

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

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

MARCH 31, 2025

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

*Chris Swedlund
Noel W. Barfoot
Joseph Ellis
Ashlee Martin*

*Mike M. McCall
(retired)
Debbie Gibson
(retired)*

INDEPENDENT AUDITOR'S REPORT

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

Opinions

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

Supplementary Information

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

McCall Gibson Swedlund Barfoot Ellis PLLC

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

July 15, 2025

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2025**

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, 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) 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 three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2025**

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") 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 \$3,000,407 as of March 31, 2025.

A portion of the District's net position reflects its net investment in capital assets (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, 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	\$ 4,886,248	\$ 6,130,947	\$ (1,244,699)
Capital Assets (Net of Accumulated Depreciation)	6,790,501	4,711,459	2,079,042
Total Assets	\$ 11,676,749	\$ 10,842,406	\$ 834,343
Due to Developer	\$ 325,000	\$ 325,000	\$
Long -Term Liabilities	7,035,000	7,235,000	200,000
Other Liabilities	1,316,342	571,151	(745,191)
Total Liabilities	\$ 8,676,342	\$ 8,131,151	\$ (545,191)
Net Position:			
Net Investment in Capital Assets	\$ 1,041,018	\$ 437,115	\$ 603,903
Restricted	766,304	733,466	32,838
Unrestricted	1,193,085	1,540,674	(347,589)
Total Net Position	\$ 3,000,407	\$ 2,711,255	\$ 289,152

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

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 245,765	\$ 276,025	\$ (30,260)
Charges for Services	1,364,545	1,340,147	24,398
Contract Revenue	124,143	126,244	(2,101)
Capital Contributions	17,893	18,689	(796)
Other Revenues	212,269	292,027	(79,758)
Total Revenues	\$ 1,964,615	\$ 2,053,132	\$ (88,517)
Expenses for Services	1,675,463	1,643,953	(31,510)
Change in Net Position	\$ 289,152	\$ 409,179	\$ (120,027)
Net Position, Beginning of Year	2,711,255	2,302,076	409,179
Net Position, End of Year	\$ 3,000,407	\$ 2,711,255	\$ 289,152

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of March 31, 2025, were \$3,005,873, a decrease of \$1,955,614 from the prior year.

The General Fund fund balance decreased by \$312,102 from prior year, primarily due to operating expenditures and capital costs exceeding service revenues.

The Debt Service Fund fund balance increased by \$31,627 from the prior year, primarily due the structure of the District's long-term debt.

The Capital Projects Fund fund balance decreased by \$1,675,139 from prior year. The District used bond proceeds received in the prior year to fund current year approved capital costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated budget during the fiscal year. Actual revenues were \$35,956 less than budgeted revenues and actual expenditures were \$321,858 more than budgeted expenditures. This resulted in a negative variance of \$357,814. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of March 31, 2025 total \$6,790,501 (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			
	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 301,825	\$ 19,178	\$ 282,647
Construction in Progress	2,563,953	732,213	1,831,740
Capital Assets, Net of Accumulated Depreciation:			
Building and Improvements	12,399	13,670	(1,271)
Water System	629,344	671,827	(42,483)
Wastewater System	2,859,495	2,877,947	(18,452)
Drainage System	423,485	396,624	26,861
Total Net Capital Assets	<u>\$ 6,790,501</u>	<u>\$ 4,711,459</u>	<u>\$ 2,079,042</u>

Additional information on the District's capital assets can be found in Note 6 of this report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2025**

LONG-TERM DEBT ACTIVITY

As of March 31, 2025, the District had total bond debt payable of \$7,235,000. The changes in the debt position of the District during the year ended March 31, 2025, are summarized as follows:

Bond Debt Payable, April 1, 2024	\$ 7,435,000
Less: Bond Principal Paid	<u>200,000</u>
Bond Debt Payable, March 31, 2025	<u>\$ 7,235,000</u>

The District’s underlying rating is “Baa3” by Standard and Poor’s Rating Agency. The Series 2021 Bonds carry an “AA” rating by virtue of bond issuance issued by Assured Guaranty Municipal. Credit enhanced ratings provided through bond insurance policies are subject to change based on the rating of the bond insurance company. The ratings above include all changes to ratings of bond insurers through March 31, 2025.

MAJOR FINANCIAL CHANGES

During fiscal year ending March 31, 2025, the District incurred a loss of approximately 28% of its tax base due to a large apartment project becoming property tax-exempt by Houston Housing Authority, acquiring the land with a ground lease by Civitas Cypresswood Owner LLC. On August 20, 2024 and amended on March 4, 2025, the District responded by adopting an apartment tax-exempt water and sewer service surcharge substantially to replace the debt service revenues lost due to this event. This accounts for the increase in water and sewer revenues from 2024 to 2025 fiscal years. Property taxes are shown to be decrease between 2024 and 2025 fiscal years.

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, 2025**

	<u>General Fund</u>	<u>Debt Service Fund</u>
ASSETS		
Cash	\$ 122,713	\$ 93,730
Investments	735,604	655,335
Receivables:		
Property Taxes		32,689
Service Accounts	103,598	
Due from Developer	129,143	
Due from Other Government Entity	1,816	
Due from Other Funds	2,300	
Prepaid Costs	34,928	
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	<u>\$ 1,130,102</u>	<u>\$ 781,754</u>

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 596	\$ 217,039	\$	\$ 217,039
2,231,611	3,622,550		3,622,550
	32,689		32,689
	103,598		103,598
	129,143		129,143
	1,816	744,485	746,301
	2,300	(2,300)	
	34,928		34,928
		301,825	301,825
		2,563,953	2,563,953
		3,924,723	3,924,723
<u>\$ 2,232,207</u>	<u>\$ 4,144,063</u>	<u>\$ 7,532,686</u>	<u>\$ 11,676,749</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 NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
MARCH 31, 2025**

	<u>General Fund</u>	<u>Debt Service Fund</u>
LIABILITIES		
Accounts Payable	\$ 208,287	\$ 9
Accrued Interest Payable		
Due to Other Governments	14,627	
Due to Developer		
Retainage Payable	5,180	
Due to Other Funds		2,300
Security Deposits	128,408	
Long Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	<u>\$ 356,502</u>	<u>\$ 2,309</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	<u>\$ - 0 -</u>	<u>\$ 32,689</u>
FUND BALANCE		
Nonspendable:		
Prepaid Costs	\$ 34,928	\$
Restricted for Authorized Construction		
Restricted for Debt Service		746,756
Unassigned	<u>738,672</u>	
TOTAL FUND BALANCE	<u>\$ 773,600</u>	<u>\$ 746,756</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,130,102</u>	<u>\$ 781,754</u>
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 533,879	\$ 742,175	\$	\$ 742,175
		13,141	13,141
	14,627		14,627
		325,000	325,000
212,811	217,991		217,991
	2,300	(2,300)	
	128,408		128,408
		200,000	200,000
		7,035,000	7,035,000
<u>\$ 746,690</u>	<u>\$ 1,105,501</u>	<u>\$ 7,570,841</u>	<u>\$ 8,676,342</u>
<u>\$ - 0 -</u>	<u>\$ 32,689</u>	<u>\$ (32,689)</u>	<u>\$ - 0 -</u>
\$	\$ 34,928	\$ (34,928)	\$
1,485,517	1,485,517	(1,485,517)	
	746,756	(746,756)	
	738,672	(738,672)	
<u>\$ 1,485,517</u>	<u>\$ 3,005,873</u>	<u>\$ (3,005,873)</u>	<u>\$ - 0 -</u>
<u>\$ 2,232,207</u>	<u>\$ 4,144,063</u>		
		\$ 1,041,018	\$ 1,041,018
		766,304	766,304
		1,193,085	1,193,085
		<u>\$ 3,000,407</u>	<u>\$ 3,000,407</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 FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
MARCH 31, 2025**

Total Fund Balance - Governmental Funds	\$	3,005,873
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital contributions due from Spring Independent School District for asset reimbursements are not current financial resources and, therefore, are not reported as assets in the governmental funds.		744,485
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		6,790,501
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Deferred tax revenues and deferred penalty and interest revenues on delinquent taxes for the 2024 and prior tax levies became part of recognized revenue in the governmental activities of the District.		32,689
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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)	
Accrued Interest Payable	(13,141)	
Bonds Payable Within One Year	(200,000)	
Bonds Payable After One Year	<u>(7,035,000)</u>	<u>(7,573,141)</u>
Total Net Position - Governmental Activities	\$	<u>3,000,407</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, 2025**

	<u>General Fund</u>	<u>Debt Service Fund</u>
REVENUES		
Property Taxes	\$	\$ 245,054
Water Service	325,443	
Wastewater Service	434,493	
Regional Water Authority Fees	180,111	
Cypresswood Apartments	402,518	
Penalty and Interest	15,837	6,143
Investment Revenues	42,742	36,046
Contract Revenue		124,143
Capital Contributions	53,380	
Miscellaneous Revenues	4,300	
TOTAL REVENUES	<u>\$ 1,458,824</u>	<u>\$ 411,386</u>
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 278,667	\$
Contracted Services	380,420	11,081
Utilities	52,648	
Regional Water Authority Assessments	226,442	
Repairs and Maintenance	278,119	
Depreciation		
Other	114,458	4,984
Capital Outlay	440,172	
Debt Service:		
Bond Principal		200,000
Bond Interest		163,694
TOTAL EXPENDITURES/EXPENSES	<u>\$ 1,770,926</u>	<u>\$ 379,759</u>
NET CHANGE IN FUND BALANCE	<u>\$ (312,102)</u>	<u>\$ 31,627</u>
CHANGE IN NET POSITION		
FUND BALANCE/NET POSITION - APRIL 1, 2024	<u>1,085,702</u>	<u>715,129</u>
FUND BALANCE/NET POSITION - MARCH 31, 2025	<u><u>\$ 773,600</u></u>	<u><u>\$ 746,756</u></u>

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 245,054	\$ 711	\$ 245,765
	325,443		325,443
	434,493		434,493
	180,111		180,111
	402,518		402,518
	21,980		21,980
129,181	207,969		207,969
	124,143		124,143
	53,380	(35,487)	17,893
	4,300		4,300
<u>\$ 129,181</u>	<u>\$ 1,999,391</u>	<u>\$ (34,776)</u>	<u>\$ 1,964,615</u>
\$	\$ 278,667	\$ 510	\$ 279,177
	391,501		391,501
	52,648		52,648
	226,442		226,442
	278,119		278,119
		164,641	164,641
300	119,742		119,742
1,804,020	2,244,192	(2,244,192)	
	200,000	(200,000)	
	163,694	(501)	163,193
<u>\$ 1,804,320</u>	<u>\$ 3,955,005</u>	<u>\$ (2,279,542)</u>	<u>\$ 1,675,463</u>
\$ (1,675,139)	\$ (1,955,614)	\$ 1,955,614	\$
		289,152	289,152
3,160,656	4,961,487	(2,250,232)	2,711,255
<u>\$ 1,485,517</u>	<u>\$ 3,005,873</u>	<u>\$ (5,466)</u>	<u>\$ 3,000,407</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, 2025**

Net Change in Fund Balance - Governmental Funds	\$ (1,955,614)
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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.	711
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Payments to be received in future years from Spring Independent School District for capital contributions are recorded as a long-term receivable in the Statement of Net Position.	(35,487)
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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.	(164,641)
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Governmental funds report capital asset costs as expenditures in the period purchased. However, in the government-wide financial statements, capital assets are increased by new purchases that meet the District's threshold for capitalization, and are owned and maintained by the District. All other capital asset purchases are expensed in the Statement of Activities.	2,243,682
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Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.	200,000
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Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.	501
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Change in Net Position - Governmental Activities	\$ 289,152
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The accompanying notes to financial
statements are an integral part of this report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025**

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, 2025**

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.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Governmental Funds

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

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

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

Capital Projects Fund – To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

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. As of March 31, 2025, the District recorded a liability of \$2,300 in the Debt Service Fund (Tax Fund) to the General Fund for the cost of collecting taxes.

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

	<u>Years</u>
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.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

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

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

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

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

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

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.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. LONG-TERM DEBT

The following is a summary of transactions regarding bonds payable for the year ended March 31, 2025:

	April 1, 2024	Additions	Retirements	March 31, 2025
Bonds Payable, Net	\$ 7,435,000	\$ -0-	\$ 200,000	\$ 7,235,000
			Amount Due Within One Year	\$ 200,000
			Amount Due After One Year	7,035,000
			Bonds Payable, Net	\$ 7,235,000

	Series 2021
Amount Outstanding – March 31, 2025	\$7,235,000
Interest Rates	2.00%-3.00%
Maturity Dates – Serially Beginning/Ending	March 1, 2026/2050
Interest Payment Dates	March 1/ September 1
Callable Dates	March 1, 2028*

* At the option of the District, in whole or in part, on the call option date or any date thereafter, at par plus accrued interest to the date of redemption. Series 2021 term bonds maturing March 1, 2041, 2044, and 2050 are subject to mandatory redemption beginning March 1, 2040, 2042, and 2045, respectively.

As of March 31, 2025, the District had authorized but unissued bonds in the amount of \$8,565,000 for utility facilities.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025**

NOTE 3. LONG-TERM DEBT (Continued)

As of March 31, 2025, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 200,000	\$ 157,694	\$ 357,694
2027	200,000	151,694	351,694
2028	200,000	145,693	345,693
2029	200,000	139,693	339,693
2030	225,000	135,693	360,693
2031-2035	1,200,000	609,468	1,809,468
2036-2040	1,425,000	480,470	1,905,470
2041-2045	1,625,000	328,031	1,953,031
2046-2050	1,960,000	135,000	2,095,000
	<u>\$ 7,235,000</u>	<u>\$ 2,283,436</u>	<u>\$ 9,518,436</u>

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount. During the year ended March 31, 2025, the District levied an ad valorem debt service tax rate of \$0.16 per \$100 of assessed valuation, which resulted in a tax levy of \$257,345 on the adjusted taxable valuation of \$160,840,367 for the 2024 tax year.

The bond resolutions require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

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

NOTE 4. SIGNIFICANT BOND RESOLUTIONS AND LEGAL REQUIREMENTS

All investments and any profits realized from or interest accruing on such investments shall belong to the fund from which the moneys for such investments were taken; provided, however, that in the discretion of the Board of Directors the profits realized from and interest accruing on investments made from any fund may be transferred to the Debt Service Fund.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025**

NOTE 4. SIGNIFICANT BOND RESOLUTIONS AND LEGAL REQUIREMENTS
(Continued)

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

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

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate 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 \$217,039 and the bank balance was \$257,577. 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, 2025, as listed below:

	<u>Cash</u>
GENERAL FUND	\$ 122,713
DEBT SERVICE FUND	93,730
CAPITAL PROJECTS FUND	<u>596</u>
TOTAL DEPOSITS	<u><u>\$ 217,039</u></u>

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025**

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

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.

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 Hermes 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.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025**

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of March 31, 2025, 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	\$ 735,604	\$ 735,604	\$	\$	\$
<u>DEBT SERVICE FUND</u>					
TexPool	655,335	655,335			
<u>CAPITAL PROJECTS FUND</u>					
TexPool	<u>2,231,611</u>	<u>2,231,611</u>			
TOTAL INVESTMENTS	<u>\$ 3,622,550</u>	<u>\$ 3,622,550</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At March 31, 2025, 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, 2025**

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2025:

	April 1, 2024	Increases	Decreases	March 31, 2025
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 19,178	\$ 282,647	\$	\$ 301,825
Construction in Progress	732,213	2,243,683	411,943	2,563,953
Total Capital Assets Not Being Depreciated	<u>\$ 751,391</u>	<u>\$ 2,526,330</u>	<u>\$ 411,943</u>	<u>\$ 2,865,778</u>
Capital Assets Cost Subject to Depreciation				
Building and Improvements	\$ 50,831	\$	\$	\$ 50,831
Water System	2,050,969			2,050,969
Wastewater System	4,961,761	78,596		5,040,357
Drainage System	487,745	50,700		538,445
Total Capital Assets Cost Subject to Depreciation	<u>\$ 7,551,306</u>	<u>\$ 129,296</u>	<u>\$ - 0 -</u>	<u>\$ 7,680,602</u>
Accumulated Depreciation				
Building and Improvements	\$ 37,161	\$ 1,271	\$	\$ 38,432
Water System	1,379,142	42,483		1,421,625
Wastewater System	2,083,814	97,048		2,180,862
Drainage System	91,121	23,839		114,960
Total Accumulated Depreciation	<u>\$ 3,591,238</u>	<u>\$ 164,641</u>	<u>\$ - 0 -</u>	<u>\$ 3,755,879</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 3,960,068</u>	<u>\$ (35,345)</u>	<u>\$ - 0 -</u>	<u>\$ 3,924,723</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 4,711,459</u>	<u>\$ 2,490,985</u>	<u>\$ 411,943</u>	<u>\$ 6,790,501</u>

NOTE 7. 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, 2025**

NOTE 8. 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, 2025.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025**

NOTE 9. 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 10. 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 2024 was \$3.60 per 1,000 gallons of water pumped from each well and the fee for 2025 was \$2.60 per 1,000 gallons of water pumped from each well. The District recorded an expenditure of \$226,442 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 11. 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.

NOTE 12. DUE TO DEVELOPER

The District has entered into a financing agreement with a Developer. The agreement calls for the Developer to fund costs associated with water and sewer facilities and utilities construction until such time as the District can sell bonds. Any reimbursement is contingent on future bond

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025**

NOTE 12. DUE TO DEVELOPER (Continued)

sales which are subject to approval by the Commission. At March 31, 2025, the District has recorded a liability of \$325,000 in developer advances. This balance remained unchanged from the prior fiscal year.

NOTE 13. CONTRACT WITH SPRING INDEPENDENT SCHOOL DISTRICT

The District has provided water and wastewater service to the Spring Independent School District ("SISD") Spring High School Campus Complex and football stadium (the "School Complex") for almost forty (40) years. At the request of SISD, on March 9, 2021, the District entered into an Annexation and Capital Contribution Agreement (the "Agreement") with SISD. The Agreement provides for continued service to the School Complex pursuant to the District's Rate Order, additional service to McNabb Elementary School and a Transportation Facility (with the School Complex, the "SISD Facilities"), annexation into the District of the SISD Facilities (subject only to City of Houston consent), SISD buy-in to capacity in the existing water and wastewater plants and facilities of the District (the "District System"), District provision of service lines to certain SISD Facilities, SISD participation in financing of improvements financed by the Bonds and SISD participation in financing of current and future capital improvements.

The buy-in to capacity by SISD to the existing District System, with credit for previous capital contributions, is approximately \$881,729, and District provision of water and wastewater lines to certain SISD Facilities is preliminarily estimated to cost approximately \$250,000, each payable by SISD to the District in contract revenue payments, plus interest, to the District's Operating Account over twenty (20) years. The District received \$53,380 during the current fiscal year, of which \$35,487 was principal. Future capital contributions payments are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 36,301	\$ 17,079	\$ 53,380
2027	37,134	16,247	53,381
2028	37,986	15,395	53,381
2029	38,858	14,523	53,381
2030	39,749	13,632	53,381
2031-2035	212,849	54,055	266,904
2036-2040	238,411	28,495	266,906
2041-2042	103,197	3,563	106,760
	<u>\$ 744,485</u>	<u>\$ 162,989</u>	<u>\$ 907,474</u>

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025**

NOTE 13. CONTRACT WITH SPRING INDEPENDENT SCHOOL DISTRICT
(Continued)

SISD utilizes approximately 35% of the capacity in the District System and will make annual contract revenue payments to the District in an amount equal to approximately 35% of the annual debt service on the Bonds. Such amount will be deposited in the District's Debt Service Fund and will be used for payment of a portion of the debt service on the Bonds. It should be noted that the contract amounts to be received by the District from SISD does not in any way mitigate the District's unlimited tax pledge to support the timely payment of principal of and interest on the Bonds. The District received \$124,143 during the current fiscal year.

NOTE 14. MAJOR FINANCIAL CHANGES

During fiscal year ending March 31, 2025, the District incurred a loss of approximately 28% of its tax base due to a large apartment project becoming property tax-exempt by Houston Housing Authority, acquiring the land with a ground lease by Civitas Cypresswood Owner LLC. On August 20, 2024 and amended on March 4, 2025, the District responded by adopting an apartment tax-exempt water and sewer service charge substantially to replace the debt service revenues lost due to this event. This accounts for the increase in water and sewer revenues from 2024 to 2025 fiscal years. Property taxes are shown to be decrease between 2024 and 2025 fiscal years.

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

REQUIRED SUPPLEMENTARY INFORMATION

MARCH 31, 2025

**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, 2025**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Water Service	\$ 333,700	\$ 325,443	\$ (8,257)
Wastewater Service	433,000	434,493	1,493
Regional Water Authority Fees	350,000	180,111	(169,889)
Cypresswood Apartments	252,000	402,518	150,518
Penalty and Interest	10,000	15,837	5,837
Tap Connection and Inspection Fees	11,200		(11,200)
Investment Revenues	42,000	42,742	742
Capital Contributions	53,380	53,380	
Miscellaneous Revenues	9,500	4,300	(5,200)
TOTAL REVENUES	<u>\$ 1,494,780</u>	<u>\$ 1,458,824</u>	<u>\$ (35,956)</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 198,000	\$ 278,667	\$ (80,667)
Contracted Services	394,968	380,420	14,548
Utilities	61,800	52,648	9,152
Regional Water Authority Assessments	350,000	226,442	123,558
Repairs and Maintenance	294,500	278,119	16,381
Other	149,800	114,458	35,342
Capital Outlay		440,172	(440,172)
TOTAL EXPENDITURES	<u>\$ 1,449,068</u>	<u>\$ 1,770,926</u>	<u>\$ (321,858)</u>
NET CHANGE IN FUND BALANCE	\$ 45,712	\$ (312,102)	\$ (357,814)
FUND BALANCE - APRIL 1, 2024	<u>1,085,702</u>	<u>1,085,702</u>	
FUND BALANCE - MARCH 31, 2025	<u>\$ 1,131,414</u>	<u>\$ 773,600</u>	<u>\$ (357,814)</u>

See accompanying independent auditor's report

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

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

MARCH 31, 2025

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
SERVICES AND RATES
FOR THE YEAR ENDED MARCH 31, 2025**

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

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

2. RETAIL SERVICE PROVIDERS

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

Based on the rate order effective March 4, 2025

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	\$ 28.00	6,000	N	\$ 2.00 \$ 2.25 \$ 2.75 \$ 4.00 \$ 5.00 \$ 6.50	6,001 to 10,000 10,001 to 20,000 20,001 to 30,000 30,001 to 40,000 40,001 to 50,000 50,001 and over
WASTEWATER:	\$ 60.50		Y		
SURCHARGE:					
Regional Water Authority Fees			N	\$ 2.96	1,000 and up
District employs winter averaging for wastewater usage?					<u> </u> <u> X </u> Yes No

Total monthly charges per 10,000 gallons usage: Water: \$36.00 Wastewater: \$60.50 Surcharge: \$29.60 Total: \$126.10

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
SERVICES AND RATES
FOR THE YEAR ENDED MARCH 31, 2025**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤ ¾"	519	519	x 1.0	519
1"	8	8	x 2.5	20
1½"	1	1	x 5.0	5
2"	1	1	x 8.0	8
3"			x 15.0	
4"			x 25.0	
6"	1	1	x 50.0	50
8"	1	1	x 80.0	80
10"			x 115.0	
Total Water Connections	531	531		682
Total Wastewater Connections 521	525	525	x 1.0	525

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

Gallons pumped into system:	71,665,000	Water Accountability Ratio 82% (Gallons billed and sold/Gallons pumped and purchased)
Gallons billed to customers:	58,543,000	

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
SERVICES AND RATES
FOR THE YEAR ENDED MARCH 31, 2025**

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, 2025**

PROFESSIONAL FEES:

Auditing	\$ 19,000
Engineering	152,927
Legal	105,740
Financial Advisor	<u>1,000</u>

TOTAL PROFESSIONAL FEES	<u>\$ 278,667</u>
-------------------------	-------------------

CONTRACTED SERVICES:

Solid Waste Disposal	\$ 122,903
Security	169,246
Bookkeeping	22,148
Operations and Billing	<u>66,123</u>

TOTAL CONTRACTED SERVICES	<u>\$ 380,420</u>
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UTILITIES:

Electricity	\$ 50,609
Gas	1,307
Telephone	<u>732</u>

TOTAL UTILITIES	<u>\$ 52,648</u>
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REPAIRS AND MAINTENANCE	<u>\$ 278,119</u>
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ADMINISTRATIVE EXPENDITURES:

Director Fees	\$ 20,519
Dues and Seminars	750
Election Costs	688
Insurance	20,376
Payroll Taxes	1,570
Other	<u>21,672</u>

TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 65,575</u>
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CAPITAL OUTLAY	<u>\$ 440,172</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, 2025**

OTHER EXPENDITURES:

Chemicals	\$ 10,036
Laboratory Fees	10,764
Reconnection Fees	2,365
Inspection Fees	5,283
Regional Water Authority Assessments	226,442
TCEQ Regulatory Assessments	1,172
Sludge Hauling	<u>19,263</u>

TOTAL OTHER EXPENDITURES	<u>\$ 275,325</u>
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TOTAL EXPENDITURES	<u>\$ 1,770,926</u>
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See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
INVESTMENTS
MARCH 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>					
TexPool	XXXX0002	Varies	Daily	\$ 735,604	\$ - 0 -
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0005	Varies	Daily	\$ 655,335	\$ - 0 -
<u>CAPITAL PROJECTS FUND</u>					
TexPool	XXXX0004	Varies	Daily	\$ 2,231,611	\$ - 0 -
TOTAL - ALL FUNDS				\$ 3,622,550	\$ - 0 -

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MARCH 31, 2025**

	<u>Debt Service Taxes</u>	
TAXES RECEIVABLE -		
APRIL 1, 2024	\$ 31,978	
Adjustments to Beginning		
Balance	<u>(11,580)</u>	\$ 20,398
Original 2024 Tax Levy	\$ 279,521	
Adjustment to 2024 Tax Levy	<u>(22,176)</u>	<u>257,345</u>
TOTAL TO BE		
ACCOUNTED FOR		\$ 277,743
TAX COLLECTIONS:		
Prior Years	\$ 8,336	
Current Year	<u>236,718</u>	<u>245,054</u>
TAXES RECEIVABLE -		
MARCH 31, 2025		<u>\$ 32,689</u>
TAXES RECEIVABLE BY		
YEAR:		
2024	\$ 20,627	
2023	7,527	
2022	3,070	
2021	<u>1,465</u>	
TOTAL		<u>\$ 32,689</u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MARCH 31, 2025**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
PROPERTY VALUATIONS:				
Land	\$ 83,231,025	\$ 44,402,790	\$ 32,465,696	\$ 26,289,572
Improvements	245,135,127	175,126,504	150,578,145	102,068,753
Personal Property	901,556	893,607	728,915	327,439
Exemptions	<u>(168,427,341)</u>	<u>(47,438,215)</u>	<u>(21,847,747)</u>	<u>(14,842,090)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 160,840,367</u>	<u>\$ 172,984,686</u>	<u>\$ 161,925,009</u>	<u>\$ 113,843,674</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16
Maintenance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.16</u>	<u>\$ 0.16</u>	<u>\$ 0.16</u>	<u>\$ 0.16</u>
ADJUSTED TAX LEVY*	<u>\$ 257,345</u>	<u>\$ 276,775</u>	<u>\$ 259,080</u>	<u>\$ 182,150</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>91.98 %</u>	<u>97.28 %</u>	<u>98.82 %</u>	<u>99.20 %</u>

In August 2024, the Board of Directors were made aware that the owners of the only apartment property in the District, Civitas Cypresswood Owner LLC, intended to convey to the Houston Housing Authority the land upon which the apartments are located while retaining a ground lease for the land and ownership of the improvements. The transaction was closed in September 2024, which made the approximately \$48 million taxable value of the land and improvements as of January 1, 2024 exempt from property taxes levied by the District. The loss of taxable value to the District was partially realized in the 2024 tax year because the exemption is prorated for the calendar year and will be fully realized in the 2025 tax year. The District determined to implement significant changes to its water and sewer rates to property tax-exempt apartments, as well as other policy and rate changes, and adopted an Amended Rate Order on August 20, 2024, and again on March 4, 2025. The tax-exempt apartment surcharge is sufficient to offset the loss of tax revenues for this property.

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
LONG-TERM DEBT SERVICE REQUIREMENTS
MARCH 31, 2025**

S E R I E S - 2 0 2 1			
Due During Fiscal Years Ending March 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2026	\$ 200,000	\$ 157,694	\$ 357,694
2027	200,000	151,694	351,694
2028	200,000	145,693	345,693
2029	200,000	139,693	339,693
2030	225,000	135,693	360,693
2031	225,000	131,193	356,193
2032	225,000	126,693	351,693
2033	250,000	122,194	372,194
2034	250,000	117,194	367,194
2035	250,000	112,194	362,194
2036	275,000	107,194	382,194
2037	275,000	101,694	376,694
2038	275,000	96,194	371,194
2039	300,000	90,694	390,694
2040	300,000	84,694	384,694
2041	300,000	78,694	378,694
2042	325,000	72,693	397,693
2043	325,000	65,788	390,788
2044	325,000	58,881	383,881
2045	350,000	51,975	401,975
2046	350,000	44,100	394,100
2047	400,000	36,225	436,225
2048	400,000	27,225	427,225
2049	400,000	18,225	418,225
2050	410,000	9,225	419,225
	<u>\$ 7,235,000</u>	<u>\$ 2,283,436</u>	<u>\$ 9,518,436</u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED MARCH 31, 2025**

Description	Original Bonds Issued	Bonds Outstanding April 1, 2024
Harris County Water Control and Improvement District No. 99 Unlimited Tax Bonds - Series 2021	<u>\$ 7,435,000</u>	<u>\$ 7,435,000</u>
Bond Authority:		<u>Tax Bonds</u>
Amount Authorized by Voters		\$ 16,000,000
Amount Issued		<u>7,435,000</u>
Remaining to be Issued		<u>\$ 8,565,000</u>
Debt Service Fund cash and investments balances as of March 31, 2025:		<u>\$ 749,065</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:		<u>\$ 380,737</u>
See Note 3 for interest rate, interest payment dates and maturity dates.		

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				<u>Paying Agent</u>
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding March 31, 2025</u>	
	<u>Principal</u>	<u>Interest</u>		
<u>\$ - 0 -</u>	<u>\$ 200,000</u>	<u>\$ 163,694</u>	<u>\$ 7,235,000</u>	The Bank of New Yourk Mellon Trust Company, N.A. Dallas, TX

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		
	2025	2024	2023
REVENUES			
Water Service	\$ 325,443	\$ 321,117	\$ 349,510
Wastewater Service	434,493	436,247	435,906
Regional Water Authority Fees	180,111	302,989	366,788
Cypresswood Apartments	402,518	263,075	249,675
Penalty and Interest	15,837	10,924	8,367
Tap Connection and Inspection Fees			
Investment Revenues	42,742	46,493	19,885
Capital Contributions	53,380	53,380	53,380
Miscellaneous Revenues	4,300	40,618	10,128
TOTAL REVENUES	<u>\$ 1,458,824</u>	<u>\$ 1,474,843</u>	<u>\$ 1,493,639</u>
EXPENDITURES			
Professional Fees	\$ 278,667	\$ 168,050	\$ 157,098
Contracted Services	380,420	356,681	309,282
Utilities	52,648	59,390	55,694
Regional Water Authority Assessments	226,442	315,149	372,951
Repairs and Maintenance	278,119	306,325	302,939
Other	114,458	100,100	122,294
Capital Outlay	440,172	98,818	7,750
TOTAL EXPENDITURES	<u>\$ 1,770,926</u>	<u>\$ 1,404,513</u>	<u>\$ 1,328,008</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (312,102)</u>	<u>\$ 70,330</u>	<u>\$ 165,631</u>
OTHER FINANCING SOURCES (USES)			
Transfers In(Out)	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
NET CHANGE IN FUND BALANCE	<u>\$ (312,102)</u>	<u>\$ 70,330</u>	<u>\$ 165,631</u>
BEGINNING FUND BALANCE	<u>1,085,702</u>	<u>1,015,372</u>	<u>849,741</u>
ENDING FUND BALANCE	<u>\$ 773,600</u>	<u>\$ 1,085,702</u>	<u>\$ 1,015,372</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
\$ 297,583	\$ 313,555	22.3 %	21.8 %	23.3 %	26.5 %	29.8 %
437,957	420,777	29.8	29.6	29.2	38.9	40.0
253,673	289,922	12.3	20.5	24.6	22.6	27.6
		27.6	17.8	16.7		
14,588	13,325	1.1	0.7	0.6	1.3	1.3
51,785	2,380				4.6	0.2
296	1,413	2.9	3.2	1.3		0.1
40,738		3.7	3.6	3.6	3.6	
27,818	10,670	0.3	2.8	0.7	2.5	1.0
<u>\$ 1,124,438</u>	<u>\$ 1,052,042</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 180,831	\$ 182,198	19.1 %	11.4 %	10.5 %	16.1 %	17.3 %
250,885	252,015	26.1	24.2	20.7	22.3	24.0
46,269	46,125	3.6	4.0	3.7	4.1	4.4
261,298	286,901	15.5	21.4	25.0	23.2	27.3
151,665	178,382	19.1	20.8	20.3	13.5	17.0
128,430	89,439	7.8	6.8	8.2	11.4	8.5
200,292	263,069	30.2	6.7	0.5	17.8	25.0
<u>\$ 1,219,670</u>	<u>\$ 1,298,129</u>	<u>121.4 %</u>	<u>95.3 %</u>	<u>88.9 %</u>	<u>108.4 %</u>	<u>123.5 %</u>
<u>\$ (95,232)</u>	<u>\$ (246,087)</u>	<u>(21.4) %</u>	<u>4.7 %</u>	<u>11.1 %</u>	<u>(8.4) %</u>	<u>(23.5) %</u>
<u>\$ 278,842</u>	<u>\$ - 0 -</u>					
\$ 183,610	\$ (246,087)					
<u>666,131</u>	<u>912,218</u>					
<u>\$ 849,741</u>	<u>\$ 666,131</u>					

See accompanying independent auditor's report.

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

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	\$ 245,054	\$ 272,763	\$ 281,936
Penalty and Interest	6,143	5,795	9,462
Interest on Investments	36,046	27,213	8,287
Contract Revenue	124,143	126,244	57,293
Miscellaneous Revenues			
TOTAL REVENUES	<u>\$ 411,386</u>	<u>\$ 432,015</u>	<u>\$ 356,978</u>
EXPENDITURES			
Tax Collection Expenditures	\$ 15,240	\$ 14,292	\$ 13,737
Debt Service Principal	200,000		
Debt Service Interest and Fees	164,519	164,994	165,194
TOTAL EXPENDITURES	<u>\$ 379,759</u>	<u>\$ 179,286</u>	<u>\$ 178,931</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 31,627</u>	<u>\$ 252,729</u>	<u>\$ 178,047</u>
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	\$ - 0 -	\$ - 0 -	\$ - 0 -
NET CHANGE IN FUND BALANCE	\$ 31,627	\$ 252,729	\$ 178,047
BEGINNING FUND BALANCE	<u>715,129</u>	<u>462,400</u>	<u>284,353</u>
ENDING FUND BALANCE	<u>\$ 746,756</u>	<u>\$ 715,129</u>	<u>\$ 462,400</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>531</u>	<u>531</u>	<u>529</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>525</u>	<u>525</u>	<u>523</u>

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2022	2021	2025	2024	2023	2022	2021
\$ 130,167		59.5 %	63.2 %	79.0 %	48.2 %	%
1,178		1.5	1.3	2.7	0.4	
64		8.8	6.3	2.3		
138,458		30.2	29.2	16.0	51.3	
253					0.1	
<u>\$ 270,120</u>	<u>\$ - 0 -</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>N/A %</u>
\$ 8,957		3.7 %	3.3 %	3.8 %	3.3 %	%
		48.6				
<u>140,504</u>		<u>40.0</u>	<u>38.2</u>	<u>46.3</u>	<u>52.0</u>	
<u>\$ 149,461</u>	<u>\$ - 0 -</u>	<u>92.3 %</u>	<u>41.5 %</u>	<u>50.1 %</u>	<u>55.3 %</u>	<u>N/A %</u>
\$ 120,659	\$ - 0 -	7.7 %	58.5 %	49.9 %	44.7 %	N/A %
\$ 163,694	\$ - 0 -					
\$ 284,353	\$ - 0 -					
<u>\$ 284,353</u>	<u>\$ - 0 -</u>					
<u>528</u>	<u>524</u>					
<u>522</u>	<u>521</u>					

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 99
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MARCH 31, 2025**

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	<u>Term of Office (Elected or Appointed)</u>	<u>Fees of Office for the year ended March 31, 2025</u>	<u>Expense Reimbursements for the year ended March 31, 2025</u>	<u>Title</u>
Billy Fritsche	05/22 05/26 (Elected)	\$ 6,971	\$ -0-	President
Thomas Riddle	05/24 05/28 (Elected)	\$ 5,400	\$ -0-	Vice President/ Investment Officer
George Galindo	05/24 05/28 (Elected)	\$ 3,507	\$ -0-	Secretary
Rick Ghinelli	05/22 05/26 (Elected)	\$ 2,431	\$ -0-	Director
Terry Wright	05/22 03/25 (Resigned)	\$ 2,210	\$ -0-	Former Director

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: May 22, 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 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, 2025**

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended March 31, 2025</u>	<u>Title</u>
Johnson Petrov LLP	06/30/88	\$ 78,459	General Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	03/21/89	\$ 19,000	Auditor
ETI Bookkeeping Services	1972	\$ 22,148	Bookkeeper
Perdue Brandon Fielder Collins & Mott, L.L.P.	04/15/97	\$ -0-	Delinquent Tax Attorney
Vogt Engineering, L.P.	12/05/89	\$ 263,174	Engineer
The GMS Group, L.L.C.	10/17/95	\$ 1,000	Financial Advisor
Eagle Water Management, Inc.	08/01/01	\$ 200,886	Operator
Equi-Tax, Inc.	1970	\$ 10,818	Tax Assessor/ Collector

See accompanying independent auditor's report.