

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92**

**HARRIS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2024**

**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. 92  
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. 92 (the "District") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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 December 31, 2024, 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 and Special Revenue 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

May 5, 2025

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Management's discussion and analysis of Harris County Water Control and Improvement District No. 92's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the District's financial statements.

**USING THIS ANNUAL REPORT**

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

The Statement of Net Position includes all of the District's assets, liabilities and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net assets 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 four governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, operating costs and general expenditures. The Special Revenue Fund accounts for the financial resources collected and administered by the District for operation of the joint wastewater facilities. 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. 92  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**FUND FINANCIAL STATEMENTS (Continued)**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**OTHER INFORMATION**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The District's assets exceeded liabilities and deferred inflows of resources by \$2,660,669 as of December 31, 2024. A portion of the District's net position reflects its net investment in capital assets (land, water and wastewater facilities, recreation facilities and buildings, less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide water and wastewater services. The following is a comparative analysis of government-wide changes in net position:

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

	Summary of Changes in the Statement of Net Position		
	2024	2023	Change Positive (Negative)
Current and Other Assets	\$ 7,773,677	\$ 7,620,744	\$ 152,933
Capital Assets (Net of Accumulated Depreciation)	1,311,909	1,305,704	6,205
Total Assets	\$ 9,085,586	\$ 8,926,448	\$ 159,138
Bonds Payable	\$ 4,967,797	\$ 4,966,509	\$ (1,288)
Other Liabilities	660,016	569,398	(90,618)
Total Liabilities	\$ 5,627,813	\$ 5,535,907	\$ (91,906)
Deferred Inflows of Resources	\$ 797,104	\$ 747,824	\$ (49,280)
Net Position:			
Net Investment in Capital Assets	\$ 919,246	\$ 909,535	\$ 9,711
Restricted	133,892	38,098	95,794
Unrestricted	1,607,531	1,695,084	(87,553)
Total Net Position	\$ 2,660,669	\$ 2,642,717	\$ 17,952

The following table provides a summary of the District's operations for the years ended December 31, 2024 and December 31, 2023. The District's net position increased by \$17,952 during the current fiscal year.

	Summary of Changes in the Statement of Activities		
	2024	2023	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 755,045	\$ 430,583	\$ 324,462
Charges for Services	2,028,740	2,283,801	(255,061)
Other Revenues	345,572	294,974	50,598
Total Revenues	\$ 3,129,357	\$ 3,009,358	\$ 119,999
Expenses for Services	3,111,405	3,373,291	261,886
Change in Net Position	\$ 17,952	\$ (363,933)	\$ 381,885
Net Position, Beginning of Year	2,642,717	3,006,650	(363,933)
Net Position, End of Year	\$ 2,660,669	\$ 2,642,717	\$ 17,952



**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

The District's combined fund balances as of December 31, 2024, were \$6,333,071, an increase of \$15,804 from the prior year.

The General Fund fund balance decreased by \$68,171, primarily due to current year expenditures exceeding current year tax revenues, service revenues and transfers in from the Capital Projects Fund.

The Debt Service Fund fund balance increased by \$79,181, primarily from the structure of the District's outstanding bonds.

The Capital Projects Fund fund balance increased by \$4,794 primarily due to the investment revenues exceeding capital outlay net the transfers out to the General Fund.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors amended the budget during the current fiscal year. Actual revenues were \$179,600 less than budgeted revenues primarily due to lower than anticipated regional water authority fees. Actual expenditures were \$37,362 more than budgeted expenditures primarily due to more than expected repairs and maintenance, capital outlay and personnel expenditures offset by less than expected purchased wastewater service fees and regional water authority fees. Transfers from the Capital Projects Fund were unbudgeted for. See the budget to actual comparison.

**CAPITAL ASSETS**

Capital assets as of December 31, 2024, total \$1,311,909 (net of accumulated depreciation) and include land as well as the trucks, water, wastewater systems and buildings. Significant capital asset activity completed during the current fiscal year included new office expenditures and playground equipment.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 52,812	\$ 52,812	\$
Construction in Progress	229,654	136,175	93,479
Capital Assets, Net of Accumulated Depreciation:			
Trucks	3,774	14,505	(10,731)
Water and Wastewater System	911,630	1,052,358	(140,728)
Recreational Facilities	113,289	48,354	64,935
Buildings	750	1,500	(750)
Total Net Capital Assets	<u>\$ 1,311,909</u>	<u>\$ 1,305,704</u>	<u>\$ 6,205</u>

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**CAPITAL ASSETS (Continued)**

Additional information on the District's capital assets can be found in Note 5 of this report.

**LONG-TERM DEBT ACTIVITY**

As of December 31, 2024, the District had total bond debt payable of \$5,000,000. There was no change in the debt position of the District during the fiscal year ended December 31, 2024.

The District's Series 2023 bonds carry an underlying rating of A from Standard and Poor's and an insured rating of "AA" from Standard and Poor's by virtue of bond insurance issued by Build America Mutual Assurance Company.

**CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Harris County Water Control and Improvement District No. 92, c/o Coats Rose, P.C., 9 Greenway Plaza, Suite 1000, Houston, TX 77046.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUNDS BALANCE SHEET  
DECEMBER 31, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>ASSETS</b>		
Cash	\$ 367,773	\$ 87,600
Investments	1,393,567	
Receivables:		
Property Taxes	214,288	
Penalty and Interest on Delinquent Taxes		
Service Accounts	184,669	
Accrued Interest	19,991	
Due from Developer	6,956	
Due from Other Funds	356,875	13,037
Prepaid Costs	36,599	
Due from Other Governmental Units		46,031
Advance for Regional Wastewater Treatment		
Plant Operations	58,454	
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
<b>TOTAL ASSETS</b>	<u>\$ 2,639,172</u>	<u>\$ 146,668</u>

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

Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 683,700	\$ 104,168	\$ 1,243,241	\$	\$ 1,243,241
	4,495,426	5,888,993		5,888,993
120,007		334,295		334,295
			12,902	12,902
		184,669		184,669
		19,991		19,991
		6,956		6,956
		369,912	(369,912)	
		36,599		36,599
		46,031		46,031
		58,454	(58,454)	
			52,812	52,812
			229,654	229,654
			1,029,443	1,029,443
<u>\$ 803,707</u>	<u>\$ 4,599,594</u>	<u>\$ 8,189,141</u>	<u>\$ 896,445</u>	<u>\$ 9,085,586</u>

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

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUNDS BALANCE SHEET  
DECEMBER 31, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 355,849	\$ 53,944
Accrued Interest Payable		
Due to Developers	3,249	
Due to Other Funds	13,037	
Security Deposits	159,680	
Advance for Regional Wastewater Treatment Plant Operations		92,724
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
<b>TOTAL LIABILITIES</b>	<u>\$ 531,815</u>	<u>\$ 146,668</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	<u>\$ 518,582</u>	<u>\$ -0-</u>
<b>FUND BALANCES</b>		
Nonspendable:		
Prepaid Costs	\$ 36,599	\$
For Regional Wastewater Treatment Plant Operations	58,454	
Restricted for Authorized Construction		
Restricted for Debt Service		
Unassigned	<u>1,493,722</u>	
<b>TOTAL FUND BALANCES</b>	<u>\$ 1,588,775</u>	<u>\$ -0-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 2,639,172</u>	<u>\$ 146,668</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
<b>TOTAL NET POSITION</b>		

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

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 1,141	\$	\$ 410,934	\$	\$ 410,934
			51,883	51,883
		3,249		3,249
332,415	24,460	369,912	(369,912)	
		159,680		159,680
		92,724	(58,454)	34,270
			75,000	75,000
			4,892,797	4,892,797
<u>\$ 333,556</u>	<u>\$ 24,460</u>	<u>\$ 1,036,499</u>	<u>\$ 4,591,314</u>	<u>\$ 5,627,813</u>
<u>\$ 300,989</u>	<u>\$ -0-</u>	<u>\$ 819,571</u>	<u>\$ (22,467)</u>	<u>\$ 797,104</u>
\$	\$	\$ 36,599	\$ (36,599)	\$
		58,454	(58,454)	
	4,575,134	4,575,134	(4,575,134)	
169,162		169,162	(169,162)	
		1,493,722	(1,493,722)	
<u>\$ 169,162</u>	<u>\$ 4,575,134</u>	<u>\$ 6,333,071</u>	<u>\$ (6,333,071)</u>	<u>\$ -0-</u>
<u>\$ 803,707</u>	<u>\$ 4,599,594</u>	<u>\$ 8,189,141</u>		
			\$ 919,246	\$ 919,246
			133,892	133,892
			1,607,531	1,607,531
			<u>\$ 2,660,669</u>	<u>\$ 2,660,669</u>

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

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 92  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2024**

Total Fund Balances - Governmental Funds	\$	6,333,071
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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.		1,311,909
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Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2023 and prior tax levies became part of recognized revenue in the governmental activities of the District.		35,369
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Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Accrued Interest Payable	\$	(51,883)	
Bonds Payable Within One Year		(75,000)	
Bonds Payable After One Year		<u>(4,892,797)</u>	<u>(5,019,680)</u>
Total Net Position - Governmental Activities	\$		<u>2,660,669</u>

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

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	General Fund	Special Revenue Fund
<b>REVENUES</b>		
Property Taxes	\$ 463,775	\$
Water Service	214,123	
Wastewater Service	207,836	426,976
Garbage Service	510,259	
Security Service	253,570	
Regional Water Authority Fees	421,414	
Club Revenue	216,141	
Penalty and Interest	31,207	
Tap Connection and Inspection Fees	3,197	
Investment Revenues	78,128	
Miscellaneous Revenues	19,650	
<b>TOTAL REVENUES</b>	<b>\$ 2,419,300</b>	<b>\$ 426,976</b>
<b>EXPENDITURES/EXPENSES</b>		
Service Operations:		
Personnel	\$ 129,775	\$ 29,849
Professional Fees	102,791	37,483
Contracted Services	812,993	58,471
Purchased Wastewater Service	268,278	
Utilities	55,937	52,134
Regional Water Authority Assessment	436,390	8,156
Repairs and Maintenance	325,674	138,194
Depreciation		
Recreational Club Costs	282,272	
Other	122,552	102,689
Capital Outlay	86,200	
Debt Service -		
Bond Interest		
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ 2,622,862</b>	<b>\$ 426,976</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES</b>	<b>\$ (203,562)</b>	<b>\$ -0-</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In (Out)	\$ 135,391	\$ -0-
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (68,171)</b>	<b>\$ -0-</b>
<b>CHANGE IN NET POSITION</b>		
<b>FUND BALANCES/NET POSITION - JANUARY 1, 2024</b>	<b>1,656,946</b>	
<b>FUND BALANCES/NET POSITION - DECEMBER 31, 2024</b>	<b>\$ 1,588,775</b>	<b>\$ -0-</b>

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



Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
\$ 289,396	\$	\$ 753,171	\$ 1,874	\$ 755,045
		214,123		214,123
		634,812	(268,278)	366,534
		510,259		510,259
		253,570		253,570
		421,414		421,414
		216,141		216,141
16,938		48,145	(4,643)	43,502
		3,197		3,197
10,783	237,011	325,922		325,922
		19,650		19,650
<u>\$ 317,117</u>	<u>\$ 237,011</u>	<u>\$ 3,400,404</u>	<u>\$ (271,047)</u>	<u>\$ 3,129,357</u>
	\$	\$ 159,624	\$	\$ 159,624
		140,274		140,274
30,059		901,523		901,523
		268,278	(268,278)	
		108,071		108,071
		444,546		444,546
		463,868		463,868
			173,474	173,474
		282,272		282,272
346	3,347	228,934		228,934
	93,479	179,679	(179,679)	
<u>207,531</u>		<u>207,531</u>	<u>1,288</u>	<u>208,819</u>
<u>\$ 237,936</u>	<u>\$ 96,826</u>	<u>\$ 3,384,600</u>	<u>\$ (273,195)</u>	<u>\$ 3,111,405</u>
<u>\$ 79,181</u>	<u>\$ 140,185</u>	<u>\$ 15,804</u>	<u>\$ 2,148</u>	<u>\$ 17,952</u>
<u>\$ -0-</u>	<u>\$ (135,391)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
\$ 79,181	\$ 4,794	\$ 15,804	\$ (15,804)	\$
			17,952	17,952
<u>89,981</u>	<u>4,570,340</u>	<u>6,317,267</u>	<u>(3,674,550)</u>	<u>2,642,717</u>
<u>\$ 169,162</u>	<u>\$ 4,575,134</u>	<u>\$ 6,333,071</u>	<u>\$ (3,672,402)</u>	<u>\$ 2,660,669</u>

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

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances - Governmental Funds	\$	15,804
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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.		1,874
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Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.		(4,643)
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Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(173,474)
--	--	-----------

Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		179,679
---	--	---------

Governmental funds report bond discounts and bond premiums as other financing sources/uses in the year paid. However, in the Statement of Net Position, bond discounts and bond premiums are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.		(1,288)
--	--	---------

Change in Net Position - Governmental Activities	\$	<u>17,952</u>
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The accompanying notes to the financial  
statements are an integral part of this report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1. CREATION OF DISTRICT**

Harris County Water Control and Improvement District No. 92, Harris County, Texas, was created by Order of the Texas Water Rights Commission on December 1, 1964 pursuant to Chapter 51 of the Texas Water Code. On April 15, 1975, the District was converted to a municipal utility district by the Texas Water Rights Commission, now known as the Texas Commission on Environmental Quality (the “Commission”), and now operates pursuant to Chapters 49 and 54 of the Texas Water Code to provide water and sewer services to property owners within the boundaries of the District.

**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 or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units.

The District participates in a joint venture for the operation of a joint wastewater treatment plant (the “Plant”) with Montgomery County Municipal Utility District No. 94. Since the District owns and operates the Plant for the benefit of the participants, the Plant’s operations are accounted for in the Special Revenue Fund of the District, see Note 8. The District does not issue separate financial statements for the Plant.

**Financial Statement Presentation**

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

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

Financial Statement Presentation (Continued)

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

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

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

Government-Wide Financial Statements

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

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

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

Governmental Funds

The District has four governmental funds and considers them to be major funds.

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

Special Revenue Fund - To account for financial resources collected and administered by the District for the operation of the joint wastewater facilities.

Debt Service Fund - To account for financial resources restricted, committed or assigned for servicing bond debt.

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 collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they collectible 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.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

Basis of Accounting (Continued)

Property taxes considered available by the District and included in revenue include 2023 tax levy collections during the period October 1, 2023, to December 31, 2024, and taxes collected from January 1, 2024, to December 31, 2024, for the 2022 and prior tax levies. The 2024 tax levy has been fully deferred.

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. At December 31, 2024, the Capital Projects Fund owed the General Fund \$24,460 for project costs, the Debt Service Fund owed the General Fund \$332,415 related to tax collections and the General Fund owed the Special Revenue Fund \$13,037 for its share of wastewater treatment plant costs. During the year, the Capital Projects Fund transferred \$135,391 to the General Fund to cover Wastewater Treatment Plant rehabilitation costs incurred in prior year.

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 acquisition value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	<u>Years</u>
Buildings	40
Water System	10-45
Wastewater System	10-45
All Other Equipment	5-20

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

Budgeting

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

Pensions

The District has employees. Payments are made into the social security system for them. The Internal Revenue Service has determined that fees of office received by Directors are considered to be wages subject to federal income tax withholding for payroll purposes only. A separate pension plan has not been established for the employees or directors.

Measurement Focus

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

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

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

Measurement Focus (Continued)

*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. The District does not have any assigned fund balances.

*Unassigned:* all other spendable amounts in the General Fund.

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

Accounting Estimates

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

**NOTE 3. LONG TERM DEBT**

The following is a summary of transactions regarding bonds payable for the year ended December 31, 2024:

	January 1, 2024	Additions	Retirements	December 31, 2024
Bonds Payable	\$ 5,000,000	\$	\$	\$ 5,000,000
Unamortized Discounts	(82,584)		(3,175)	(79,409)
Unamortized Premiums	49,093		1,887	47,206
Bonds Payable, Net	<u>\$ 4,966,509</u>	<u>\$ -0-</u>	<u>\$ (1,288)</u>	<u>\$ 4,967,797</u>
			Amount Due Within One Year	\$ 75,000
			Amount Due After One Year	<u>4,892,797</u>
			Bonds Payable, Net	<u>\$ 4,967,797</u>



**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3. LONG-TERM DEBT (Continued)**

	<u>Series 2023</u>
Amount Outstanding – December 31, 2024	\$ 5,000,000
Interest Rates	4.00% - 6.50%
Maturity Date	April 1, 2025/2050
Interest Payment Dates	April 1/ October 1
Callable Dates	April 1, 2027*

\* Or on any date thereafter, at a price of par plus accrued interest to the date of redemption.

As of December 31, 2024, the debt service requirements on the bonds outstanding were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	75,000	205,187	280,187
2026	100,000	199,593	299,593
2027	100,000	193,093	293,093
2028	100,000	187,843	287,843
2029	125,000	183,343	308,343
2030-2034	675,000	839,719	1,514,719
2035-2039	875,000	685,719	1,560,719
2040-2044	1,150,000	484,220	1,634,220
2045-2049	1,450,000	226,017	1,676,017
2050	350,000	7,219	357,219
	<u>\$ 5,000,000</u>	<u>\$ 3,211,953</u>	<u>\$ 8,211,953</u>

As of December 31, 2024, the District had \$10,000,000 of bonds authorized but unissued for the purposes of acquiring, constructing and improving the water, sewer and drainage system within the District. The District also had a maximum aggregate amount of \$22,500,000 in refunding bonds to refund water, sewer, drainage and storm sewer related bonds.

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.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3. LONG-TERM DEBT (Continued)**

During the year ended December 31, 2024, the District levied an ad valorem debt service tax at the rate of \$0.0772 per \$100 of assessed valuation, which resulted in a tax levy of \$297,278 on the adjusted taxable valuation of \$384,986,950 for the 2024 tax year. The Bond Orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 6 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. DEPOSITS AND INVESTMENTS**

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$1,883,241 and the bank balance was \$1,406,683. Of the bank balance, \$685,668 was insured by the Federal Deposit Insurance Corporation and the remaining was secured by pledged collateral. The District was not exposed to custodial credit risk at year-end.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

Deposits (Continued)

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at December 31, 2024, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 367,773	\$ 640,000	\$ 1,007,773
SPECIAL REVENUE FUND	87,600		87,600
DEBT SERVICE FUND	683,700		683,700
CAPITAL PROJECTS FUND	104,168		104,168
TOTAL DEPOSITS	<u>\$ 1,243,241</u>	<u>\$ 640,000</u>	<u>\$ 1,883,241</u>

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 State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool meets the criteria established in GASB Statement No. 79 and measures all of its 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. 92  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

Investments (Continued)

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

As of December 31, 2024, the District had the following investments:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
TexPool	\$ 753,567	\$ 753,567
Certificate of Deposit	640,000	640,000
<u>CAPITAL PROJECTS FUND</u>		
TexPool	<u>4,495,426</u>	<u>4,495,426</u>
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 5,888,993</u></b>	<b><u>\$ 5,888,993</u></b>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2024, the District's investment in TexPool was rated AAAM by Standard and Poor's. The District also manages credit risk by investing in certificates of deposit covered by FDIC insurance.

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. The District also manages interest rate risk by investing in certificates of deposit with maturities of one year or less.

Restrictions

All cash and investments of the Special Revenue Fund are restricted for the regional wastewater treatment plant operations. All cash and investments of the Debt Service Fund are restricted for the payment of debt service. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2024:

	January 1, 2024	Increases	Decreases	December 31, 2024
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 52,812	\$	\$	\$ 52,812
Construction in Progress	136,175	179,679	86,200	229,654
<b>Total Capital Assets Not Being Depreciated</b>	<u>\$ 188,987</u>	<u>\$ 179,679</u>	<u>\$ 86,200</u>	<u>\$ 282,466</u>
<b>Capital Assets Subject to Depreciation</b>				
Trucks	\$ 52,187	\$	\$	\$ 52,187
Water and Wastewater System	6,598,661	9,500		6,608,161
Recreational Facilities	342,084	76,700		418,784
Buildings	30,000			30,000
<b>Total Capital Assets Subject to Depreciation</b>	<u>\$ 7,022,932</u>	<u>\$ 86,200</u>	<u>\$ - 0 -</u>	<u>\$ 7,109,132</u>
<b>Accumulated Depreciation</b>				
Trucks	\$ 37,682	\$ 10,731	\$	\$ 48,413
Water and Wastewater System	5,546,303	150,228		5,696,531
Recreational Facilities	293,730	11,765		305,495
Buildings	28,500	750		29,250
<b>Total Accumulated Depreciation</b>	<u>\$ 5,906,215</u>	<u>\$ 173,474</u>	<u>\$ - 0 -</u>	<u>\$ 6,079,689</u>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 1,116,717</u>	<u>\$ (87,274)</u>	<u>\$ - 0 -</u>	<u>\$ 1,029,443</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 1,305,704</u>	<u>\$ 92,405</u>	<u>\$ 86,200</u>	<u>\$ 1,311,909</u>

**NOTE 6. MAINTENANCE TAX**

At an election held on August 23, 1975, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$0.15 per \$100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater system. During the year ended December 31, 2024, the District levied an ad valorem maintenance tax rate of \$0.1298 per \$100 of assessed valuation, which resulted in a tax levy of \$499,826 on the adjusted taxable valuation of \$384,986,950 for the 2024 tax year. The 2024 tax levy has been fully deferred to meet operating expenditures for the 2025 fiscal year.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 7. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY FEES**

The North Harris County Regional Water Authority (the "Authority") was created by House Bill 2965, Acts of the 76th Legislature, Regular Session 1999, and was confirmed by an election held on January 15, 2000. The Authority is a political subdivision of the State of Texas, governed by an elected five-member Board of Directors. The Authority is empowered to, among others powers, "acquire or develop surface water and groundwater supplies from sources inside of or outside of the boundaries of the authority and may conserve, store, transport, treat, purify, distribute, sell and deliver water to persons, corporations, municipal corporation, political subdivisions of the state, and others, inside of and outside of the boundaries of the authority." The Authority is also empowered to "establish fees and charges as necessary to enable the authority to fulfill the authority's regulatory obligations." In accordance with this provision, as of December 31, 2024, the well pumpage fee is \$2.60 per 1,000 gallons of water pumped from each regulated well. The District's well pumpage fees paid to the Authority for the year ended December 31, 2024, were \$436,390.

On December 5, 2016, the District entered into an Alternative Water Use Incentive Agreement with the Authority. The Authority is encouraging the reuse of wastewater plant effluent by using alternative water use credits. The credits are to be calculated at \$25,000 or 10% of the capital cost required to retrofit the wastewater treatment plant, whichever is greater, plus \$0.75 per 1,000 gallons or the rate then provided in the then-current Alternative Water Use program, whichever is greater. The credits to be issued to the District shall not exceed the capital costs of the system which were estimated by the District to be \$70,200. During previous fiscal years, the District recorded \$67,730 in alternative water use credits. No credits were recorded in the current fiscal year.

**NOTE 8. WASTEWATER TREATMENT FACILITIES AGREEMENT**

On October 1, 2001, the District entered into a wastewater treatment facilities agreement with Montgomery County Municipal Utility District No. 94 ("District No. 94"). The District has constructed a wastewater treatment plant. This agreement was amended on August 9, 2004. District No. 94 has purchased total capacity of 275,000 gallons per day of average flow at a cost of \$825,000. The District's and District No. 94's, current pro rata share is 60.714% and 39.286%, respectively. The term of this agreement is 50 years. The District is responsible for operating the wastewater treatment facilities. In accordance with the agreement, the District is required to establish an operating reserve equal to two month's operating expenditures. As of December 31, 2024, the total reserve is \$92,724, of which the District's portion is \$58,454. During the current fiscal year, the District incurred operating costs of \$268,278.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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. The District carries commercial insurance for its fidelity bonds and participates in the Texas Municipal League Intergovernmental Risk Pool (the “TML”) to provide property, general liability, automobile, boiler and machinery, errors and omissions and workers compensation coverage. The District, along with other participating entities, contributes annual amounts determined by TML’s management. As claims arise they are submitted and paid by TML. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2024**



**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 92  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND  
ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 385,400	\$ 385,400	\$ 463,775	\$ 78,375
Water Service	254,000	254,000	214,123	(39,877)
Wastewater Service	215,000	215,000	207,836	(7,164)
Garbage Service	507,000	507,000	510,259	3,259
Security Service	236,000	236,000	253,570	17,570
Regional Water Authority Fee	630,000	630,000	421,414	(208,586)
Club Revenue	278,000	278,000	216,141	(61,859)
Penalty and Interest	30,000	30,000	31,207	1,207
Tap Connection and Inspection Fees	5,500	5,500	3,197	(2,303)
Investment Revenues	48,000	48,000	78,128	30,128
Miscellaneous Revenues	10,000	10,000	19,650	9,650
<b>TOTAL REVENUES</b>	<u>\$ 2,598,900</u>	<u>\$ 2,598,900</u>	<u>\$ 2,419,300</u>	<u>\$ (179,600)</u>
<b>EXPENDITURES</b>				
Service Operations:				
Personnel	\$ 87,130	\$ 87,130	\$ 129,775	\$ (42,645)
Professional Fees	71,750	71,750	102,791	(31,041)
Contracted Services	794,300	794,300	812,993	(18,693)
Purchased Wastewater Service	345,754	345,754	268,278	77,476
Utilities	55,750	55,750	55,937	(187)
Regional Water Authority Assessment	620,000	620,000	436,390	183,610
Repairs and Maintenance	176,950	176,950	325,674	(148,724)
Recreational Club Costs	291,676	291,676	282,272	9,404
Other	99,090	99,090	122,552	(23,462)
Capital Outlay	30,100	43,100	86,200	(43,100)
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,572,500</u>	<u>\$ 2,585,500</u>	<u>\$ 2,622,862</u>	<u>\$ (37,362)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 26,400</u>	<u>\$ 13,400</u>	<u>\$ (203,562)</u>	<u>\$ (216,962)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	\$ -0-	\$ -0-	\$ 135,391	\$ 135,391
<b>NET CHANGE IN FUND BALANCE</b>	\$ 26,400	\$ 13,400	\$ (68,171)	\$ (81,571)
<b>FUND BALANCE - JANUARY 1, 2024</b>	<u>1,656,946</u>	<u>1,656,946</u>	<u>1,656,946</u>	
<b>FUND BALANCE - DECEMBER 31, 2024</b>	<u>\$ 1,683,346</u>	<u>\$ 1,670,346</u>	<u>\$ 1,588,775</u>	<u>\$ (81,571)</u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 92  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND  
ACTUAL - SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Wastewater Service	\$ 555,440	\$ 426,976	\$ (128,464)
<b>EXPENDITURES</b>			
Service Operations:			
Personnel	\$ 29,845	\$ 29,849	\$ (4)
Professional Fees	54,500	37,483	17,017
Contracted Services	57,820	58,471	(651)
Utilities	63,375	52,134	11,241
Regional Water Authority Assessment	10,000	8,156	1,844
Repairs and Maintenance	247,700	138,194	109,506
Other	92,200	102,689	(10,489)
Capital Outlay			
<b>TOTAL EXPENDITURES</b>	<u>\$ 555,440</u>	<u>\$ 426,976</u>	<u>\$ 128,464</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ -0-	\$ -0-	\$ -0-
<b>FUND BALANCE - JANUARY 1, 2024</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>FUND BALANCE - DECEMBER 31, 2024</b>	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92**

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

**DECEMBER 31, 2024**

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
SERVICES AND RATES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

<u>  X  </u>	Retail Water	<u>  X  </u>	Wholesale Water	<u>      </u>	Drainage
<u>  X  </u>	Retail Wastewater	<u>  X  </u>	Wholesale Wastewater	<u>  X  </u>	Irrigation
<u>  X  </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>  X  </u>	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
<u>      </u>	Other (specify): _____				

**2. RETAIL SERVICE PROVIDERS**

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

Based on the rate order effective October 1, 2018.

	<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:	\$ 11.00	6,000	N	\$ 0.75 1.25	6,001 to 25,000 25,001 and up
WASTEWATER:	\$ 11.00	50,000	N	\$ 0.75	50,001 and up
SURCHARGE:					
Regional Water Authority Fees			N	\$ 2.60	0,001 and up
Garbage Service			Y	\$27.71	
Recreational Fee			Y	\$11.65	
Security Fee			Y	\$14.00	
District employs winter averaging for wastewater usage?					<u>      </u> <u>  X  </u> Yes No

Total charges per 10,000 gallons usage: Water: \$14.00 Wastewater: \$11.00 Surcharges: \$79.36

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
SERVICES AND RATES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**2. RETAIL SERVICE PROVIDERS (Continued)**

**b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)**

<b>Meter Size</b>	<b>Total Connections</b>	<b>Active Connections</b>	<b>ESFC Factor</b>	<b>Active ESFCs</b>
Unmetered	<u>2</u>	<u>2</u>	x 1.0	<u>          </u>
≤¾"	<u>1,556</u>	<u>1,536</u>	x 1.0	<u>1,536</u>
1"	<u>10</u>	<u>10</u>	x 2.5	<u>25</u>
1½"	<u>          </u>	<u>          </u>	x 5.0	<u>          </u>
2"	<u>15</u>	<u>14</u>	x 8.0	<u>112</u>
3"	<u>2</u>	<u>2</u>	x 15.0	<u>30</u>
4"	<u>          </u>	<u>          </u>	x 25.0	<u>          </u>
6"	<u>          </u>	<u>          </u>	x 50.0	<u>          </u>
8"	<u>1</u>	<u>1</u>	x 80.0	<u>80</u>
10"	<u>          </u>	<u>          </u>	x 115.0	<u>          </u>
Total Water Connections	<u>1,586</u>	<u>1,565</u>		<u>1,783</u>
Total Wastewater Connections	<u>1,572</u>	<u>1,551</u>	x 1.0	<u>1,551</u>

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

Gallons pumped into system:	130,683,000	Water Accountability Ratio: 84.4% (Gallons billed and maintenance/Gallons pumped and purchased)
Gallons billed to customers:	110,314,000	

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
SERVICES AND RATES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

Does the District have Debt Service standby fees? Yes ☐ No ☒

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

**5. LOCATION OF DISTRICT:**

Is the District located entirely within one county?

Yes ☒ No ☐

County in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely ☐ Partly ☐ Not at all ☒

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

Entirely ☒ Partly ☐ Not at all ☐

ETJ in which District is located:

City of Houston, Texas

Are Board Members appointed by an office outside the District?

Yes ☐ No ☒

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
GENERAL FUND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

PERSONNEL EXPENDITURES (Including Benefits)	<u>\$ 129,775</u>
PROFESSIONAL FEES:	
Auditing	\$ 13,250
Engineering	32,042
Legal	56,599
Financial Advisor	<u>900</u>
TOTAL PROFESSIONAL FEES	<u>\$ 102,791</u>
PURCHASED SERVICES FOR RESALE -	
Purchased Wastewater Service	<u>\$ 268,278</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 21,212
Operations and Billing	85,187
Recording Secretary	3,600
Security	198,154
Solid Waste Disposal	<u>504,840</u>
TOTAL CONTRACTED SERVICES	<u>\$ 812,993</u>
UTILITIES:	
Electricity	\$ 51,529
Telephone	<u>4,408</u>
TOTAL UTILITIES	<u>\$ 55,937</u>
REPAIRS AND MAINTENANCE	<u>\$ 325,674</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 21,437
Insurance	36,576
Office Supplies and Postage	4,028
Other	<u>14,370</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 76,411</u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
GENERAL FUND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

CAPITAL OUTLAY		\$	<u>86,200</u>	
RECREATIONAL CLUB		\$	<u>282,272</u>	
OTHER EXPENDITURES:				
Chemicals		\$	4,012	
Fuel			5,175	
Laboratory Fees			2,708	
Permit Fees			6,579	
Reconnection Fees			18,931	
Inspection Fees			4,486	
Regional Water Authority Assessment			436,390	
Regulatory Assessment			2,129	
Sludge Hauling			<u>2,121</u>	
TOTAL OTHER EXPENDITURES		\$	<u>482,531</u>	
TOTAL EXPENDITURES		\$	<u><u>2,622,862</u></u>	
Number of persons employed by the District	<u>2</u>	Full-Time	<u>17</u>	Part-Time

See accompanying independent auditor's report.



**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
INVESTMENTS  
DECEMBER 31, 2024**

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
TexPool	XXXX0002	Varies	Daily	\$ 753,567	\$
Certificate of Deposit	XXXX1070	5.11%	02/21/25	240,000	4,505
Certificate of Deposit	XXXX1118	5.23%	02/21/25	400,000	15,486
TOTAL GENERAL FUND				<u>\$ 1,393,567</u>	<u>\$ 19,991</u>
<u>CAPITAL PROJECTS FUND</u>					
TexPool	XXXX0003	Varies	Daily	<u>\$ 4,495,426</u>	<u>\$</u>
TOTAL - ALL FUNDS				<u>\$ 5,888,993</u>	<u>\$ 19,991</u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
TAXES LEVIED AND RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Maintenance Taxes</u>		<u>Debt Service Taxes</u>	
TAXES RECEIVABLE -				
JANUARY 1, 2024	\$ 205,505		\$ 118,364	
Adjustments to Beginning				
Balance	<u>3,764</u>	\$ 209,269	<u>3,456</u>	\$ 121,820
Original 2024 Tax Levy	\$ 474,643		\$ 282,300	
Adjustment to 2024 Tax Levy	<u>25,183</u>	<u>499,826</u>	<u>14,978</u>	<u>297,278</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 709,095		\$ 419,098
TAX COLLECTIONS:				
Prior Years	\$ 190,513		\$ 118,109	
Current Year	<u>304,294</u>	<u>494,807</u>	<u>180,982</u>	<u>299,091</u>
TAXES RECEIVABLE -				
DECEMBER 31, 2024		<u>\$ 214,288</u>		<u>\$ 120,007</u>
TAXES RECEIVABLE BY				
YEAR:				
2024		\$ 195,532		\$ 116,296
2023		5,873		3,711
2022		2,883		
2021		1,824		
2020		1,206		
2019 and Prior		<u>6,970</u>		
TOTAL		<u>\$ 214,288</u>		<u>\$ 120,007</u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
TAXES LEVIED AND RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 384,986,950</u>	<u>\$ 361,858,527</u>	<u>\$ 317,198,715</u>	<u>\$ 280,475,517</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.0772	\$ 0.0800	\$ -	\$ -
Maintenance	<u>0.1298</u>	<u>0.1266</u>	<u>0.133501</u>	<u>0.140158</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.2070</u>	<u>\$ 0.2066</u>	<u>\$ 0.133501</u>	<u>\$ 0.140158</u>
ADJUSTED TAX LEVY*	<u>\$ 797,104</u>	<u>\$ 747,824</u>	<u>\$ 423,464</u>	<u>\$ 393,109</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>60.88 %</u>	<u>98.72 %</u>	<u>99.32 %</u>	<u>99.54 %</u>

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

Maintenance Tax – Maximum tax rate of \$0.15 per \$100 of assessed valuation approved by voters on August 23, 1975.

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
LONG-TERM DEBT SERVICE REQUIREMENTS  
DECEMBER 31, 2024**

S E R I E S - 2 0 2 3			
Due During Fiscal Years Ending December 31	Principal Due April 1	Interest Due April 1/ October 1	Total
2025	\$ 75,000	\$ 205,187	\$ 280,187
2026	100,000	199,593	299,593
2027	100,000	193,093	293,093
2028	100,000	187,843	287,843
2029	125,000	183,343	308,343
2030	125,000	178,343	303,343
2031	125,000	173,344	298,344
2032	125,000	168,344	293,344
2033	150,000	162,844	312,844
2034	150,000	156,844	306,844
2035	150,000	150,843	300,843
2036	175,000	144,344	319,344
2037	175,000	137,344	312,344
2038	175,000	130,344	305,344
2039	200,000	122,844	322,844
2040	200,000	114,844	314,844
2041	225,000	106,344	331,344
2042	225,000	97,344	322,344
2043	250,000	87,844	337,844
2044	250,000	77,844	327,844
2045	250,000	67,844	317,844
2046	275,000	57,344	332,344
2047	300,000	45,844	345,844
2048	300,000	33,844	333,844
2049	325,000	21,141	346,141
2050	350,000	7,219	357,219
	<u>\$ 5,000,000</u>	<u>\$ 3,211,953</u>	<u>\$ 8,211,953</u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
CHANGE IN LONG-TERM BOND DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Description	Original Bonds Issued	Bonds Outstanding January 1, 2024
Harris County Water Control and Improvement District No. 92 Unlimited Tax Bonds - Series 2023	\$ 5,000,000	\$ 5,000,000
Bond Authority:	Tax Bonds	Refunding Bonds
Amount Authorized by Voters	\$ 15,000,000	\$ 22,500,000
Amount Issued	5,000,000	
Remaining to be Issued	\$ 10,000,000	\$ 22,500,000
	*	
Debt Service Fund cash, investments and cash with paying agent balances as of December 31, 2024:		\$ 683,700
Average annual debt service payment (principal and interest) for remaining term of all debt:		\$ 315,844

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

\* Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes.

See accompanying independent auditor's report.

Current Year Transactions			Bonds Outstanding December 31, 2024	Paying Agent
Bonds Sold	Retirements			
	Principal	Interest		
\$ - 0 -	\$ - 0 -	\$ 207,531	\$ 5,000,000	The Bank of New York Mellon Trust Company, N.A. Dallas, Texas

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES  
GENERAL FUND - FIVE YEARS**

	Amounts		
	2024	2023	2022
<b>REVENUES</b>			
Property Taxes	\$ 463,775	\$ 435,604	\$ 402,247
Water Service	214,123	254,446	242,567
Wastewater Service	207,836	212,716	206,707
Garbage Service	510,259	503,708	462,048
Security Service	253,570	238,805	224,640
Regional Water Authority Fee	421,414	575,685	631,501
Club Revenue	216,141	214,395	214,857
Penalty and Interest	31,207	47,513	44,277
Tap Connection and Inspection Fees	3,197	3,925	3,588
Investment Revenues	78,128	64,769	20,073
Miscellaneous Revenues	19,650	20,184	14,429
<b>TOTAL REVENUES</b>	<u>\$ 2,419,300</u>	<u>\$ 2,571,750</u>	<u>\$ 2,466,934</u>
<b>EXPENDITURES</b>			
Personnel	\$ 129,775	\$ 112,150	\$ 97,573
Professional Fees	102,791	59,585	54,818
Contracted Services	812,993	797,644	748,367
Purchased Wastewater Service	268,278	392,051	273,994
Utilities	55,937	57,489	59,170
Regional Water Authority Assessment	436,390	501,644	635,821
Repairs and Maintenance	325,674	243,145	312,043
Recreational Club Costs	282,272	272,216	258,954
Other	122,552	91,849	100,169
Capital Outlay	86,200	25,236	
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,622,862</u>	<u>\$ 2,553,009</u>	<u>\$ 2,540,909</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (203,562)</u>	<u>\$ 18,741</u>	<u>\$ (73,975)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers In	<u>135,391</u>		
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (68,171)</u>	<u>\$ 18,741</u>	<u>\$ (73,975)</u>
<b>BEGINNING FUND BALANCE</b>	<u>1,656,946</u>	<u>1,638,205</u>	<u>1,712,180</u>
<b>ENDING FUND BALANCE</b>	<u><u>\$ 1,588,775</u></u>	<u><u>\$ 1,656,946</u></u>	<u><u>\$ 1,638,205</u></u>

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2021	2020	2024	2023	2022	2021	2020
\$ 399,154	\$ 380,563	19.2 %	16.9 %	16.4 %	16.6 %	17.8 %
235,910	236,968	8.9	9.9	9.8	9.9	11.0
206,368	205,672	8.6	8.3	8.4	8.7	9.6
393,010	335,427	21.1	19.6	18.7	16.5	15.6
194,296	194,003	10.5	9.3	9.1	8.1	9.0
572,984	529,352	17.4	22.4	25.6	24.0	24.7
214,085	214,666	8.9	8.3	8.7	9.0	10.0
39,949	31,669	1.3	1.8	1.8	1.7	1.5
94,878	560	0.1	0.2	0.1	4.0	
1,885	9,290	3.2	2.5	0.8	0.1	0.4
32,637	7,922	0.8	0.8	0.6	1.4	0.4
<u>\$ 2,385,156</u>	<u>\$ 2,146,092</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 97,056	\$ 108,557	5.4 %	4.4 %	4.1 %	4.1 %	5.1 %
69,073	32,017	4.2	2.3	2.2	2.9	1.5
684,065	638,624	33.6	31.0	30.3	28.7	29.8
237,393	215,877	11.1	15.2	11.1	10.0	10.1
58,696	57,153	2.3	2.2	2.4	2.5	2.7
566,836	535,222	18.0	19.5	25.8	23.8	24.9
139,441	111,683	13.5	9.5	12.6	5.8	5.2
249,996	231,285	11.7	10.6	10.5	10.5	10.8
125,843	70,376	5.1	3.6	4.1	5.3	3.3
	39,524	3.6	1.0			1.8
<u>\$ 2,228,399</u>	<u>\$ 2,040,318</u>	<u>108.5 %</u>	<u>99.3 %</u>	<u>103.1 %</u>	<u>93.6 %</u>	<u>95.2 %</u>
\$ 156,757	\$ 105,774	<u>(8.5) %</u>	<u>0.7 %</u>	<u>(3.1) %</u>	<u>6.4 %</u>	<u>4.8 %</u>
\$ 156,757	\$ 105,774					
<u>1,555,423</u>	<u>1,449,649</u>					
\$ 1,712,180	\$ 1,555,423					

See accompanying independent auditor's report.



**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES  
DEBT SERVICE FUND - FIVE YEARS**

	Amounts		
	2024	2023	2022
<b>REVENUES</b>			
Property Taxes	\$ 289,396	\$	\$
Penalty and Interest	16,938		
Investment Revenues	10,783	3,571	
<b>TOTAL REVENUES</b>	<u>\$ 317,117</u>	<u>\$ 3,571</u>	<u>\$ - 0 -</u>
<b>EXPENDITURES</b>			
Tax Collection Expenditures	\$ 29,655	\$ 236	\$
Debt Service Interest and Fees	208,281	138,354	
<b>TOTAL EXPENDITURES</b>	<u>\$ 237,936</u>	<u>\$ 138,590</u>	<u>\$ - 0 -</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 79,181</u>	<u>\$ (135,019)</u>	<u>\$ - 0 -</u>
<b>OTHER FINANCING SOURCES</b>			
Long-Term Debt Issued	\$	\$ 225,000	\$
<b>NET CHANGE IN FUND BALANCE</b>	\$ 79,181	\$ 89,981	\$
<b>BEGINNING FUND BALANCE</b>	89,981		
<b>ENDING FUND BALANCE</b>	<u>\$ 169,162</u>	<u>\$ 89,981</u>	<u>\$ - 0 -</u>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	<u>1,565</u>	<u>1,567</u>	<u>1,563</u>
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	<u>1,551</u>	<u>1,553</u>	<u>1,550</u>

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2021	2020	2024	2023	2022	2021	2020
\$	\$	91.3 %	%	%	%	%
		5.3				
		3.4	100.0			
\$ - 0 -	\$ - 0 -	100.0 %	100.0 %	%	%	%
\$	\$	9.4 %	6.6 %	%	%	%
		65.7	3,874.4			
\$ - 0 -	\$ - 0 -	75.1 %	3,881.0 %	%	%	%
\$ - 0 -	\$ - 0 -	24.9 %	(3,781.0) %	%	%	%
\$	\$					
\$	\$					
\$ - 0 -	\$ - 0 -					
1,564	1,564					
1,540	1,551					

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
DECEMBER 31, 2024**

District Mailing Address - Harris County Water Control and Improvement District No. 92  
c/o Coats Rose, P.C.  
9 Greenway Plaza, Suite 1000  
Houston, TX 77046

District Telephone Number - (713) 651-0111

<b>Board Members</b>	<b>Term of Office (Elected or Appointed)</b>	<b>Fees of Office for the year ended December 31, 2024</b>	<b>Expense Reimbursements for the year ended December 31, 2024</b>	<b>Title</b>
Don H. Roberts, Jr.	05/2023 - 05/2027 (Elected)	\$ 3,536	\$ -0-	President/ Treasurer/ Investment Officer
Charles R. Hart	05/2021 - 05/2025 (Elected)	\$ 5,525	\$ -0-	Vice President
Ronald Bennett	04/2024 - 05/2025 (Appointed)	\$ 3,094	\$ -0-	Secretary
Richard Zagrzecki	05/2021 - 05/2025 (Elected)	\$ 4,420	\$ -0-	Assistant Secretary
Mark Krause	05/2023 - 05/2027 (Elected)	\$ 4,420	\$ -0-	Assistant Secretary
Sandra S. Knox	10/2021 - 02/2024 (Resigned)	\$ 442	\$ -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: January 6, 2025

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

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 92  
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
DECEMBER 31, 2024**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2024</u>	<u>Title / Related To</u>
Coats Rose, P.C.	02/26/86	\$ 56,599	General Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	12/28/98	\$ 13,250 \$ 4,000	Auditor Joint WWTP
L & S District Services, LLC	08/06/01	\$ 33,152 \$ 6,053	Bookkeeper Joint WWTP
Perdue, Brandon, Fielder, Collins & Mott, LLP	06/01/90	\$ 1,654	Delinquent Tax Attorney
Bleyl & Associates	11/13/13	\$ 136,139 \$ 33,483	Engineer Joint WWTP
Water District Management Co.	03/21/74	\$ 413,102 \$ 110,280	Operator Joint WWTP
Spring I.S.D.	07/01/83	\$ 20,007	Tax Assessor/ Collector
GMS Group	09/06/22	\$ -0-	Financial Advisor
Robert W. Cowart	10/91	\$ 102,858	General Manager

See accompanying independent auditor's report.

# ***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)*

May 5, 2025

Board of Directors  
Harris County Water Control and  
Improvement District No. 92  
Harris County, Texas

In planning and performing our audit of the financial statements of Harris County Water Control and Improvement District No. 92 (the “District”) as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements of the District’s financial statements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## **Material Weaknesses**

Last year, and again this year, we observed the following deficiencies in the District’s internal control that we consider to be material weaknesses.

The District’s management consists of an elected Board of Directors (Directors), as well as employees. Day-to-day operations are performed by the employees and by private companies (“consultants”) under contract with the District. The Directors supervise the performance of the employees and the consultants. The consultants are not considered to be members of management and as such, the Directors and the employees are responsible for design and implementation of controls.

As is common within the system of internal control of most small organizations, the accounting function of the District does not include preparation of the financial statements complete with footnotes in accordance with accounting principles generally accepted in the United States of America. Accordingly, the District has not established internal controls over the preparation of its financial statements. This condition is considered to be a material weakness of the District’s system of internal control over financial reporting.

### **Material Weaknesses (Continued)**

During the course of performing an audit, the auditor prepares various journal entries to present the financial statements on the government-wide basis of accounting. Management's reliance upon the auditor to detect and make these necessary adjustments is considered to be a material weakness in internal control. In addition, the District's Management relies on the District's auditor to prepare the capital asset and depreciation schedules and post adjustments related to the presentation of the capital assets in the government-wide financial statements. This reliance on the auditor to perform this function is considered to be a material weakness in the system of internal control. Auditing standards do not make exceptions for reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive.

We agree with the objective of auditing standards to inform an organization of all the conditions in its internal control that interfere with its ability to record financial data reliably and issue financial statements free of material misstatement. Communication of the material weaknesses above helps to emphasize that the responsibility for financial reporting rests entirely with the organization and not the auditor.

### **Management's Response**

The District's Board of Directors is appointed or elected from the general population and do not necessarily have governmental accounting expertise. The Board engages consultants who possess industry knowledge and expertise to provide financial services, as well as legal and professional engineering services. Based on the auditor's unmodified opinion and after reading the financial statements, the Board believes the financial statements to be materially correct. The Board does not think that the addition of an employee or consultant to oversee the annual financial reporting process is necessary nor would it be cost effective.

### **Conclusion**

Management's written response to the material weaknesses identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

This communication is intended solely for the information and use of management, Board of Directors and the Texas Commission on Environmental Quality and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



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

# *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)*

May 5, 2025

Board of Directors  
Harris County Water Control and  
Improvement District No. 92  
Harris County, Texas

We have audited the financial statements of the governmental activities and each major fund of Harris County Water Control and Improvement District No. 92 (the “District”) for the year ended December 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our audit engagement letter to you dated January 6, 2025. Professional standards also require that we communicate to you the following information related to our audit. For the purposes of this letter, the term “management” refers to the Board of Directors and/or District consultants.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. Significant accounting policies used by the District, including new accounting policies, if any, that have been adopted and implemented during the current fiscal year, are discussed in Note 2. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. The financial statement disclosures are neutral, consistent, and clear.

Accounting estimates are an integral part of the financial statements and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District’s financial statements were management’s estimate of depreciable lives of capital assets. Depreciation of infrastructure assets is based on industry wide accepted estimated useful lives taken on a straight-line basis. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The District’s bookkeeper and Board of Directors will be provided with all such adjustments.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated May 5, 2025.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to perform the following non-attest services for the District: (1) preparation of the financial statements and related notes and schedules in conformity with accounting principles generally accepted in the United States of America and (2) preparation of the capital asset and depreciation schedules. These services were performed based on information provided by you. We performed these services in accordance with applicable professional standards. The non-attest services we performed are limited to those specifically defined and did not result in assuming management responsibilities.

We applied certain limited procedures to the Management's Discussion and Analysis and the budgetary comparison schedule for the General Fund, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information required by the Texas Commission on Environmental Quality, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors of the District and is not intended to be, and should not be, used by anyone other than the specified party.

Sincerely,

*McCall Gibson Swedlund Barfoot Ellis PLLC*

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



# ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS }

COUNTY OF HARRIS }

I, Chris Swedlund of the  
(Name of Duly Authorized District Representative)  
Harris County Water Control and Improvement District No. 92  
(Name of District)

hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of Directors of the District on the 5th day of May, 2025, its annual audit report for the fiscal year or period ended December 31, 2024 and that copies of the annual audit report have been filed in the district office, located at

9 Greenway Plaza, Suite 1000, Houston, TX 77046  
(Address of District)

The annual filing affidavit and the attached copy of the audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of the annual filing requirements of Texas Water Code Section 49.194.

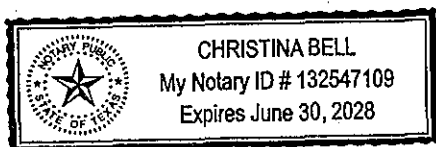
Date: May 13, 2025

By: Chris Swedlund  
(Signature of District Representative)

Chris Swedlund, Auditor  
(Typed Name & Title of above District Representative)

Sworn to and subscribed to before me this 13th day of May, 2025.

(Seal)



Christina Bell  
(Signature of Notary)

My Commission Expires On: June 30, 2028.  
Notary Public in the State of Texas.