$ 66,267	Engineer
Masterson Advisors LLC	05/23/18	\$ -0-	Financial Advisor
Mary Jarmon	05/19/04	\$ -0-	Investment Officer
Inframark Water & Infrastructure Services, LLC	08/01/95	\$ 447,560	Operator
Wheeler & Associates, Inc.	02/02/78	\$ 40,499	Tax Assessor/ Collector

See accompanying independent auditor's report.

