

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99**

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

MARCH 31, 2020

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AND IMPROVEMENT DISTRICT NO. 99**

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ANNUAL FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harris County Water Control and
Improvement District No. 99
Harris County, Texas

We have audited the accompanying financial statements of the governmental activities and major fund of Harris County Water Control and Improvement District No. 99 (the "District"), as of and for the year ended March 31, 2020, 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 entity'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.

Board of Directors
Harris County Water Control and
Improvement District No. 99

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 major fund of the District as of March 31, 2020, 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

June 16, 2020

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2020**

Management’s discussion and analysis of Harris County Water Control and Improvement District No. 99’s (the “District”) financial performance provides an overview of the District’s financial activities for the fiscal year ended March 31, 2020. 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) fund financial statements and government-wide financial statements and (2) notes to financial statements. The 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 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 financial statements provide both long-term and short-term information about the District’s overall status. Financial reporting at this level uses a perspective like 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 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 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 resources not accounted for in another fund, customer service revenues, operating costs and general expenditures.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2020**

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund financial 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 Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in the Fund Balance explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO FINANCIAL STATEMENTS

The accompanying notes to 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 \$1,513,580 as of March 31, 2020.

A portion of the District’s net position reflects its net investment in capital assets (e.g. land, buildings and equipment as well as water, wastewater and drainage facilities, less any debt used to acquire those assets that is still outstanding).

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2020**

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		
	2020	2019	Change Positive (Negative)
Current and Other Assets	\$ 1,083,948	\$ 897,664	\$ 186,284
Capital Assets (Net of Accumulated Depreciation)	926,362	1,002,635	(76,273)
Total Assets	\$ 2,010,310	\$ 1,900,299	\$ 110,011
Due to Developer	\$ 325,000	\$	\$ (325,000)
Other Liabilities	171,730	166,018	(5,712)
Total Liabilities	\$ 496,730	\$ 166,018	\$ (330,712)
Net Position:			
Net Investment in Capital Assets	\$ 926,362	\$ 1,002,635	\$ (76,273)
Unrestricted	587,218	731,646	(144,428)
Total Net Position	\$ 1,513,580	\$ 1,734,281	\$ (220,701)

The following table provides a summary of the District's operations for the years ended March 31, 2020, and March 31, 2019.

	Summary of Changes in the Statement of Activities		
	2020	2019	Change Positive (Negative)
Revenues:			
Charges for Services	\$ 943,901	\$ 694,968	\$ 248,933
Other Revenues	26,267	27,399	(1,132)
Total Revenues	\$ 970,168	\$ 722,367	\$ 247,801
Expenses for Services	1,190,869	816,077	(374,792)
Change in Net Position	\$ (220,701)	\$ (93,710)	\$ (126,991)
Net Position, Beginning of Year	1,734,281	1,827,991	(93,710)
Net Position, End of Year	\$ 1,513,580	\$ 1,734,281	\$ (220,701)

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The General Fund fund balance as of March 31, 2020, was \$912,218, an increase of \$180,572 from the prior year, primarily due to a developer advance for bond election expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the fiscal year. Actual revenues were \$135,668 more than budgeted revenues, primarily due to actual water, wastewater and tap revenue exceeding expectations. Actual expenditures were \$203,624 less than budgeted expenditures, primarily due to budgeted repairs and maintenance expenditures exceeding actual expenditures.

CAPITAL ASSETS

Capital assets as of March 31, 2020 total \$926,362 (net of accumulated depreciation) and include land, buildings and equipment as well as the water, wastewater and drainage systems.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2020	2019	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 19,178	\$ 19,178	\$
Capital Assets, Net of Accumulated Depreciation:			
Building and Improvements	18,757	20,031	(1,274)
Water System	359,932	386,181	(26,249)
Wastewater System	494,417	540,766	(46,349)
Drainage System	34,078	36,479	(2,401)
Total Net Capital Assets	\$ 926,362	\$ 1,002,635	\$ (76,273)

Additional information on the District's capital assets can be found in Note 4 of this report.

LONG-TERM DEBT ACTIVITY

The District retired all its long-term debt during the 2001 fiscal year.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2020**

CONTACTING THE DISTRICT'S FINANCIAL 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 Water Control and Improvement District No. 99, c/o Johnson Petrov LLP, 2929 Allen Parkway, Suite 3150, Houston, TX 77019.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
MARCH 31, 2020**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Cash	\$ 83,316	\$	\$ 83,316
Investments	863,590		863,590
Receivables:			
Service Accounts	66,218		66,218
Due from Developer	33,406		33,406
Due from Other Districts	14,509		14,509
Prepaid Costs	22,909		22,909
Land		19,178	19,178
Capital Assets (Net of Accumulated Depreciation)		907,184	907,184
TOTAL ASSETS	\$ 1,083,948	\$ 926,362	\$ 2,010,310
LIABILITIES			
Accounts Payable	\$ 76,026	\$	\$ 76,026
Due to Other Governments	15,117		15,117
Due to Developer		325,000	325,000
Developer Deposits	8,487		8,487
Security Deposits	72,100		72,100
TOTAL LIABILITIES	\$ 171,730	\$ 325,000	\$ 496,730
FUND BALANCE			
Nonspendable:			
Prepaid Costs	\$ 22,909	\$ (22,909)	\$
Unassigned	889,309	(889,309)	
TOTAL FUND BALANCE	\$ 912,218	\$ (912,218)	\$ - 0 -
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,083,948		
NET POSITION			
Net Investment in Capital Assets		\$ 926,362	\$ 926,362
Unrestricted		587,218	587,218
TOTAL NET POSITION		\$ 1,513,580	\$ 1,513,580

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

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
MARCH 31, 2020**

Total Fund Balance - Governmental Funds	\$	912,218
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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.		926,362
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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:

Due to Developer	\$ (325,000)	<u>(325,000)</u>
Total Net Position - Governmental Activities		<u>\$ 1,513,580</u>

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

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2020**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
REVENUES			
Water Service	\$ 266,862	\$	\$ 266,862
Wastewater Service	423,659		423,659
Regional Water Authority Fees	214,831		214,831
Penalty and Interest	10,699		10,699
Tap Connection and Inspection Fees	27,850		27,850
Investment Revenues	13,510		13,510
Miscellaneous Revenues	<u>12,757</u>		<u>12,757</u>
TOTAL REVENUES	<u>\$ 970,168</u>	<u>\$ - 0 -</u>	<u>\$ 970,168</u>
EXPENDITURES/EXPENSES			
Service Operations:			
Professional Fees	\$ 209,196	\$	\$ 209,196
Contracted Services	248,656		248,656
Utilities	41,047		41,047
Regional Water Authority Assessments	217,286		217,286
Repairs and Maintenance	179,975		179,975
Depreciation		76,273	76,273
Other	<u>218,436</u>		<u>218,436</u>
TOTAL EXPENDITURES/EXPENSES	<u>\$ 1,114,596</u>	<u>\$ 76,273</u>	<u>\$ 1,190,869</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (144,428)</u>	<u>\$ (76,273)</u>	<u>\$ (220,701)</u>
OTHER FINANCING SOURCES (USES)			
Developer Advance	<u>\$ 325,000</u>	<u>\$ (325,000)</u>	<u>\$ -0-</u>
NET CHANGE IN FUND BALANCE	\$ 180,572	\$ (180,572)	\$
CHANGE IN NET POSITION		(220,701)	(220,701)
FUND BALANCE/NET POSITION - APRIL 1, 2019	<u>731,646</u>	<u>1,002,635</u>	<u>1,734,281</u>
FUND BALANCE/NET POSITION - MARCH 31, 2020	<u>\$ 912,218</u>	<u>\$ 601,362</u>	<u>\$ 1,513,580</u>

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

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2020**

Net Change in Fund Balance - Governmental Funds	\$	180,572
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds do not account for depreciation. However, in the government-wide financial statements, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(76,273)
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Governmental funds report developer advances as other financing sources. However, in the Statement of Net Position, developer advances, net any amount paid to the developer, are recorded as a liability.		(325,000)
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Change in Net Position - Governmental Activities	\$	<u>(220,701)</u>
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The accompanying notes to financial statements are an integral part of this report.

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**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 1. CREATION OF DISTRICT

Harris County Water Control and Improvement District No. 99, located in Harris County, Texas, (the “District”) was created by an Order of the Texas Water Rights Commission, presently known as the Texas Commission on Environmental Quality (the “Commission”), effective July 29, 1966 pursuant to the provisions of Chapter 51 of the Texas Water Code. A water control and improvement district (“WCID”) is a very general type of water district. A WCID may encompass all or part of one or more counties, including incorporated areas, or any defined district or other political subdivision of the state. A WCID has broad authority for the supply and storage of water for domestic, commercial, and industrial use; for the operation of sanitary sewage systems; and for irrigation, drainage, and water quality. Pursuant to the provisions of Chapters 49 and 51 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 and maintain 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 District’s first bonds were sold on November 7, 1967.

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.

Financial Statement Presentation

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

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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.

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 revenues and expenses in 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 Governmental Funds Balance Sheet and a Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Governmental Funds

The District has one governmental fund; therefore, this fund is a major fund.

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

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 revenues 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.

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.

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 an expenditure 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. Developer interest, engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have a total cost of \$5,000 or more and a useful life of at least two years. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

	Years
Buildings	40
Water System	10-45
Wastewater System	10-45
Drainage System	10-45
All Other Equipment	3-20

Budgeting

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

Pensions

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

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets, liabilities, and deferred inflows and outflows of resources, if any, 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 Governmental Funds Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriate resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

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, or enabling legislation, or because of constraints that are imposed externally. The District does not have any 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 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.

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. DEPOSITS AND INVESTMENTS

Deposits

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

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District’s deposits was \$83,316 and the bank balance was \$92,011. 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 March 31, 2020, as listed below:

	Cash
GENERAL FUND	\$ 83,316

Investments

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

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

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

As of March 31, 2020, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
<u>GENERAL FUND</u>					
TexPool	\$ 863,590	\$ 863,590	\$ - 0 -	\$ - 0 -	\$ - 0 -

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At March 31, 2020, the District’s investment in the TexPool was rated “AAAm” by Standard and Poor’s.

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

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2020:

	April 1, 2019	Increases	Decreases	March 31, 2020
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 19,178	\$ - 0 -	\$ - 0 -	\$ 19,178
Capital Assets Cost Subject to Depreciation				
Building and Improvements	\$ 50,831	\$	\$	\$ 50,831
Water System	1,602,791			1,602,791
Wastewater System	2,366,570			2,366,570
Drainage System	72,881			72,881
Total Capital Assets Cost Subject to Depreciation	\$ 4,093,073	\$ - 0 -	\$ - 0 -	\$ 4,093,073
Accumulated Depreciation				
Building and Improvements	\$ 30,800	\$ 1,274	\$	\$ 32,074
Water System	1,216,610	26,249		1,242,859
Wastewater System	1,825,804	46,349		1,872,153
Drainage System	36,402	2,401		38,803
Total Accumulated Depreciation	\$ 3,109,616	\$ 76,273	\$ - 0 -	\$ 3,185,889
Total Depreciable Capital Assets, Net of Accumulated Depreciation	\$ 983,457	\$ (76,273)	\$ - 0 -	\$ 907,184
Total Capital Assets, Net of Accumulated Depreciation	\$ 1,002,635	\$ (76,273)	\$ - 0 -	\$ 926,362

NOTE 5. MAINTENANCE TAX

The District has the statutory authority to levy and collect an annual ad valorem tax for planning, maintaining, repairing and operating of the District's improvements, if such maintenance tax is authorized by a vote of the District's electors. Such tax would be in addition to taxes which the District is authorized to levy for paying principal and interest on any tax bonds which may be issued in the future.

On November 5, 2019, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$0.40 per \$100 of assessed valuation of taxable property within the District. To date, a maintenance tax has not been levied.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 6. EMERGENCY WATER SUPPLY AGREEMENTS

Harris County Water Control and Improvement District No. 110

On March 10, 1993, the District entered into an agreement with Harris County Water Control and Improvement District No. 110 (“District No. 110”) for the provision of emergency water service. The term of the contract is 40 years. The District was responsible, at its sole cost, for the acquisition and construction of all facilities necessary to connect with District No. 110’s water system. District No. 110 did not participate in the cost of this interconnect since they already had an interconnect with another adjacent district. In April of 1994, the District advanced \$40,147 to the Texas Department of Transportation for the estimated construction cost of this work. The District shall maintain all interconnect facilities at its sole cost and shall own and have title to same.

Each district shall have the right to receive water during an emergency for a period not to exceed 15 days unless otherwise agreed in writing. The cost of the water shall be \$0.50 per 1,000 gallons received based on an average daily usage as determined by the 30-day period preceding the emergency. Usage of water for any portion of a calendar day shall constitute usage for one day. The cost of water supplied beyond the 15-day temporary period shall be negotiated by the districts. Water received through the interconnect during normal operating conditions shall be with written consent only.

Harris County Municipal Utility District No. 249

On April 18, 1996, the District and Harris County Municipal Utility District No. 249 (“District No. 249”) entered into an emergency water supply contract. The agreement provides that District No. 249 will construct at their sole cost a waterline to connect to the District’s water system. The facilities constructed within the District’s boundaries will be owned and maintained by the District.

Those facilities outside the District will be owned and maintained by District No. 249. Each district shall have the right to receive water during an emergency for a period not to exceed 15 days unless otherwise agreed in writing. The agreement provides for the cost of water to be \$0.50 per 1,000 gallons of water supplied except in the case when water is purchased from an adjoining district for supply to the district being supplied. In such case the district being supplied water will pay for the water at the cost of water received from the supplying district. This agreement has a term of 40 years. The interconnect line has not been constructed as of March 31, 2020.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 7. AGREEMENT FOR CONSTRUCTION OF A STORM SEWER LINE

On October 16, 2001, the District entered into an agreement with Harris County Water Control and Improvement District No. 110 (“District No. 110”) for the construction, operation, maintenance and repair of a storm sewer line (“Facilities”). The District paid \$45,000 to District No. 110 for its estimated pro rata share of the construction costs of the Facilities. The Facilities were completed during the fiscal year ended March 31, 2003. Each district will own, have title to and be responsible for maintaining the Facilities located in their respective boundaries. The term of the contract is 99 years.

NOTE 8. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

The District is located within the boundaries of the North Harris County Regional Water Authority (the “Authority”). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 2965 (the “Act”), as passed by the 75th Texas Legislature, in 1999. The Act empowers the Authority to provide for the conservation, preservation, protection, recharge and prevention of waste of groundwater, and for the reduction of groundwater withdrawals. The Authority is overseeing that their participants comply with the Harris-Galveston Subsidence District pumpage requirements. The District is required to convert their water supply to surface water over a period of time.

The Authority charges a fee, based on the amount of water pumped from a well, to the owner of wells located within the boundaries of the Authority, unless exempted. This fee enables the Authority to fulfill its purpose and regulatory functions. The fee for 2019 was \$3.40 per 1,000 gallons of water pumped from each well and the fee for 2020 was \$3.85 per 1,000 gallons of water pumped from each well. The District recorded an expenditure of \$217,286 for fees assessed during the current fiscal year. The District collects fees from its customers as a part of its monthly billings to cover this regulatory assessment.

NOTE 9. 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 and required bonds. 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 WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 10. BONDS VOTED

As of March 31, 2020, the District had authorized but unissued bonds in the amount of \$16,000,000 for utility facilities and refunding purposes.

NOTE 11. PENDING BOND APPLICATION

On March 19, 2020, the District submitted an application to the commission for a proposed bond issue in the amount of \$7,480,000. As of the date of this report, this application is pending approval.

NOTE 12. UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. As a result, economic uncertainties have arisen which could have an impact on the operations of the District. The District is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty, as the potential financial impact of this pandemic is unknown at this time.

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**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99**

REQUIRED SUPPLEMENTARY INFORMATION

MARCH 31, 2020

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2020**

	Original and Final Budget	Actual	Variance Positive (Negative)
	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES			
Water Service	\$ 256,000	\$ 266,862	\$ 10,862
Wastewater Service	330,000	423,659	93,659
Regional Water Authority Fees	220,000	214,831	(5,169)
Penalty and Interest	8,000	10,699	2,699
Tap Connection and Inspection Fees		27,850	27,850
Investment Revenues	11,500	13,510	2,010
Miscellaneous Revenues	9,000	12,757	3,757
TOTAL REVENUES	<u>\$ 834,500</u>	<u>\$ 970,168</u>	<u>\$ 135,668</u>
EXPENDITURES			
Services Operations:			
Professional Fees	\$ 211,000	\$ 209,196	\$ 1,804
Contracted Services	249,600	248,656	944
Utilities	45,500	41,047	4,453
Regional Water Authority Assessments	220,000	217,286	2,714
Repairs and Maintenance	507,000	179,975	327,025
Other	85,120	218,436	(133,316)
TOTAL EXPENDITURES	<u>\$ 1,318,220</u>	<u>\$ 1,114,596</u>	<u>\$ 203,624</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (483,720)</u>	<u>\$ (144,428)</u>	<u>\$ 339,292</u>
OTHER FINANCING SOURCES(USES)			
Developer Advance	<u>\$ -0-</u>	<u>\$ 325,000</u>	<u>\$ 325,000</u>
NET CHANGE IN FUND BALANCE	\$ (483,720)	\$ 180,572	\$ 664,292
FUND BALANCE - APRIL 1, 2019	<u>731,646</u>	<u>731,646</u>	<u></u>
FUND BALANCE - MARCH 31, 2020	<u>\$ 247,926</u>	<u>\$ 912,218</u>	<u>\$ 664,292</u>

See accompanying independent auditor's report

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**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99**

**SUPPLEMENTARY INFORMATION REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**

MARCH 31, 2020

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
SERVICES AND RATES
FOR THE YEAR ENDED MARCH 31, 2020**

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

<u> X </u>	Retail Water	_____	Wholesale Water	_____	Drainage
<u> X </u>	Retail Wastewater	_____	Wholesale Wastewater	_____	Irrigation
_____	Parks/Recreation	_____	Fire Protection	<u> X </u>	Security
<u> X </u>	Solid Waste/Garbage	_____	Flood Control	_____	Roads
_____	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 effective September 17, 2019.

	<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:	\$ 28.00	6,000	N	\$ 2.00	6,001 to 10,000
				\$ 2.25	10,001 to 20,000
				\$ 2.75	20,001 to 30,000
				\$ 4.00	30,001 to 40,000
				\$ 5.00	40,001 to 50,000
				\$ 6.50	50,001 and over
WASTEWATER:	\$ 60.50		Y		
SURCHARGE:					
Regional Water Authority Fees			N	\$ 4.24	1,000 and up
District employs winter averaging for wastewater usage?					_____ <u> X </u> Yes No

Total monthly charges per 10,000 gallons usage: Water: \$36.00 Wastewater: \$60.50 Surcharge: \$42.40 Total: \$138.90

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
SERVICES AND RATES
FOR THE YEAR ENDED MARCH 31, 2020**

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"	516	516	x 1.0	516
1"	3	3	x 2.5	8
1½"	1	1	x 5.0	5
2"			x 8.0	
3"			x 15.0	
4"			x 25.0	
6"	1	1	x 50.0	50
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u>521</u>	<u>521</u>		<u>579</u>
Total Wastewater Connections	<u>518</u>	<u>518</u>	x 1.0	<u>518</u>

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

Gallons pumped into system:	56,832,000	Water Accountability Ratio 90.5% (Gallons billed and sold/Gallons pumped and purchased)
Gallons billed to customers:	51,459,000	

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
SERVICES AND RATES
FOR THE YEAR ENDED MARCH 31, 2020**

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 or Counties 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's 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 WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2020**

PROFESSIONAL FEES:	
Auditing	\$ 11,700
Engineering	94,104
Legal	<u>103,392</u>
TOTAL PROFESSIONAL FEES	<u>\$ 209,196</u>
CONTRACTED SERVICES:	
Solid Waste Disposal	\$ 110,464
Security	69,450
Bookkeeping	8,790
Operations and Billing	58,752
Tax Assessor/Collector	<u>1,200</u>
TOTAL CONTRACTED SERVICES	<u>\$ 248,656</u>
UTILITIES:	
Electricity	\$ 39,852
Gas	366
Telephone	<u>829</u>
TOTAL UTILITIES	<u>\$ 41,047</u>
REPAIRS AND MAINTENANCE	<u>\$ 179,975</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 15,400
Dues and Seminars	675
Election Costs	133,088
Insurance	15,898
Office Supplies and Postage	1,820
Payroll Taxes	1,239
Other	<u>21,388</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 189,508</u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2020**

OTHER EXPENDITURES:	
Chemicals	\$ 4,853
Laboratory Fees	7,603
Permit Fees	2,692
Reconnection Fees	2,683
Inspection Fees	747
Regional Water Authority Assessments	217,286
TCEQ Regulatory Assessments	3,035
Sludge Hauling	<u>7,315</u>
TOTAL OTHER EXPENDITURES	<u>\$ 246,214</u>
TOTAL EXPENDITURES	<u><u>\$ 1,114,596</u></u>

See accompanying independent auditor's report.

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**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
INVESTMENTS
MARCH 31, 2020**

<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>					
TexPool	XXXX0002	Varies	Daily	<u>\$ 863,590</u>	<u>\$ - 0 -</u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS**

	Amounts		
	2020	2019	2018
REVENUES			
Water Service	\$ 266,862	\$ 246,233	\$ 200,557
Wastewater Service	423,659	252,681	171,280
Regional Water Authority Fees	214,831	186,596	174,187
Penalty and Interest	10,699	8,408	6,481
Tap Connection and Inspection Fees	27,850	1,050	1,875
Investment Revenues	13,510	11,581	5,694
Miscellaneous Revenues	12,757	15,818	6,493
TOTAL REVENUES	\$ 970,168	\$ 722,367	\$ 566,567
EXPENDITURES			
Professional Fees	\$ 209,196	\$ 158,929	\$ 105,483
Contracted Services	248,656	106,094	67,251
Utilities	41,047	44,087	49,469
Regional Water Authority Assessments	217,286	197,849	179,023
Repairs and Maintenance	179,975	147,986	124,796
Other	218,436	80,740	76,583
Capital Outlay			
TOTAL EXPENDITURES	\$ 1,114,596	\$ 735,685	\$ 602,605
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (144,428)	\$ (13,318)	\$ (36,038)
OTHER FINANCING SOURCES (USES)			
Developer Advance	\$ 325,000	\$ - 0 -	\$ - 0 -
NET CHANGE IN FUND BALANCE	\$ 180,572	\$ (13,318)	\$ (36,038)
BEGINNING FUND BALANCE	731,646	744,964	781,002
ENDING FUND BALANCE	\$ 912,218	\$ 731,646	\$ 744,964
TOTAL ACTIVE RETAIL WATER CONNECTIONS	521	521	520
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	518	518	517

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2017	2016	2020	2019	2018	2017	2016
\$ 218,216	\$ 217,129	27.5 %	34.1 %	35.6 %	38.1 %	39.9 %
176,758	171,945	43.7	35.0	30.2	30.9	31.5
158,804	145,315	22.1	25.8	30.7	27.7	26.6
5,958	7,208	1.1	1.2	1.1	1.0	1.3
4,900		2.9	0.1	0.3	0.9	
2,560	3	1.4	1.6	1.0	0.4	
5,488	3,934	1.3	2.2	1.1	1.0	0.7
<u>\$ 572,684</u>	<u>\$ 545,534</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 68,378	\$ 72,417	21.6 %	22.0 %	18.6 %	11.9 %	13.3 %
64,945	65,560	25.6	14.7	11.9	11.3	12.0
52,418	53,553	4.2	6.1	8.7	9.2	9.8
160,637	146,324	22.4	27.4	31.6	28.0	26.8
142,872	165,688	18.6	20.5	22.0	24.9	30.4
71,495	70,882	22.5	11.2	13.5	12.5	13.0
35,832	76,384				6.3	14.0
<u>\$ 596,577</u>	<u>\$ 650,808</u>	<u>114.9 %</u>	<u>101.9 %</u>	<u>106.3 %</u>	<u>104.1 %</u>	<u>119.3 %</u>
<u>\$ (23,893)</u>	<u>\$ (105,274)</u>	<u>(14.9) %</u>	<u>(1.9) %</u>	<u>(6.3) %</u>	<u>(4.1) %</u>	<u>(19.3) %</u>
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>					
\$ (23,893)	\$ (105,274)					
<u>804,895</u>	<u>910,169</u>					
<u>\$ 781,002</u>	<u>\$ 804,895</u>					
<u>518</u>	<u>516</u>					
<u>515</u>	<u>513</u>					

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MARCH 31, 2020**

District Mailing Address - Harris County Water Control and Improvement District No. 99
c/o Johnson Petrov LLP
2929 Allen Parkway, Suite 3150
Houston, TX 77019

District Telephone Number - (713) 489-8977

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended March 31, 2020	Expense Reimbursements for the year ended March 31, 2020	Title
Monte Cooper	05/18 05/22 (Elected)	\$ 2,850	\$ -0-	President
Billy Fritsche	05/18 05/22 (Elected)	\$ 2,700	\$ 323	Vice President
Tim Evans	05/16 05/20 (Elected)	\$ 2,700	\$ -0-	Assistant Secretary
Edward Jensen	05/16 05/20 (Elected)	\$ 2,100	\$ -0-	Secretary/ Treasurer/ Investment Officer
Charles Richardson	05/18 05/22 (Elected)	\$ 5,050	\$ -0-	Director/ Operations Maintenance Officer

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

Submission date of most recent District Registration Form (TWC Sections 36.054 and 49.054):
November 29, 2018

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 6, 2007. Fees of Office are the amounts paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MARCH 31, 2020**

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended March 31, 2020</u>	<u>Title</u>
Johnson Petrov LLP	06/30/88	\$ 165,344	General Counsel
McCall Gibson Swedlund Barfoot PLLC	03/21/89	\$ 11,700	Auditor
ETI Bookkeeping Services	1972	\$ 8,790	Bookkeeper
Perdue Brandon Fielder Collins & Mott, L.L.P.	04/15/97	\$ -0-	Delinquent Tax Attorney
Vogt Engineering, L.P.	12/05/89	\$ 105,854	Engineer
The GMS Group, L.L.C.	10/17/95	\$ -0-	Financial Advisor
Eagle Water Management, Inc.	08/01/01	\$ 169,567	Operator
Kenneth R. Byrd Equi-Tax, Inc.	1970	\$ 1,200	Tax Assessor/ Collector

See accompanying independent auditor's report.

