

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**

**HARRIS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**MAY 31, 2025**

**McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC**  
Certified Public Accountants

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# ***McCall Gibson Swedlund Barfoot Ellis PLLC***

*Certified Public Accountants*

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Harris County Municipal  
Utility District No. 132  
Harris County, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and major fund of Harris County Municipal Utility District No. 132 (the "District") as of and for the year ended May 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of May 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### **Required Supplementary Information**

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

Board of Directors  
Harris County Municipal Utility District No. 132

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information 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 Ellis PLLC*

McCall Gibson Swedlund Barfoot Ellis PLLC  
Certified Public Accountants  
Houston, Texas

October 16, 2025

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MAY 31, 2025**

Management’s discussion and analysis of the financial performance of Harris County Municipal Utility District No. 132 (the “District”) provides an overview of the District’s financial activities for the fiscal year ended May 31, 2025. 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 Fund Balance Sheet and (2) the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. This report also includes required and other supplementary information in addition to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

The Statement of Net Position includes all of the District’s assets and liabilities 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 fiscal 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 one governmental fund type. The General Fund accounts for property tax revenues, sales tax revenues, customer service revenues, operating costs and general expenditures.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MAY 31, 2025**

**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 Fund Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

**NOTES TO THE FINANCIAL STATEMENTS**

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

**OTHER INFORMATION**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the District’s financial position. In the case of the District, assets exceeded liabilities by \$30,689,406 as of May 31, 2025. A portion of the District’s net position reflects its investment in capital assets which includes the water, wastewater and drainage facilities as well as land and the District’s capacity interest in the Atascocita Central Plant.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MAY 31, 2025**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

The following is a comparative analysis of government-wide changes in net position:

	Summary of Changes in the Statement of Net Position		
	2025	2024	Change Positive (Negative)
Current and Other Assets	\$ 7,210,019	\$ 9,905,145	\$ (2,695,126)
Capital Assets (Net of Accumulated Depreciation)	24,026,380	21,126,331	2,900,049
Total Assets	\$ 31,236,399	\$ 31,031,476	\$ 204,923
Total Liabilities	\$ 546,993	\$ 1,220,511	\$ 673,518
Net Position:			
Investment in Capital Assets	\$ 24,026,380	\$ 21,126,331	\$ 2,900,049
Unrestricted	6,663,026	8,684,634	(2,021,608)
Total Net Position	\$ 30,689,406	\$ 29,810,965	\$ 878,441

The following table provides a summary of the District's operations for the years ending May 31, 2025, and May 31, 2024.

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 554,084	\$ 560,439	\$ (6,355)
Sales Tax Revenues	1,882,635	1,801,398	81,237
Charges for Services	3,292,942	3,094,097	198,845
Other Revenues and Reimbursements	888,299	1,583,637	(695,338)
Total Revenues	\$ 6,617,960	\$ 7,039,571	\$ (421,611)
Expenses for Services	5,739,519	6,363,711	624,192
Change in Net Position	\$ 878,441	\$ 675,860	\$ 202,581
Net Position, Beginning of Year	29,810,965	29,135,105	675,860
Net Position, End of Year	\$ 30,689,406	\$ 29,810,965	\$ 878,441

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MAY 31, 2025**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND**

The District's General Fund fund balance as of May 31, 2025, was \$6,604,707, a decrease of \$2,027,113 from the prior year. The decrease was primarily caused by significant amounts of capital outlay and maintenance and repair costs paid from unassigned funds accumulated in prior years.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors adopted a General Fund budget for the current fiscal year. Actual revenues were \$234,581 more than budgeted revenues and actual expenditures were \$113,056 more than budgeted expenditures which resulted in a positive variance of \$121,525. See the budget to actual comparison for more information.

**CAPITAL ASSETS**

Capital assets as of May 31, 2025, total \$24,026,089 (net of accumulated depreciation) and include the water, wastewater and drainage facilities as well as land and the District's capacity interest in the Atascocita Central Plant (ACP) facilities. Construction in progress includes waterline replacement and water plant rehabilitation projects.

Capital Assets At Year-End			
	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 1,384,563	\$ 1,384,563	\$
Construction in Progress	467,120	3,795,362	(3,328,242)
Capital Assets Subject to Depreciation:			
Water System	21,316,519	15,072,292	6,244,227
Wastewater System	14,538,940	14,538,940	
Drainage System	6,407,170	5,746,737	660,433
Capacity Interest in ACP Facilities	2,168,916	1,944,352	224,564
Less Accumulated Depreciation	(22,256,848)	(21,355,915)	(900,933)
Total Net Capital Assets	\$ 24,026,380	\$ 21,126,331	\$ 2,900,049

**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. 132, c/o Norton Rose Fulbright US L.L.P., 1550 Lamar Street, Suite 2000, Houston, Texas 77010.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUND BALANCE SHEET**  
**MAY 31, 2025**

	General Fund	Adjustments	Statement of Net Position
<b>ASSETS</b>			
Cash	\$ 575,287	\$	\$ 575,287
Investments	4,932,753		4,932,753
Receivables:			
Property Taxes	33,566		33,566
Penalty and Interest on Delinquent Taxes		24,753	24,753
Service Accounts	524,728		524,728
Accrued Interest	15,945		15,945
Prepaid Costs	27,487		27,487
Due from Other Governmental Units	675,201		675,201
Advance for Regional Wastewater Treatment			
Plant Operations	400,299		400,299
Land		1,384,563	1,384,563
Construction in Progress		467,120	467,120
Capital Assets (Net of Accumulated Depreciation)		22,174,697	22,174,697
<b>TOTAL ASSETS</b>	<b>\$ 7,185,266</b>	<b>\$ 24,051,133</b>	<b>\$ 31,236,399</b>

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUND BALANCE SHEET**  
**MAY 31, 2025**

	General Fund	Adjustments	Statement of Net Position
<b>LIABILITIES</b>			
Accounts Payable	\$ 320,807	\$	\$ 320,807
Security Deposits	226,186		226,186
<b>TOTAL LIABILITIES</b>	<b>\$ 546,993</b>	<b>\$ - 0 -</b>	<b>\$ 546,993</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	\$ 33,566	\$ (33,566)	\$ - 0 -
 <b>FUND BALANCE</b>			
Nonspendable:			
Prepaid Costs	\$ 27,487	\$ (27,487)	\$
Operating Advance	400,299	(400,299)	
Committed for Capital Projects	2,383,300	(2,383,300)	
Unassigned	3,793,621	(3,793,621)	
<b>TOTAL FUND BALANCE</b>	<b>\$ 6,604,707</b>	<b>\$ (6,604,707)</b>	<b>\$ - 0 -</b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	 <b>\$ 7,185,266</b>		
 <b>NET POSITION</b>			
Investment in Capital Assets		\$ 24,026,380	\$ 24,026,380
Unrestricted		6,663,026	6,663,026
<b>TOTAL NET POSITION</b>		<b>\$ 30,689,406</b>	<b>\$ 30,689,406</b>

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
MAY 31, 2025**

Total Fund Balance - Governmental Fund \$ 6,604,707

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 governmental funds. 24,026,380

Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2024 and prior tax levies became part of recognized revenue in the governmental activities of the District. 58,319

Total Net Position - Governmental Activities \$ 30,689,406

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED MAY 31, 2025**

	General Fund	Adjustments	Statement of Activities
<b>REVENUES</b>			
Property Taxes	\$ 551,015	\$ 3,069	\$ 554,084
Water Service	864,005		864,005
Wastewater Service	839,955		839,955
Sales Tax Revenues	1,882,635		1,882,635
Water Authority Fees	1,449,073		1,449,073
Penalty and Interest	73,364	2,436	75,800
Connection and Other Service Revenues	139,909		139,909
Investment and Miscellaneous Revenues	812,499		812,499
<b>TOTAL REVENUES</b>	<b>\$ 6,612,455</b>	<b>\$ 5,505</b>	<b>\$ 6,617,960</b>
<b>EXPENDITURES/EXPENSES</b>			
Service Operations:			
Professional Fees	\$ 323,486	\$	\$ 323,486
Contracted Services	236,845		236,845
Purchased Wastewater Service	843,568	(224,564)	619,004
Utilities	158,717		158,717
Water Authority Assessments	1,476,159		1,476,159
Repairs and Maintenance	1,735,233		1,735,233
Depreciation		900,933	900,933
Other	289,142		289,142
Capital Outlay	3,576,418	(3,576,418)	
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ 8,639,568</b>	<b>\$ (2,900,049)</b>	<b>\$ 5,739,519</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (2,027,113)</b>	<b>\$ 2,027,113</b>	<b>\$</b>
<b>CHANGE IN NET POSITION</b>		878,441	878,441
<b>FUND BALANCE/NET POSITION - JUNE 1, 2024</b>	<b>8,631,820</b>	<b>21,179,145</b>	<b>29,810,965</b>
<b>FUND BALANCE/NET POSITION - MAY 31, 2025</b>	<b>\$ 6,604,707</b>	<b>\$ 24,084,699</b>	<b>\$ 30,689,406</b>

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2025**

Net Change in Fund Balance - Governmental Fund \$ (2,027,113)

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

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied. 3,069

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. 2,436

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. (900,933)

Governmental funds report capital expenditures as expenditures in the period purchased. However, in the government-wide financial statements, capital assets are increased by new purchases and the Statement of Activities is not affected. 3,800,982

Change in Net Position - Governmental Activities \$ 878,441

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2025**

**NOTE 1. CREATION OF DISTRICT**

Harris County Municipal Utility District No. 132 (the “District”) was created, effective September 10, 1974, 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, 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 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 September 25, 1974, and the first bonds were sold on June 18, 1975.

**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.

The District is a participant with several other districts and entities in the Atascocita Regional Sewage Treatment Plant (the “Plant”). Oversight of the Plant is exercised by a Joint Operations Board comprised of one member from each participating district having five or more single family residential connections or the equivalent thereto. Based on the criteria described above, the Plant’s financial activity has not been included in the District’s financial statements. Additional disclosure concerning this joint venture is provided in Note 9.

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. 132**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2025**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

The GASB Codification set 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 net 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 and are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements. The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position. The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2025**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Financial Statements and Governmental Fund

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 Balance.

The District has one governmental fund and considers it to be a major fund.

General Fund - To account for property tax revenues, sales tax revenues, customer service revenues, operating costs and general expenditures.

Basis of Accounting

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

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

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Fund 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.

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 purposes only.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2025**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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. Engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized 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 over periods ranging from 10 to 45 years.

Budgeting

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

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 assets. 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 are classified using the hierarchy discussed on the following page.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2025**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus (Continued)

*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, enabling legislation, or because of constraints that are imposed externally. The District had no restricted fund balances.

*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 committed \$2,383,300 of its fund balance for capital projects.

*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 did not assign any of its fund balance.

*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.

**NOTE 3. 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. 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. 132**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2025**

**NOTE 4. 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 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 \$1,278,770 and the bank balance was \$1,490,780. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits as of May 31, 2025, are summarized in the following table:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 575,287	\$ 703,483	\$ 1,278,770

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.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2025**

**NOTE 4. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

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 which is reviewed annually and which may be more restrictive than the Public Funds Investment Act.

The District invests in Local Government Investment Cooperative (“LOGIC”). LOGIC operates as a public funds investment pool under the Public Funds Investment Act. The portfolio is managed by J. P. Morgan Investment Management Inc. (J. P. Morgan) and the day-to-day operations are provided by Hilltop Securities Inc. and J. P. Morgan. LOGIC measures its portfolio assets at amortized cost. As a result, the District measures its investments in LOGIC at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from LOGIC.

The District records its investments in certificates of deposit at acquisition cost.

As of May 31, 2025, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of 1 Year or Less
<u>GENERAL FUND</u>		
LOGIC	\$ 4,229,270	\$ 4,229,270
Certificates of Deposit	703,483	703,483
TOTAL INVESTMENTS	\$ 4,932,753	\$ 4,932,753

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District’s investment in LOGIC was rated AAA by Standard and Poor’s. The District also manages credit risk by investing in certificates of deposit covered by FDIC insurance and pledged collateral.

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2025**

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the current fiscal year is summarized in the following table:

	June 1, 2024	Increases	Decreases	May 31, 2025
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 1,384,563	\$	\$	\$ 1,384,563
Construction in Progress	<u>3,795,362</u>	<u>3,800,982</u>	<u>7,129,224</u>	<u>467,120</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>\$ 5,179,925</u>	<u>\$ 3,800,982</u>	<u>\$ 7,129,224</u>	<u>\$ 1,851,683</u>
<b>Capital Assets Subject to Depreciation</b>				
Water System	\$ 15,072,292	\$ 6,244,227	\$	\$ 21,316,519
Wastewater System	14,538,940			14,538,940
Drainage System	5,746,737	660,433		6,407,170
Capacity Interest in ACP Facilities	<u>1,944,352</u>	<u>224,564</u>		<u>2,168,916</u>
<b>Total Capital Assets Subject to Depreciation</b>	<u>\$ 37,302,321</u>	<u>\$ 7,129,224</u>	<u>\$ - 0 -</u>	<u>\$ 44,431,545</u>
<b>Accumulated Depreciation</b>				
Water System	\$ 7,990,666	\$ 418,789	\$	\$ 8,409,455
Wastewater System	8,174,190	323,188		8,497,378
Drainage System	4,289,304	107,022		4,396,326
Capacity Interest in ACP Facilities	<u>901,755</u>	<u>51,934</u>		<u>953,689</u>
<b>Total Accumulated Depreciation</b>	<u>\$ 21,355,915</u>	<u>\$ 900,933</u>	<u>\$ - 0 -</u>	<u>\$ 22,256,848</u>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 15,946,406</u>	<u>\$ 6,228,291</u>	<u>\$ - 0 -</u>	<u>\$ 22,174,697</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 21,126,331</u>	<u>\$ 10,029,273</u>	<u>\$ 7,129,224</u>	<u>\$ 24,026,380</u>

**NOTE 6. MAINTENANCE TAX**

On January 11, 1975, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$1.00 per \$100 of assessed valuation of taxable property within the District. During the year ended May 31, 2025, the District levied an ad valorem maintenance tax rate of \$0.069 per \$100 of assessed valuation, which resulted in a tax levy of \$568,605 on the adjusted taxable valuation of \$824,065,460 for the 2024 tax year. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater system.

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2025**

**NOTE 7. INTERIM AND EMERGENCY WATER SUPPLY CONTRACTS**

On August 20, 1984, the District executed an emergency water supply contract with Harris County Municipal Utility District No. 153 (District No. 153). The contract provides for each district to repay the other district in kind for water supplied on an emergency basis, except that should one district use water for greater than five days there is a provision that there be a reimbursement based upon the existing out-of-district water service rates. On October 16, 2014, the contract was amended to extend the term of the original emergency water supply agreement to March 1, 2024. The contract was subsequently amended on September 21, 2017.

On November 19, 1984, the District executed an emergency water supply agreement with Harris County Municipal Utility District No. 151 (District No. 151). The agreement was for a period of ten years and provides for each district to repay the other district in kind for water supplied on an emergency basis, except that should one district use water for greater than five days there is a provision that there be a reimbursement based upon the existing out-of-district water service rates. Each district paid its cost of getting to a point of connection and its proportionate share of operation and maintenance costs. On June 9, 1994, the District executed an extension to the agreement with District No. 151 providing for the contract to be renewed and extended under its original terms, conditions and limitations. The contract shall remain in full force and effect for one year from the date of the renewal agreement and shall be automatically extended under such terms, for successive one-year periods.

On May 4, 1987, the District entered into a contract with Harris County Municipal Utility District No. 152 (District No. 152) 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 8. UTILITY SERVICE CONTRACT - CITY OF HOUSTON**

On April 25, 1983, the District authorized the execution of a contract with the City of Houston. The contract became effective on September 10, 1983, the date it was executed by the City. The contract provides for the District to provide water and sewer service to a tract of land located within the City of Houston and adjacent to the District. The District is currently providing service to the residents within the tract. On December 22, 1994, the contract was renewed under the original terms. On October 9, 2000, the contract was restated for the current tracts of land and affirmed that the District will provide services to any future tracts of land as agreed to by the City of Houston. The term of the contract is 40 years. The City of Houston can submit a 60-days written notice for the withdrawal from the contract.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2025**

**NOTE 9. JOINT SEWAGE TREATMENT OPERATIONS**

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

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

The participants 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.

As of May 31, 2025, the District's advance for operation and maintenance of the regional sewage treatment plant was \$400,299. The following summary financial data of the Atascocita Central Plant is presented for the fiscal year ended May 31, 2025. A copy of the financial statements for the plant can be obtained by contacting Norton Rose Fulbright US L.L.P.

Total Assets	\$ 2,564,481
Total Liabilities	<u>237,131</u>
Total Fund Balance	<u>\$ 2,327,350</u>
Total Revenues	\$ 4,314,247
Total Expenditures	<u>4,314,247</u>
Excess Revenues (Expenditures)	\$ -0-
Other Financing Sources:	
Reserve Adjustment	<u>155,250</u>
Net Increase in Fund Balance	\$ 155,250
Fund Balance, Beginning of Year	<u>2,172,100</u>
Fund Balance, End of Year	<u>\$ 2,327,350</u>

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2025**

**NOTE 10. WASTEWATER PUMP STATION AND FORCE MAIN AGREEMENT**

On April 18, 1983, the District executed an Agreement for Construction, Maintenance, Sale and Lease of Wastewater Pump Station, Force Main and Site with District No. 151 and District No. 153. The agreement provides for the acquisition and construction of a wastewater pump station and force main to provide for transportation of waste from the land within each districts' boundaries to the connection with the sewer line (Note 9) running to the Atascocita Central Plant. The agreement further provides that the District will operate and maintain the facilities, and each district will pay its pro rata share of the operating and maintenance costs. The agreement was amended on August 21, 2014, to establish a definitive basis for sharing the construction costs of improvements to the facilities. The term of the agreement is 40 years.

**NOTE 11. CONTRACTS FOR WASTE TRANSPORTATION**

On February 1, 1998, the District executed a Contract for Waste Transportation with District No. 151. The agreement provides for District No. 151 to design and construct lift station no. 3, three 15-inch wastewater collection lines and one 10-inch force main to accommodate the transportation of sanitary sewage from the District to the Regional System. The District and District No. 151 shared all costs of the construction, maintenance and operation of the project on a pro rata basis. District No. 151 operates, maintains and repairs the project. The term of the contract is 40 years and will automatically renew for additional one-year terms unless either party gives written notice of termination not less than 90 days prior to such termination.

On November 1, 1998, the District executed the First Supplement to Contract for Waste Transportation with District No. 151. The agreement provides for District No. 151 to design and construct a fourth 15" wastewater collection line to accommodate the transportation of sanitary sewage from the District to the Regional System. The District and District No. 151 shared all costs of the construction, maintenance and operation of the fourth wastewater collection line on a pro rata basis. District No. 151 operates, maintains and repairs the line. The District's capacity is 71.60% and District No. 151 is 28.40%. The term of the contract is 40 years and will automatically renew for additional one-year terms unless either party gives written notice of termination not less than 90 days prior to such termination.

On July 1, 2000, the District executed the Contract for Parkside at Kingwood Glen Waste Transportation with District No. 151. In accordance with the agreement, District No. 151 constructed lift station no. 4, one 10-inch wastewater collection line and one 6-inch force main. On September 21, 2006, the District executed an amendment to the contract which increased District No. 132's capacity in the lift station and sanitary sewer lines. Both districts shared all costs of the construction, maintenance and operation on a pro rata basis. District No. 151 operates, maintains and repairs the lines and force main. District No. 151's current capacity is 24.42% and the District's capacity is 75.58%. The term of the agreement is 40 years and will automatically renew for additional one-year terms unless either party gives written notice of termination not less than 90 days prior to such termination.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2025**

**NOTE 12. 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 Authority is overseeing that its participants comply with subsidence district pumpage requirements. The District is considered a “Contract Member” of the Authority. The District does not lie within the Authority’s boundaries and is not entitled to vote for any director of the Authority. The term of this agreement is for 40 years.

The District pays 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 \$3.95 per 1,000 gallons of water pumped from each well.

**NOTE 13. STRATEGIC PARTNERSHIP AGREEMENT**

Effective March 31, 2005, the District entered into a Strategic Partnership Agreement with the City of Houston, Texas. This agreement was amended on November 21, 2019. 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 at the rate of one percent or the rate specified under future amendments to Chapter 321 of the Tax Code. The City pays the District one-half of all Sales and Use Tax revenues 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.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2025**

**NOTE 14. FM 1960 WIDENING AND EXPANSION PROJECT**

The Texas Department of Transportation (TxDOT) required the District to relocate water and wastewater pipelines that conflict with the TxDOT FM 1960 Expansion Project. The District expended \$2,321,765 during prior fiscal years on engineering and the acquisition of easements needed to relocate the lines. The District received \$1,068,751 (less 10% retainage) for easement purchases and an additional \$1,092,704 for engineering costs and additional easement acquisition costs in prior years. Any future reimbursements will be determined once TxDOT has completed its final true-up.

**NOTE 15. CONTRACT FOR MAINTENANCE OF 30" TRUNK MAIN**

On November 1, 1997, the District executed a Contract for Maintenance of 30" Trunk Main West Lake Houston Parkway with District No. 151. In accordance with the agreement, the districts constructed a 30-inch trunk main on West Lake Houston Parkway for the purposes of transporting sewage from the districts to the regional sewage treatment plant. Both districts share all costs of the construction, maintenance and operation on a pro-rata basis. The District operates, maintains and repairs the lines and force main and bills District No. 151 for its share of costs. District No. 151's current capacity is 60.7% and the District's capacity is 39.3%. The term of the agreement is 30 years and will automatically renew for additional one-year terms unless either party gives written notice of termination not less than six months prior to such termination.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**

**REQUIRED SUPPLEMENTARY INFORMATION**

**MAY 31, 2025**

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED MAY 31, 2025**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 545,000	\$ 551,015	\$ 6,015
Water Service	840,000	864,005	24,005
Wastewater Service	660,000	839,955	179,955
Sales Tax Revenues	1,923,000	1,882,635	(40,365)
Water Authority Fees	1,400,000	1,449,073	49,073
Penalty and Interest	84,000	73,364	(10,636)
Connection and Other Service Revenues	30,000	139,909	109,909
Investment and Miscellaneous Revenues	895,874	812,499	(83,375)
<b>TOTAL REVENUES</b>	<b>\$ 6,377,874</b>	<b>\$ 6,612,455</b>	<b>\$ 234,581</b>
<b>EXPENDITURES</b>			
Service Operations:			
Professional Fees	\$ 273,000	\$ 323,486	\$ (50,486)
Contracted Services	177,600	236,845	(59,245)
Purchased Wastewater Service	879,690	843,568	36,122
Utilities	131,600	158,717	(27,117)
Water Authority Assessments	1,522,000	1,476,159	45,841
Repairs and Maintenance	1,057,200	1,735,233	(678,033)
Other	279,422	289,142	(9,720)
Capital Outlay	4,206,000	3,576,418	629,582
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,526,512</b>	<b>\$ 8,639,568</b>	<b>\$ (113,056)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (2,148,638)</b>	<b>\$ (2,027,113)</b>	<b>\$ 121,525</b>
<b>FUND BALANCE - JUNE 1, 2024</b>	<b>8,631,820</b>	<b>8,631,820</b>	
<b>FUND BALANCE - MAY 31, 2025</b>	<b>\$ 6,483,182</b>	<b>\$ 6,604,707</b>	<b>\$ 121,525</b>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**

**SUPPLEMENTARY INFORMATION REQUIRED BY THE**

**WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**

**MAY 31, 2025**

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132  
SERVICES AND RATES  
FOR THE YEAR ENDED MAY 31, 2025**

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

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

**2. RETAIL SERVICE PROVIDERS**

**a. MONTHLY SERVICE RATES - RESIDENTIAL:**

The following rates are based on the rate order approved March 20, 2025.

	<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:	\$ 20.00	10,000	N	\$ 2.50 \$ 3.00 \$ 3.60 \$ 5.00	10,001 to 20,000 20,001 to 30,000 30,001 to 40,000 40,001 and up
WASTEWATER:	\$ 28.00	30,000	N	\$ 1.75 \$ 2.10	30,001 to 40,000 40,001 and up
SURCHARGE:					
Water Authority Fees			N	\$ 3.95	Each 1,000 gallons over -0- usage
District employs winter averaging for wastewater usage?					<u>      </u> <u>  X  </u> Yes      No

Total monthly charges per 10,000 gallons usage: Water: \$20.00 Wastewater: \$28.00 Surcharge: \$39.50 Total: \$87.50

See accompanying independent auditor's report.





**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**GENERAL FUND EXPENDITURES**  
**FOR THE YEAR ENDED MAY 31, 2025**

PROFESSIONAL FEES:	
Auditing	\$ 19,500
Engineering	162,472
Legal	141,514
TOTAL PROFESSIONAL FEES	<u>\$ 323,486</u>
WATER AUTHORITY ASSESSMENTS	<u>\$ 1,476,159</u>
PURCHASED WASTEWATER SERVICE	<u>\$ 843,568</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 33,063
Operations and Billing	159,620
Tax Assessment, Collection and Appraisal Costs	44,162
TOTAL CONTRACTED SERVICES	<u>\$ 236,845</u>
UTILITIES	<u>\$ 158,717</u>
REPAIRS AND MAINTENANCE	<u>\$ 1,735,233</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 24,321
Insurance	41,571
Office Supplies and Postage	46,510
Travel and Meetings	9,679
Other	1,827
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 123,908</u>
CAPITAL OUTLAY	<u>\$ 3,576,418</u>
OTHER EXPENDITURES:	
Chemicals	\$ 58,543
Laboratory Fees	9,307
Connection and Inspection Fees	89,272
Permit Fees and Regulatory Assessments	8,112
TOTAL OTHER EXPENDITURES	<u>\$ 165,234</u>
TOTAL EXPENDITURES	<u>\$ 8,639,568</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**INVESTMENTS**  
**MAY 31, 2025**

<u>Fund</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>					
LOGIC	XXXX2001	Varies	Daily	\$ 4,229,270	\$
Certificate of Deposit	XXXX1873	5.15%	07/04/25	243,483	11,371
Certificate of Deposit	XXXX6831	4.27%	09/07/25	230,000	2,287
Certificate of Deposit	XXXX3476	4.32%	09/08/25	<u>230,000</u>	<u>2,287</u>
TOTAL GENERAL FUND				<u>\$ 4,932,753</u>	<u>\$ 15,945</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED MAY 31, 2025**

	Maintenance Taxes	
TAXES RECEIVABLE -		
JUNE 1, 2024	\$ 30,497	
Adjustments to Beginning		
Balance	(14,521)	\$ 15,976
Original 2024 Tax Levy	\$ 521,308	
Adjustment to 2024 Tax Levy	47,297	568,605
TOTAL TO BE		
ACCOUNTED FOR		\$ 584,581
 TAX COLLECTIONS:		
Prior Years	\$ (8,760)	
Current Year	559,775	551,015
 TAXES RECEIVABLE -		
MAY 31, 2025		\$ 33,566
 TAXES RECEIVABLE BY		
YEAR:		
2024		\$ 8,830
2023		4,374
2022		3,450
2021		2,479
2020		1,203
2019		1,942
2018		822
2017		454
2016 and prior		10,012
TOTAL		\$ 33,566

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED MAY 31, 2025**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
PROPERTY VALUATIONS:				
Land	\$ 268,715,374	\$ 219,538,777	\$ 219,603,270	\$ 215,243,991
Improvements	673,619,700	747,898,911	658,536,795	544,186,155
Personal Property	72,473,624	65,436,878	63,618,694	56,236,433
Exemptions	<u>(190,743,238)</u>	<u>(219,542,068)</u>	<u>(196,493,010)</u>	<u>(137,068,024)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 824,065,460</u>	<u>\$ 813,332,498</u>	<u>\$ 745,265,749</u>	<u>\$ 678,598,555</u>
TOTAL TAX RATES PER \$100 VALUATION				
	<u>\$ 0.069</u>	<u>\$ 0.071</u>	<u>\$ 0.076</u>	<u>\$ 0.083</u>
ADJUSTED TAX LEVY*				
	<u>\$ 568,605</u>	<u>\$ 577,466</u>	<u>\$ 566,402</u>	<u>\$ 563,237</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED				
	<u>98.45 %</u>	<u>99.24 %</u>	<u>99.39 %</u>	<u>99.56 %</u>

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

Maintenance Tax – The maximum tax rate of \$1.00 per \$100 of assessed valuation was approved by voters on January 11, 1975.

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND - FIVE YEARS**

	Amounts		
	2025	2024	2023
<b>REVENUES</b>			
Property Taxes	\$ 551,015	\$ 560,454	\$ 549,726
Water Service	864,005	716,597	651,923
Wastewater Service	839,955	825,677	849,212
Sales Tax Revenues	1,882,635	1,801,398	1,972,549
Water Authority Fees	1,449,073	1,473,253	1,270,047
TxDOT Reimbursement		1,092,704	
Penalty and Interest	73,364	86,232	81,361
Connection and Other Service Revenues	139,909	78,570	59,355
Investment and Miscellaneous Revenues	812,499	403,736	267,936
<b>TOTAL REVENUES</b>	<b>\$ 6,612,455</b>	<b>\$ 7,038,621</b>	<b>\$ 5,702,109</b>
<b>EXPENDITURES</b>			
Professional Fees	\$ 323,486	\$ 335,612	\$ 344,879
Contracted Services	236,845	222,523	205,293
Purchased Wastewater Service	843,568	759,898	446,009
Utilities	158,717	134,302	139,573
Water Authority Assessments	1,476,159	1,564,571	1,439,221
Repairs and Maintenance	1,735,233	1,352,988	1,235,516
Other	289,142	264,013	230,594
Capital Outlay	3,576,418	2,976,061	1,804,029
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,639,568</b>	<b>\$ 7,609,968</b>	<b>\$ 5,845,114</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (2,027,113)</b>	<b>\$ (571,347)</b>	<b>\$ (143,005)</b>
<b>BEGINNING FUND BALANCE</b>	<b>8,631,820</b>	<b>9,203,167</b>	<b>9,346,172</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 6,604,707</b>	<b>\$ 8,631,820</b>	<b>\$ 9,203,167</b>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	<b>1,919</b>	<b>1,919</b>	<b>1,919</b>
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	<b>1,844</b>	<b>1,845</b>	<b>1,845</b>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
\$ 554,188	\$ 567,056	8.4 %	8.0 %	9.7 %	8.7 %	11.4 %
602,203	579,006	13.0	10.3	11.4	9.6	11.6
741,205	733,944	12.7	11.7	14.9	11.8	14.8
2,035,251	1,898,843	28.5	25.6	34.6	32.3	38.2
1,013,799	983,721	21.9	20.9	22.3	16.1	19.8
1,068,751			15.5		17.0	
78,836	50,125	1.1	1.2	1.4	1.3	1.0
185,275	126,596	2.1	1.1	1.0	2.9	2.5
21,952	33,704	12.3	5.7	4.7	0.3	0.7
<u>\$ 6,301,460</u>	<u>\$ 4,972,995</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 230,935	\$ 312,857	4.9 %	4.8 %	6.0 %	3.7 %	6.3 %
194,052	191,464	3.6	3.2	3.6	3.1	3.9
476,559	396,913	12.8	10.8	7.8	7.6	8.0
107,001	123,755	2.4	1.9	2.4	1.7	2.5
1,278,369	1,214,874	22.3	22.2	25.2	20.3	24.4
1,248,145	1,238,907	26.2	19.2	21.7	19.8	24.9
250,284	206,126	4.4	3.8	4.0	4.0	4.1
<u>2,211,466</u>	<u>2,000,644</u>	<u>54.1</u>	<u>42.3</u>	<u>31.6</u>	<u>35.1</u>	<u>40.2</u>
<u>\$ 5,996,811</u>	<u>\$ 5,685,540</u>	<u>130.7 %</u>	<u>108.2 %</u>	<u>102.3 %</u>	<u>95.3 %</u>	<u>114.3 %</u>
\$ 304,649	\$ (712,545)	<u>(30.7) %</u>	<u>(8.2) %</u>	<u>(2.3) %</u>	<u>4.7 %</u>	<u>(14.3) %</u>
<u>9,041,523</u>	<u>9,754,068</u>					
<u>\$ 9,346,172</u>	<u>\$ 9,041,523</u>					
<u>1,927</u>	<u>1,917</u>					
<u>1,844</u>	<u>1,839</u>					

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**MAY 31, 2025**

District Mailing Address - Harris County Municipal Utility District No. 132  
c/o Norton Rose Fulbright US L.L.P.  
1550 Lamar Street, Suite 2000  
Houston, TX 77010

District Telephone Number - (713) 651-3751

<b>Board Members</b>	Term of Office (Elected or <u>Appointed</u> )	Fees of office for the year ended <u>May 31, 2025</u>	Expense reimbursements for the year ended <u>May 31, 2025</u>	<u>Title</u>
Tim Stine	05/22 – 05/26 Elected	\$ 7,072	\$ 2,509	President
Mike Whitaker	05/24 – 05/28 Elected	\$ 4,199	\$ -0-	Vice President
Gregg Mielke	05/24 – 05/28 Elected	\$ 4,199	\$ 2,541	Secretary
Joey Lopez	05/24 – 05/28 Elected	\$ 3,315	\$ 470	Assistant Secretary
Clifford Jackson	10/23 – 05/26 Appointed	\$ 3,978	\$ 928	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 most recent submission date of the District Registration Form was on May 20, 2024.

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution on August 21, 2003. Fees of Office are the amounts actually paid to a Director during the District’s current fiscal year.

See accompanying independent auditor’s report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**MAY 31, 2025**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees for the year ended May 31, 2025</u>	<u>Title</u>
Norton Rose Fulbright US L.L.P.	09/25/74	\$ 134,039	General Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	05/02/88	\$ 19,500	Auditor
Myrtle Cruz, Inc.	03/01/93	\$ 36,125	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	04/18/96	\$ 2,015	Delinquent Tax Attorney
Brown & Gay Engineers, Inc.	09/11/02	\$ 538,560	Engineer
Masterson Advisors LLC	05/17/18	\$ -0-	Financial Advisor
Inframark, LLC	03/18/94	\$ 1,528,779	Operator
BLICO, Inc.	06/22/95	\$ 29,795	Tax Assessor/ Collector
Mary Jarmon	03/19/20	\$ -0-	Investment Officer

See accompanying independent auditor's report.