

NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
HARRIS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2019

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
HARRIS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Northwest Harris County Municipal Utility District No. 24
Harris County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Northwest Harris County Municipal Utility District No. 24 (the "District"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Directors
Northwest Harris County
Municipal Utility District No. 24

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

February 11, 2020

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Management’s discussion and analysis of Northwest Harris County Municipal Utility District No. 24’s (the “District”) financial performance provides an overview of the District’s financial activities for the fiscal year ended September 30, 2019. Please read 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 the District’s assets, liabilities and, if applicable deferred inflows and outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District 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 expenditures are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

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

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District’s financial position. In the case of the District, assets exceeded liabilities by \$19,696,896 as of September 30, 2019.

A portion of the District’s net position reflects its net investment in capital assets (e.g. land and buildings as well as water and wastewater facilities, 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 the Statement of Net Position as of September 30, 2019, and September 30, 2018:

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2019	2018	Change Positive (Negative)
Current and Other Assets	\$ 10,556,988	\$ 13,922,937	\$ (3,365,949)
Capital Assets (Net of Accumulated Depreciation)	9,765,159	9,523,469	241,690
Total Assets	<u>\$ 20,322,147</u>	<u>\$ 23,446,406</u>	<u>\$ (3,124,259)</u>
Due to Developer	\$ 376,626	\$ 376,626	\$
Long -Term Liabilities		4,823,328	4,823,328
Other Liabilities	248,625	697,379	448,754
Total Liabilities	<u>\$ 625,251</u>	<u>\$ 5,897,333</u>	<u>\$ 5,272,082</u>
Net Position:			
Net Investment in Capital Assets	\$ 9,388,533	\$ 4,005,635	\$ 5,382,898
Restricted	-	1,793,339	(1,793,339)
Unrestricted	10,308,363	11,750,099	(1,441,736)
Total Net Position	<u>\$ 19,696,896</u>	<u>\$ 17,549,073</u>	<u>\$ 2,147,823</u>

The following table provides a summary of the District's operations for the years ended September 30, 2019, and September 30, 2018.

	Summary of Changes in the Statement of Activities		
	2019	2018	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 3,584,094	\$ 3,947,790	\$ (363,696)
Charges for Services	535,809	650,456	(114,647)
Other Revenues	560,761	377,070	183,691
Total Revenues	<u>\$ 4,680,664</u>	<u>\$ 4,975,316</u>	<u>\$ (294,652)</u>
Expenses for Services	<u>2,532,841</u>	<u>2,656,898</u>	<u>124,057</u>
Change in Net Position	\$ 2,147,823	\$ 2,318,418	\$ (170,595)
Net Position, Beginning of Year	<u>17,549,073</u>	<u>15,230,655</u>	<u>2,318,418</u>
Net Position, End of Year	<u>\$ 19,696,896</u>	<u>\$ 17,549,073</u>	<u>\$ 2,147,823</u>

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of September 30, 2019, were \$8,550,986, an increase of \$3,211,653 from the prior year.

The General Fund fund balance decreased by \$1,428,183, primarily due to the use of available monies to defease a portion of outstanding bonds.

The Debt Service Fund fund balance decreased by \$1,776,350, primarily due to the use of available monies to defease the remaining portion of outstanding bonds

The Capital Projects Fund fund balance decreased by \$7,120 and was closed in the current year with a transfer to the General Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District did not amend the budget during the current fiscal year. Actual revenues were \$422,705 more than budgeted revenues, primarily due to higher than anticipated investment, sales and property tax revenues. Actual expenditures were \$356,773 more than budgeted expenditures, primarily due to the use of available monies to defease a portion of the District's outstanding bonds.

CAPITAL ASSETS

Capital assets as of September 30, 2019, total \$9,765,159 (net of accumulated depreciation) and include land and buildings as well as the water and wastewater systems.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2019	2018	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 1,900,067	\$ 1,900,067	\$
Construction in Progress	288,859	115,884	172,975
Capital Assets, Net of Accumulated Depreciation:			
Building and Improvements	1,929,353	1,994,971	(65,618)
Water System	1,702,804	1,784,306	(81,502)
Wastewater System	3,944,076	3,728,241	215,835
Total Net Capital Assets	<u>\$ 9,765,159</u>	<u>\$ 9,523,469</u>	<u>\$ 241,690</u>

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

LONG-TERM DEBT ACTIVITY

During the current fiscal year, the District retired the remaining balance of outstanding debt. The changes in the debt position of the District during the fiscal year ended September 30, 2019, are summarized as follows:

Bond Debt Payable, October 1, 2018	\$ 5,250,000
Less: Bond Principal Paid	<u>5,250,000</u>
Bond Debt Payable, September 30, 2019	<u>\$ - 0 -</u>

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 Northwest Harris County Municipal Utility District No. 24, c/o Roach & Mitchell, PLLC, 2800 Post Oak Blvd., Suite 4100, Houston, TX 77056.

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2019**

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 5,867,269	\$ 155,083
Investments	2,643,987	
Receivables:		
Property Taxes	22,600	4,833
Penalty and Interest on Delinquent Taxes		
Service Accounts	46,952	
Accrued Interest	2,809	
Other	6,372	
Due from City of Houston	58,061	
Due from Director	750	
Due from Engineer	2,178	
Due from Other Funds	118,597	8,949
Prepaid Costs	16,150	
Due from Regional Water Authority		
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	\$ 8,785,725	\$ 168,865

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

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 6,022,352	\$	\$ 6,022,352
2,643,987		2,643,987
27,433		27,433
	11,465	11,465
46,952		46,952
2,809		2,809
6,372		6,372
58,061		58,061
750		750
2,178		2,178
127,546	(127,546)	
16,150		16,150
	1,718,479	1,718,479
	1,900,067	1,900,067
	288,859	288,859
	<u>7,576,233</u>	<u>7,576,233</u>
<u>\$ 8,954,590</u>	<u>\$ 11,367,557</u>	<u>\$ 20,322,147</u>

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

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2019**

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	\$ 182,902	\$
Due to Developers		
Due to Other Funds	8,949	118,597
Due to Taxpayers		23,595
Due to Voluntary Services	603	
Security Deposits	41,525	
TOTAL LIABILITIES	\$ 233,979	\$ 142,192
 DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 22,600	\$ 4,833
 FUND BALANCES		
Nonspendable:		
Prepaid Costs	\$ 16,150	\$
Unassigned	8,512,996	21,840
TOTAL FUND BALANCES	\$ 8,529,146	\$ 21,840
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,785,725	\$ 168,865
 NET POSITION		
Net Investment in Capital Assets		
Unrestricted		
TOTAL NET POSITION		

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

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 182,902	\$	\$ 182,902
	376,626	376,626
127,546	(127,546)	
23,595		23,595
603		603
<u>41,525</u>		<u>41,525</u>
<u>\$ 376,171</u>	<u>\$ 249,080</u>	<u>\$ 625,251</u>
<u>\$ 27,433</u>	<u>\$ (27,433)</u>	<u>\$ - 0 -</u>
\$ 16,150	\$ (16,150)	\$
<u>8,534,836</u>	<u>(8,534,836)</u>	
<u>\$ 8,550,986</u>	<u>\$ (8,550,986)</u>	<u>\$ - 0 -</u>
<u>\$ 8,954,590</u>		
	\$ 9,388,533	\$ 9,388,533
	<u>10,308,363</u>	<u>10,308,363</u>
	<u>\$ 19,696,896</u>	<u>\$ 19,696,896</u>

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

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

Total Fund Balances - Governmental Funds	\$	8,550,986
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Credits due from the North Harris County Regional Water Authority for asset reimbursements are not current financial resources and, therefore, are not reported as assets in the governmental funds.		1,718,479
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Land, construction in progress and capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		9,765,159
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Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2018 and prior tax levies became part of recognized revenue in the governmental activities of the District.		38,898
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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 amounts due to the Developer.		(376,626)
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Total Net Position - Governmental Activities	\$	<u>19,696,896</u>
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The accompanying notes to the financial statements are an integral part of this report.

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**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 3,090,430	\$ 494,467
Water Service	181,251	
Wastewater Service	103,112	
Regional Water Authority Fees	208,170	
Penalty and Interest	6,168	16,073
Tap Connection and Inspection Fees	3,930	
Sales Tax Revenues	224,801	
Investment Revenues	321,947	29,477
Security Fees	14,382	
Administration Building Rentals	23,614	
Miscellaneous Revenues	11,900	
TOTAL REVENUES	\$ 4,189,705	\$ 540,017
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 296,972	\$ 4,288
Contracted Services	589,497	40,023
Purchased Water Service	260,035	
Utilities	108,565	
Regional Water Authority Assessment	4,554	
Repairs and Maintenance	237,226	
Depreciation		
Other	356,491	5,446
Capital Outlay	601,933	
Debt Service:		
Bond Principal	3,160,000	2,090,000
Bond Interest	9,750	176,610
TOTAL EXPENDITURES/EXPENSES	\$ 5,625,023	\$ 2,316,367
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	\$ (1,435,318)	\$ (1,776,350)
OTHER FINANCING SOURCES (USES)		
Transfers In(Out)	\$ 7,135	\$ - 0 -
NET CHANGE IN FUND BALANCES CHANGE IN NET POSITION	\$ (1,428,183)	\$ (1,776,350)
FUND BALANCES/NET POSITION - OCTOBER 1, 2018	9,957,329	1,798,190
FUND BALANCES/NET POSITION - SEPTEMBER 30, 2019	\$ 8,529,146	\$ 21,840

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 3,584,897	\$ (803)	\$ 3,584,094
	181,251		181,251
	103,112		103,112
	208,170		208,170
	22,241	2,723	24,964
	3,930		3,930
	224,801		224,801
21	351,445	(50,999)	300,446
	14,382		14,382
	23,614		23,614
	11,900		11,900
<u>21</u>	<u>\$ 4,729,743</u>	<u>\$ (49,079)</u>	<u>\$ 4,680,664</u>
\$	\$ 301,260	\$	\$ 301,260
	629,520		629,520
	260,035		260,035
	108,565		108,565
	4,554		4,554
	237,226	17,922	255,148
		342,321	342,321
6	361,943		361,943
	601,933	(601,933)	
	5,250,000	(5,250,000)	
	186,360	83,135	269,495
<u>6</u>	<u>\$ 7,941,396</u>	<u>\$ (5,408,555)</u>	<u>\$ 2,532,841</u>
<u>15</u>	<u>\$ (3,211,653)</u>	<u>\$ 5,359,476</u>	<u>\$ 2,147,823</u>
<u>(7,135)</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<u>(7,120)</u>	<u>\$ (3,211,653)</u>	<u>\$ 3,211,653</u>	<u>\$</u>
		2,147,823	2,147,823
<u>7,120</u>	<u>11,762,639</u>	<u>5,786,434</u>	<u>17,549,073</u>
<u>-0-</u>	<u>\$ 8,550,986</u>	<u>\$ 11,145,910</u>	<u>\$ 19,696,896</u>

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

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Net Change in Fund Balances - Governmental Funds \$ (3,211,653)

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. (803)

Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed. 2,723

Credits received in the current year from the North Harris County Regional Water Authority for chloramine conversion and capital contributions are recorded as investment revenues. However, the portion applicable to principal is recorded as a reduction of the long-term receivable in the Statement of Net Position. (50,999)

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. (342,321)

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. 584,011

Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities. 5,250,000

Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end. (83,135)

Change in Net Position - Governmental Activities \$ 2,147,823

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

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 1. CREATION OF DISTRICT

Northwest Harris County Municipal Utility District No. 24 (“the District”) was created by an order of the Texas Water Rights Commission, now known as the Texas Commission on Environmental Quality (the “Commission”), effective January 20, 1982, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate waterworks, wastewater, drainage and recreational facilities and to provide such facilities and services to the customers 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 an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units.

Financial Statement Presentation

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

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

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

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

Government-Wide Financial Statements

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

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

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

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

Fund Financial Statements

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

Governmental Funds

The District has three governmental funds and considers these funds to be major funds.

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

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

Capital Projects Fund - To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs. This fund was closed during the current fiscal year.

Basis of Accounting

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

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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

Amounts transferred from one fund to another fund are reported as other financing sources or used. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

Capital Assets

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

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

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

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgeting

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

Pensions

A pension plan has not been established. This District does not have any employees, however, the Internal Revenue Service has determined that directors are considered “employees” for federal payroll tax purposes only.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets 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. The District does not have any restricted fund balances.

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

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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 and does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

NOTE 3. LONG-TERM DEBT

During the current year, the District used available monies to defease the outstanding balance of bonds. The following is a summary of transactions regarding bonds payable for the year ended September 30, 2019:

	October 1, 2018	Additions	Retirements	September 30, 2019
Bonds Payable	\$ 5,250,000	\$	\$ 5,250,000	\$
Unamortized Discounts	(101,672)	_____	(101,672)	_____
Bonds Payable, Net	<u>\$ 5,148,328</u>	<u>\$ -0-</u>	<u>\$ 5,148,328</u>	<u>\$ -0-</u>

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 3. LONG-TERM DEBT (Continued)

As of September 30, 2019, the District had authorized but unissued bonds in the amount of \$3,480,000 for utility facilities and \$7,295,000 for refunding bonds.

During the year ended September 30, 2019, the District levied an ad valorem debt service tax at the rate of \$0.08 per \$100 of assessed valuation, which resulted in a tax levy of \$503,288 on the adjusted taxable valuation of \$629,110,268 for the 2018 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 maintenance tax levy. The District's tax calendar is as follows:

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

NOTE 4. 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 \$6,262,352 and the bank balances were \$6,032,898. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at September 30, 2019, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 5,867,269	\$ 240,000	\$ 6,107,269
DEBT SERVICE FUND	155,083		155,083
TOTAL DEPOSITS	\$ 6,022,352	\$ 240,000	\$ 6,262,352

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments

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

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

The District invests in TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Investors, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures 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. The District’s investments in certificates of deposit are recorded at amortized cost. As of September 30, 2019, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities Less Than 1 Year
<u>GENERAL FUND</u>		
TexPool	\$ 2,403,987	\$2,403,987
Certificates of Deposit	240,000	240,000
TOTAL INVESTMENTS	\$ 2,643,987	\$2,643,987

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2019, the District’s investments in TexPool were rated “AAAm” by Standard and Poor’s. The District also manages credit risk by investing in certificates of deposit covered by FDIC insurance.

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments 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 less than one year.

Restrictions

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

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2019:

	October 1, 2018	Increases	Decreases	September 30, 2019
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 1,900,067	\$	\$	\$ 1,900,067
Construction in Progress	115,884	601,933	428,958	288,859
Total Capital Assets Not Being Depreciated	\$ 2,015,951	\$ 601,933	\$ 428,958	\$ 2,188,926
Capital Assets Subject to Depreciation				
Building and Improvements	\$ 2,273,202	\$ 12,684	\$	\$ 2,285,886
Water System	3,497,258	1,458		3,498,716
Wastewater System	5,996,169	396,894		6,393,063
Total Capital Assets Subject to Depreciation	\$ 11,766,629	\$ 411,036	\$ - 0 -	\$ 12,177,665
Less Accumulated Depreciation				
Building and Improvements	\$ 278,231	\$ 78,302	\$	\$ 356,533
Water System	1,712,952	82,960		1,795,912
Wastewater System	2,267,928	181,059		2,448,987
Total Accumulated Depreciation	\$ 4,259,111	\$ 342,321	\$ - 0 -	\$ 4,601,432
Total Depreciable Capital Assets, Net of Accumulated Depreciation	\$ 7,507,518	\$ 68,715	\$ - 0 -	\$ 7,576,233
Total Capital Assets, Net of Accumulated Depreciation	\$ 9,523,469	\$ 670,648	\$ 428,958	\$ 9,765,159

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 6. MAINTENANCE TAX

On February 27, 1982, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$0.50 per \$100 of assessed valuation of taxable property within the District. During the year ended September 30, 2019, the District levied an ad valorem maintenance tax at the rate of \$0.50 per \$100 of assessed valuation, which resulted in a tax levy of \$3,145,551 on the adjusted taxable valuation of \$629,110,268 for the 2018 tax year. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and sanitary sewer system.

NOTE 7. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

The District is located within the boundaries of the North Harris County Regional Water Authority (the "Authority"). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 2965 (the "Act"), as passed by the seventy-fifth Texas Legislature, in 1999. The Act empowers the Authority to provide for the conservation, preservation, protection, recharge and prevention of waste of groundwater, and for the reduction of groundwater withdrawals. The Authority has entered into a contract for purchase of surface water from the City of Houston, Texas to assure that its participants comply with the Harris-Galveston Subsidence District ("HGSD") pumpage requirements, which mandate that districts within HGSD boundaries, including the District, convert a percentage of their water use to surface water over a period of time.

The Authority currently charges a fee, based on the amount of water pumped from a well, to the owner of wells located within the boundaries of the Authority, unless exempted. This fee enables the Authority to fulfill its purpose and regulatory functions. The current rate is \$3.85 per 1,000 gallons of water pumped from each well. The District recorded an expenditure of \$4,554 for fees assessed during the current fiscal year.

The current rate for surface water is \$4.30 per 1,000 gallons of water purchased. The District recorded expenditures of \$260,035 for water purchased from the Authority during the current fiscal year.

CAPITAL CONTRIBUTION CONTRACT

The District previously entered into a Capital Contribution Contract with the Authority. The District paid the Authority \$1,543,624 and \$234,328 for the District's share of the construction of Phase I of the 2010 Surface Water Distribution and Transmission System. The District receives capital contribution credits to be applied to the quarterly pumpage fees which the Authority assesses, water purchased by the District from the Authority, or to be paid to the District in cash. The Authority calculated the credit by amortizing the capital contribution over the life of the Authority's bonds after the Authority issues its bonds for this project. The District began receiving the capital contribution credits in 2003. Total credits received in the current fiscal year were \$129,663 consisting of \$46,526 in principal and \$83,137 in interest. The September 30, 2019, capital contribution balance was \$1,511,383.

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

**NOTE 7. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
(Continued)**

CAPITAL CONTRIBUTION CONTRACT (Continued)

Future capital contribution principal repayments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 49,077	\$ 80,586	\$ 129,663
2021	51,767	77,896	129,663
2022	54,605	75,058	129,663
2023	57,599	72,063	129,662
2024	60,758	68,905	129,663
2025-2029	357,591	290,723	648,314
2030-2034	467,075	181,239	648,314
2035-2038	412,911	48,920	461,831
	<u>\$ 1,511,383</u>	<u>\$ 895,390</u>	<u>\$ 2,406,773</u>

CHLORAMINATION CONVERSION COSTS RECEIVABLE

The District funded the construction costs for the conversion to surface water. The total cost of the project approved by the Authority for reimbursement was \$236,304, which will be credited to the District over 30 years at a rate of 6%. Principal repayments began in November 2011. Total credits received in the current fiscal year were \$17,167 consisting of \$4,473 in principal and \$12,694 in interest. The September 30, 2019, chloramine conversion balance was \$207,096. Future repayments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 4,742	\$ 12,426	\$ 17,168
2021	5,026	12,141	17,167
2022	5,328	11,840	17,168
2023	5,647	11,520	17,167
2024	5,986	11,181	17,167
2025-2029	35,779	50,057	85,836
2030-2034	47,871	37,966	85,837
2035-2039	64,062	21,775	85,837
2040-2042	32,655	3,013	35,668
	<u>\$ 207,096</u>	<u>\$ 171,919</u>	<u>\$ 379,015</u>

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 8. WATER SUPPLY AGREEMENTS

On November 1, 2007, the District approved the Emergency Water Supply Agreement between the District, Harris County Utility District No. 14 (District No. 14) and Harris County Utility District No. 15 (District No. 15). The District and District No. 14 have constructed on a 50-50 cost basis the necessary facilities to allow for the delivery of potable water between the two districts. The District has retained title to the interconnect facilities; however, any interconnect maintenance and repair costs will be split on a 50-50 cost basis. Under the terms of the agreement, the district supplying water will bill the receiving district at the same rate charged to residential and commercial users of water located within the boundaries of the district supplying the water, including any regulatory or withdrawal fees. Billing for each district will be determined based upon total estimated pumpage from one district to another based upon the meter readings within a district during the time of usage, as determined by the operator of the district supplying the water. The term of the agreement is for a period of 20 years from the date of the agreement.

NOTE 9. STRATEGIC PARTNERSHIP AGREEMENT

On October 18, 2012, the District entered into a Strategic Partnership Agreement (“SPA”) with the City of Houston, Texas. Under the agreement, and in accordance with Subchapter F of Chapter 43 of the Texas Local Government Code, the City has annexed certain area of the District for the limited purposes of applying the City’s Planning, Zoning, Health, and Safety Ordinances within aid areas.

The District will continue to develop, to own, and to operate and maintain a water, wastewater, and drainage system in the District. The taxable property within the District is not liable for any present or future debts of the City, and current and future taxes levied by the City may not be levied on taxable property within the District. The District’s assets, liabilities, indebtedness, and obligations will remain the responsibility of the District during the period preceding full-purpose annexation. The City may not annex the District for full purposes until the end of the SPA term. The qualified voters if any, within the annexed areas of the District may vote in City elections pursuant to Local Government Code. The City is responsible for notifying the voters within the District.

The City shall impose a Sales and Use Tax within the boundaries of the District under the SPA on the receipts from the sale and use at retail of taxable items at the rate of one percent or the rate specified under future amendments to Chapter 321 of the Tax Code. The City agrees to pay to the District an amount equal to one-half of all Sales and Use Tax revenues generated within the District. The City agrees to deliver to the District its share of the sales tax receipts within 30 days of the City receiving the funds from the State Comptroller’s office. During the current fiscal year, the District recorded sales tax revenue in the amount of \$224,801, of which \$58,061 is recorded as a receivable. The term of this SPA is 30 years from the effective date.

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 10. UNREIMBURSED COSTS

The District has executed financing agreements with Developers within the District. The agreements call for the Developers to fund costs associated with water, wastewater and drainage facilities until such time as the District can sell bonds to reimburse the Developers. The District has recorded a liability in the amount of \$376,626 in the Statement of Net Position for completed facilities. Reimbursement to the Developers for these projects is contingent upon approval from the Commission and the future sale of bonds or use of available General Fund monies.

NOTE 11. INTERFUND PAYABLES AND RECEIVABLES

The Debt Service Fund owes the General Fund \$108,347 for the maintenance tax collections, \$10,250 expenses related to arbitrage, bond defeasment and bond issuance costs paid in a prior fiscal year and the General Fund owes the Debt Service Fund \$8,949 for additional costs paid on the General Fund's behalf in fiscal year 2011.

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 13. BOND REDEMPTION

During the current fiscal year, the District used available General Fund and Debt Service Fund monies to retire \$4,925,000 of its Series 2009 Unlimited Tax Bonds. The Series 2009 bonds had maturity dates of March 1, 2020-2029, with interest rates of 3.80%-4.50%.

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NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2019

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 3,000,000	\$ 3,090,430	\$ 90,430
Water Service	200,000	181,251	(18,749)
Wastewater Service	100,000	103,112	3,112
Regional Water Authority Fee	200,000	208,170	8,170
Penalty and Interest	7,000	6,168	(832)
Tap Connection and Inspection Fees		3,930	3,930
Sales Tax Revenues		224,801	224,801
Investment Revenues	100,000	321,947	221,947
Security Fees	15,000	14,382	(618)
Administration Building Rentals		23,614	23,614
Miscellaneous Revenues	145,000	11,900	(133,100)
TOTAL REVENUES	\$ 3,767,000	\$ 4,189,705	\$ 422,705
EXPENDITURES			
Services Operations:			
Professional Fees	\$ 290,000	\$ 296,972	\$ (6,972)
Contracted Services	509,100	589,497	(80,397)
Purchased Water Service	100,000	260,035	(160,035)
Utilities	90,000	108,565	(18,565)
Regional Water Authority Assessment		4,554	(4,554)
Repairs and Maintenance	250,000	237,226	12,774
Other	364,150	356,491	7,659
Capital Outlay	3,665,000	601,933	3,063,067
Debt Service:			
Bond Principal		3,160,000	(3,160,000)
Bond Interest		9,750	(9,750)
TOTAL EXPENDITURES	\$ 5,268,250	\$ 5,625,023	\$ (356,773)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,501,250)	\$ (1,435,318)	\$ 65,932
OTHER FINANCING SOURCES(USES)			
Transfers In	\$ -0-	\$ 7,135	\$ 7,135
NET CHANGE IN FUND BALANCE	\$ (1,501,250)	\$ (1,428,183)	\$ 73,067
FUND BALANCE - OCTOBER 1, 2018	9,957,329	9,957,329	
FUND BALANCE - SEPTEMBER 30, 2019	\$ 8,456,079	\$ 8,529,146	\$ 73,067

See accompanying independent auditor's report.

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NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
SUPPLEMENTARY INFORMATION REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE
SEPTEMBER 30, 2019

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

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

2. RETAIL SERVICE PROVIDERS

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

Based on the rate order effective on April 2, 2019.

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
WATER:	\$ 12.00	6,000	N	\$ 2.00 \$ 2.25 \$ 2.50 \$ 2.75	6,001 to 10,000 10,001 to 15,000 15,001 to 25,000 25,001 and up
WASTEWATER:	\$ 7.50	7,000	N	\$ 1.50	7,001 and up
SURCHARGE:					
Regional Water Authority Fees				\$ 4.30	1,000 and up

District employs winter averaging for wastewater usage? _____ X
Yes No

Total monthly charges per 10,000 gallons usage: Water: \$20.00 Wastewater: \$12.00 Surcharge: \$43.00 Total: \$75.00

See accompanying independent auditor's report.

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤¾"	<u>336</u>	<u>328</u>	x 1.0	<u>328</u>
1"	<u>33</u>	<u>31</u>	x 2.5	<u>78</u>
1½"	<u>8</u>	<u>8</u>	x 5.0	<u>40</u>
2"	<u>39</u>	<u>39</u>	x 8.0	<u>312</u>
3"	<u>2</u>	<u>2</u>	x 15.0	<u>30</u>
4"	<u>2</u>	<u>2</u>	x 25.0	<u>50</u>
6"			x 50.0	
8"	<u>2</u>	<u>2</u>	x 80.0	<u>160</u>
10"			x 115.0	
Total Water Connections	<u><u>422</u></u>	<u><u>412</u></u>		<u><u>998</u></u>
Total Wastewater Connections	<u><u>400</u></u>	<u><u>391</u></u>	x 1.0	<u><u>391</u></u>

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

Gallons pumped into system:	432,000	Water Accountability Ratio: 94.4% (Gallons billed plus leaks and flushing/Gallons pumped)
Gallons billed to customers:	58,670,000	
Gallons Purchased:	62,955,000	From: North Harris County Regional Water Authority
Leaks and Flushing:	1,195,000	

See accompanying independent auditor's report.

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

Does the District have Debt Service standby fees? Yes ___ No X

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes X No _____

County in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely _____ Partly _____ Not at all X

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

Entirely X 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 X

See accompanying independent auditor's report.

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

PROFESSIONAL FEES:	
Auditing	\$ 80,300
Engineering	72,082
Legal	<u>144,590</u>
TOTAL PROFESSIONAL FEES	<u>\$ 296,972</u>
PURCHASED WATER SERVICE	<u>\$ 260,035</u>
CONTRACTED SERVICES:	
Professional Chef Services	\$ 49,916
Bookkeeping	28,594
Operations and Billing	28,136
IT Consultant	11,769
Security Services	322,182
General Manager	96,900
Cleaning Services	<u>52,000</u>
TOTAL CONTRACTED SERVICES	<u>\$ 589,497</u>
UTILITIES	<u>\$ 108,565</u>
REPAIRS AND MAINTENANCE	<u>\$ 237,226</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 31,950
Dues	650
Insurance	35,684
Office Supplies and Postage	18,420
Payroll Taxes	28,275
Travel and Meetings	25,934
Other	<u>71,403</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 212,316</u>

See accompanying independent auditor's report.

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

CAPITAL OUTLAY	\$ <u>601,933</u>
OTHER EXPENDITURES:	
Administration Building	\$ 16,632
Chemicals	46,525
Laboratory Fees	53,021
Permit Fees	2,726
Inspection Fees	750
Regulatory Assessment	1,418
Regional Water Authority Assessment	4,554
Sludge Hauling	<u>23,103</u>
TOTAL OTHER EXPENDITURES	\$ <u>148,729</u>
DEBT SERVICE:	
Bond Principal	3,160,000
Bond Interest	<u>9,750</u>
TOTAL DEBT SERVICE	\$ <u>3,169,750</u>
TOTAL EXPENDITURES	\$ <u>5,625,023</u>

See accompanying independent auditor's report.

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**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
INVESTMENTS
SEPTEMBER 30, 2019**

<u>Fund</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
TexPool	XXXX0004	Varies	Daily	\$ 2,403,987	\$
Certificate of Deposit	XXXX4162	2.40%	10/04/19	<u>240,000</u>	<u>2,809</u>
TOTAL GENERAL FUND				<u>\$ 2,643,987</u>	<u>\$ 2,809</u>

See accompanying independent auditor's report.

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Maintenance Taxes	Debt Service Taxes
TAXES RECEIVABLE -		
OCTOBER 1, 2018	\$ 23,292	\$ 4,944
Adjustments to Beginning		
Balance	<u>(55,813)</u>	<u>(8,932)</u>
	\$ (32,521)	\$ (3,988)
Original 2018 Tax Levy	\$ 2,936,014	\$ 469,762
Adjustment to 2018 Tax Levy	<u>209,537</u>	<u>33,526</u>
	3,145,551	503,288
TOTAL TO BE		
ACCOUNTED FOR	\$ 3,113,030	\$ 499,300
TAX COLLECTIONS:		
Prior Years	\$ (47,051)	\$ (7,530)
Current Year	<u>3,137,481</u>	<u>501,997</u>
	3,090,430	494,467
TAXES RECEIVABLE -		
SEPTEMBER 30, 2019	<u>\$ 22,600</u>	<u>\$ 4,833</u>
TAXES RECEIVABLE BY		
YEAR:		
2018	\$ 8,070	\$ 1,291
2017	8,679	1,389
2016	3,469	694
2015	154	61
2014	1,357	814
2013 and prior	<u>871</u>	<u>584</u>
TOTAL	<u>\$ 22,600</u>	<u>\$ 4,833</u>

See accompanying independent auditor's report.

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
PROPERTY VALUATIONS:				
Land	\$ 78,446,101	\$ 77,143,191	\$ 76,854,506	\$ 70,395,285
Improvements	289,433,944	295,658,844	287,628,389	264,160,704
Personal Property	431,090,313	516,186,271	560,688,599	567,949,818
Exemptions	<u>(169,860,090)</u>	<u>(190,750,043)</u>	<u>(343,687,734)</u>	<u>(350,616,285)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 629,110,268</u>	<u>\$ 698,238,263</u>	<u>\$ 581,483,760</u>	<u>\$ 551,889,522</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.08	\$ 0.08	\$ 0.10	\$ 0.20
Maintenance	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.58</u>	<u>\$ 0.58</u>	<u>\$ 0.60</u>	<u>\$ 0.70</u>
ADJUSTED TAX LEVY*	<u>\$ 3,648,839</u>	<u>\$ 4,049,782</u>	<u>\$ 3,488,903</u>	<u>\$ 3,863,226</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>99.74 %</u>	<u>99.75 %</u>	<u>99.88 %</u>	<u>99.99 %</u>

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

Maintenance Tax – Maximum tax rate of \$0.50 per \$100 of assessed valuation was approved by voters on February 27, 1982.

See accompanying independent auditor's report.

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Description	Original Bonds Issued	Bonds Outstanding October 1, 2018
Northwest Harris County Municipal Utility District No. 24 Unlimited Tax Bonds - Series 2009	<u>\$ 6,240,000</u>	<u>\$ 5,250,000</u>
Bond Authority:	Tax Bonds*	Refunding Bonds
Amount Authorized by Voters	\$ 19,000,000	\$ 9,000,000
Amount Issued	<u>15,520,000</u>	<u>1,705,000</u>
Remaining Authorized	<u>\$ 3,480,000</u>	<u>\$ 7,295,000</u>
Debt Service Fund cash and investment balances as of September 30, 2019:		<u>\$ 155,083</u>

* 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.

<u>Current Year Transactions</u>				<u>Bonds Outstanding September 30, 2019</u>	<u>Paying Agent</u>
<u>Bonds Sold</u>	<u>Retirements</u>				
	<u>Principal</u>	<u>Interest</u>			
<u>\$ - 0 -</u>	<u>\$ 5,250,000</u>	<u>\$ 186,360</u>	<u>\$ - 0 -</u>	The Bank of New York Mellon Trust Company, N.A. Dallas, TX	

See accompanying independent auditor's report.

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
COMPARATIVE SCHEDULE OF REVENUE AND EXPENDITURES
GENERAL FUND - FIVE YEARS**

	Amounts		
	2019	2018	2017
REVENUES			
Property Taxes	\$ 3,090,430	\$ 3,391,737	\$ 2,871,714
Water Service	181,251	184,676	174,629
Wastewater Service	103,112	101,148	95,399
Regional Water Authority Fee	208,170	195,034	178,968
Penalty and Interest	6,168	6,525	6,554
Tap Connection and Inspection Fees	3,930	119,733	3,960
Sales Tax Revenues	224,801	131,275	123,358
Investment Revenues	321,947	244,978	166,579
Security Fees	14,382	14,126	14,049
Administration Building Rentals	23,614	21,530	16,110
Miscellaneous Revenues	11,900	13,269	10,800
TOTAL REVENUES	\$ 4,189,705	\$ 4,424,031	\$ 3,662,120
EXPENDITURES			
Professional Fees	\$ 296,972	\$ 208,060	\$ 247,277
Contracted Services	589,497	638,343	421,373
Purchased Water Service	260,035	250,845	199,623
Utilities	108,565	118,409	78,517
Regional Water Authority Assessment	4,554	19,696	2,491
Repairs and Maintenance	237,226	270,749	249,765
Other	356,491	467,029	497,928
Capital Outlay	601,933	946,920	695,250
Debt Service:			
Bond Principal	3,160,000		
Bond Interest	9,750		
TOTAL EXPENDITURES	\$ 5,625,023	\$ 2,920,051	\$ 2,392,224
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,435,318)	\$ 1,503,980	\$ 1,269,896
OTHER FINANCING SOURCES (USES)			
Transfers In(Out)	\$ 7,135	\$ - 0 -	\$ - 0 -
NET CHANGE IN FUND BALANCE	\$ (1,428,183)	\$ 1,503,980	\$ 1,269,896
BEGINNING FUND BALANCE	9,957,329	8,453,349	7,183,453
ENDING FUND BALANCE	\$ 8,529,146	\$ 9,957,329	\$ 8,453,349

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2016	2015	2019	2018	2017	2016	2015
\$ 2,768,328	\$ 2,185,133	73.7 %	76.7 %	78.4 %	77.9 %	71.7 %
194,976	191,555	4.3	4.2	4.8	5.5	6.3
103,979	110,630	2.5	2.3	2.6	2.9	3.6
176,194	159,786	5.0	4.4	4.9	5.0	5.2
5,957	6,106	0.1	0.1	0.2	0.2	0.2
3,960	3,480	0.1	2.7	0.1	0.1	0.1
91,908	190,579	5.4	3.0	3.4	2.6	6.2
158,513	155,876	7.7	5.5	4.5	4.5	5.1
14,675	14,676	0.3	0.3	0.4	0.4	0.5
27,247	21,570	0.6	0.5	0.4	0.8	0.7
2,522	11,164	0.3	0.3	0.3	0.1	0.4
<u>\$ 3,548,259</u>	<u>\$ 3,050,555</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 195,453	\$ 204,070	7.1 %	4.7 %	6.8 %	5.5 %	6.7 %
331,843	299,896	14.1	14.4	11.5	9.4	9.8
181,395	179,159	6.2	5.7	5.5	5.1	5.9
79,628	95,019	2.6	2.7	2.1	2.2	3.1
1,278	5,952	0.1	0.4	0.1		0.2
363,735	304,810	5.7	6.1	6.8	10.3	10.0
340,767	344,627	8.5	10.6	13.6	9.6	11.3
398,952	143,830	14.4	21.4	19.0	11.2	4.7
1,015,000		75.4			28.6	
10,854		0.2			0.3	
<u>\$ 2,918,905</u>	<u>\$ 1,577,363</u>	<u>134.3 %</u>	<u>66.0 %</u>	<u>65.4 %</u>	<u>82.2 %</u>	<u>51.7 %</u>
<u>\$ 629,354</u>	<u>\$ 1,473,192</u>	<u>(34.3) %</u>	<u>34.0 %</u>	<u>34.6 %</u>	<u>17.8 %</u>	<u>48.3 %</u>
<u>\$ 1,199,064</u>	<u>\$ (350,000)</u>					
\$ 1,828,418	\$ 1,123,192					
<u>5,355,035</u>	<u>4,231,843</u>					
<u>\$ 7,183,453</u>	<u>\$ 5,355,035</u>					

See accompanying independent auditor's report.

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
COMPARATIVE SCHEDULE OF REVENUE AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS**

	Amounts		
	2019	2018	2017
REVENUES			
Property Taxes	\$ 494,467	\$ 539,374	\$ 567,638
Penalty and Interest	16,073	24,759	33,640
Miscellaneous Revenues	29,477	14,325	7,081
TOTAL REVENUES	\$ 540,017	\$ 578,458	\$ 608,359
EXPENDITURES			
Tax Collection Expenditures	\$ 48,957	\$ 46,930	\$ 49,493
Debt Service Principal	2,090,000	325,000	325,000
Debt Service Interest and Fees	177,410	240,263	257,925
TOTAL EXPENDITURES	\$ 2,316,367	\$ 612,193	\$ 632,418
NET CHANGE IN FUND BALANCE	\$ (1,776,350)	\$ (33,735)	\$ (24,059)
BEGINNING FUND BALANCE	1,798,190	1,831,925	1,855,984
ENDING FUND BALANCE	\$ 21,840	\$ 1,798,190	\$ 1,831,925
TOTAL ACTIVE RETAIL WATER CONNECTIONS	412	415	409
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	391	393	395

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2016	2015	2019	2018	2017	2016	2015
\$ 1,112,508	\$ 1,311,448	91.5 %	93.2 %	93.3 %	97.2 %	98.0 %
27,549	24,441	3.0	4.3	5.5	2.4	1.8
4,307	3,129	5.5	2.5	1.2	0.4	0.2
<u>\$ 1,144,364</u>	<u>\$ 1,339,018</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 54,371	\$ 62,606	9.1 %	8.1 %	8.1 %	4.8 %	4.7 %
50,000	590,000	387.0	56.2	53.4	4.4	44.1
259,950	329,903	32.9	41.5	42.4	22.7	24.6
<u>\$ 364,321</u>	<u>\$ 982,509</u>	<u>429.0 %</u>	<u>105.8 %</u>	<u>103.9 %</u>	<u>31.9 %</u>	<u>73.4 %</u>
\$ 780,043	\$ 356,509	<u>(329.0) %</u>	<u>(5.8) %</u>	<u>(3.9) %</u>	<u>68.1 %</u>	<u>26.6 %</u>
1,075,941	719,432					
<u>\$ 1,855,984</u>	<u>\$ 1,075,941</u>					
<u>411</u>	<u>408</u>					
<u>395</u>	<u>392</u>					

See accompanying independent auditor's report.

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2019**

District Mailing Address - Northwest Harris County Municipal Utility District No. 24
c/o Roach & Mitchell, PLLC
2800 Post Oak Blvd., Suite 4100
Houston, TX 77056

District Telephone Number - (832) 390-2268

Board Members	Term of Office (Elected or <u>Appointed</u>)	Fees of Office for the year ended <u>September 30, 2019</u>	*Expense Reimbursements for the year ended <u>September 30, 2019</u>	<u>Title</u>
Darryl K. Simon	05/18 05/22 (Elected)	\$ 7,200	\$ 1,003	President
Mark A. Cain	05/16 05/20 (Elected)	\$ 6,600	\$ 2,144	Vice President
Darrel V. Felton	05/18 05/22 (Elected)	\$ 7,200	\$ 14,716	Secretary
William A. Puder	05/16 05/20 (Elected)	\$ 7,200	\$ 4,816	Assistant Secretary
Clarence Miller	05/16 05/20 (Elected)	\$ 3,450	\$ 2,184	Director/ Former General Manager

Note: 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 developer or with any of the District's consultants.

Submission date of most recent District Registration Form (TWC Sections 36.054 and 49.054):
July 20, 2018.

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.

* Expense reimbursements include meeting meals, mileage, conference advances, administration supplies and equipment.

See accompanying independent auditor's report.

**NORTHWEST HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 24
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2019**

Key Personnel:	<u>Date Hired</u>	Fees for the year ended <u>September 30, 2019</u>	<u>Title</u>
Clarence Miller	09/13/13	\$ 100,746*	Former General Manager
Consultants:			
Roach & Mitchell, PLLC	12/06/11	\$ 139,590	General Counsel
McCall Gibson Swedlund Barfoot PLLC	08/27/12	\$ 80,300	Auditor
Myrtle Cruz, Inc.	05/04/82	\$ 30,994	Bookkeeper
Linebarger Goggan Blair & Sampson, LLP	07/01/15	\$ 4,288	Delinquent Tax Attorney
Pape-Dawson Engineers, Inc.	11/19/13	\$ 130,977	Engineer
Masterson Advisors LLC	06/07/18	\$ -0-	Financial Advisor
Bill Russell	04/06/04	\$ -0-	Investment Officer
Municipal Operations & Consulting, Inc.	06/07/11	\$ 188,009	Operator
Tax Tech, Inc.	02/03/15	\$ 13,121	Tax Assessor/ Collector

* Includes reimbursable expenses, vehicle, healthcare and telephone stipends.

See accompanying independent auditor's report.

