

***Harris County Flood Control District
A Component Unit of Harris County, Texas***

*General Purpose Financial Statements
Fiscal Year Ended February 28, 2001*

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS**

**GENERAL PURPOSE FINANCIAL STATEMENTS
FISCAL YEAR ENDED FEBRUARY 28, 2001**

TABLE OF CONTENTS

| | <u>PAGE</u> |
|--|-------------|
| Financial Statement Responsibility | 1 |
| Independent Auditors' Report | 2 |
| | |
| <u>General Purpose Financial Statements</u> | |
| Combined Balance Sheets – All Fund Types and Account Groups | 3 |
| Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types | 5 |
| Combined Statement of Revenues and Expenditures – Budget and Actual – Budgetary Basis – Operations and Maintenance (General) and Budgeted Debt Service Funds | 6 |
| Notes to the Financial Statements | 7 |
| | |
| <u>Supplemental Schedules (Unaudited)</u> | |
| Schedule of Services and Rates – Schedule 1 | 22 |
| Schedule of General Fund Expenditures – Schedule 2 | 25 |
| Schedule of Temporary Investments – Schedule 3 | 26 |
| Schedule of Taxes Levied and Receivable – Schedule 4 | 27 |
| Schedule of Changes in General Fixed Assets – Schedule 5 | 30 |
| Schedule of General Long-Term Debt Service Requirements By Year – Schedule 6 | 31 |
| Schedule of Changes in General Long-Term Debt – Schedule 7 | 37 |
| Comparative Schedule of Revenues and Expenditures – General Fund And Debt Service Funds – Schedule 8 | 38 |
| Schedule of Insurance Coverage – Schedule 9 | 39 |
| Schedule of Board Members, Key Personnel and Consultants – Schedule 10 | 40 |

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FINANCIAL STATEMENT RESPONSIBILITY

The Harris County Auditor is responsible for the preparation of the accompanying financial statements and supplemental information for the fiscal year ended February 28, 2001, of the Harris County Flood Control District (the "District"), a component unit of Harris County, Texas. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The County Auditor is responsible for the integrity and objectivity of the data presented in the statements and schedules including the making of informed judgments and estimates of the expected effects of events and transactions that are not concluded by year end.

The management of the District is responsible for maintaining an internal control system designed to ensure that the assets of the District are protected from loss or misuse and to provide reasonable assurance as to the integrity and reliability of the financial statements. The system of internal control provides for segregation of duties and is documented by written policies and procedures. The Harris County Auditor's Office also has an internal audit function to review the operations of the District for effective internal control and compliance with statutory requirements. To the best of our knowledge, management has considered the Harris County Auditor internal auditor's recommendations concerning the District's system of internal control and has taken appropriate action to address these recommendations. District management believes that the District's internal control system is adequate to accomplish the objectives discussed above as of February 28, 2001.

The District's financial statements known as *the General Purpose Financial Statements* have been audited by Deloitte & Touche LLP, independent certified public accountants who were engaged by the Harris County Commissioners Court for the purpose of expressing an opinion on those financial statements. District and County management has made available to their independent auditors direct access to District and County officers and employees and all the District's financial records and related data as well as the minutes of the Commissioners Court meetings. Harris County and the District believe that all representations made to Deloitte & Touche LLP were valid and appropriate.

A handwritten signature in black ink that reads "Tommy J. Tompkins".

Tommy J. Tompkins, C.P.A.
County Auditor

August 10, 2001

INDEPENDENT AUDITORS' REPORT

County Judge Robert Eckels
and Members of Commissioners Court of
Harris County, Texas:

We have audited the accompanying general purpose financial statements of the Harris County Flood Control District (the "District"), a component unit of Harris County, Texas (the "County"), as of February 28, 2001, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the County. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of the District, as of February 28, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The supplemental schedules on pages 22-41 are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the District. Such additional information has not been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2001, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP

August 10, 2001

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS
February 28, 2001

| ASSETS AND OTHER DEBITS | Governmental Fund Types | | | Account Groups | | Total (Memorandum Only) | |
|---|---|-------------------------|-----------------------------|---------------------------------|------------------------------------|------------------------------------|-------------------------|
| | Operations and Maintenance (General) | Debt Service | Capital Projects | General Fixed Assets | General Long- Term Debt | 2001 | 2000 |
| | | | | | | | |
| Cash and Investments (Note 2): | | | | | | | |
| Cash and Cash Equivalents | \$ 44,286,258 | \$ 7,917,155 | \$ 65,387,027 | \$ - | \$ - | \$ 117,590,440 | \$ 121,077,143 |
| Investments | - | 28,735,814 | - | - | - | 28,735,814 | 38,130,368 |
| Receivables: | | | | | | | |
| Taxes, Net (Note 3) | 4,062,961 | 2,363,724 | - | - | - | 6,426,685 | 4,421,246 |
| Accounts | 183,563 | 99,573 | - | - | - | 283,136 | 1,769,696 |
| Accrued Interest | 129,860 | 125,330 | 900,081 | - | - | 1,155,271 | 897,206 |
| Due From Other Funds | 877,362 | 801,960 | 337,923 | - | - | 2,017,245 | 2,676,601 |
| Land (Note 4) | - | - | - | 26,825,793 | - | 26,825,793 | 785,071 |
| Buildings (Note 4) | - | - | - | 5,059,730 | - | 5,059,730 | 5,059,730 |
| Improvements Other Than Buildings (Note 4) | - | - | - | 1,200,668 | - | 1,200,668 | 1,200,668 |
| Equipment (Note 4) | - | - | - | 9,402,292 | - | 9,402,292 | 8,981,456 |
| Construction Work in Progress (Note 4) | - | - | - | 10,502,041 | - | 10,502,041 | 103,627,674 |
| Flood Control Projects (Note 4) | - | - | - | 893,126,218 | - | 893,126,218 | 788,632,198 |
| Amount Available in Debt Service Funds For: | | | | | | | |
| Debt Service | - | - | - | - | 37,610,183 | 37,610,183 | 46,696,308 |
| Amount to be Provided For: | | | | | | | |
| Retirement of General Long-term Debt | - | - | - | - | 167,546,802 | 167,546,802 | 174,327,881 |
| Compensatory Time Payable | - | - | - | - | 248,146 | 248,146 | 290,603 |
| TOTAL ASSETS AND OTHER DEBITS | \$ 49,540,004 | \$ 40,043,556 | \$ 66,625,031 | \$ 946,116,742 | \$ 205,405,131 | \$ 1,307,730,464 | \$ 1,298,573,849 |

See notes to the financial statements.

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS
February 28, 2001**

| <u>LIABILITIES, EQUITY AND OTHER CREDITS</u> | <u>Governmental Fund Types</u> | | | <u>Account Groups</u> | | <u>Total (Memorandum Only)</u> | |
|--|---|-------------------------|-----------------------------|---------------------------------|------------------------------------|------------------------------------|-------------------------|
| | <u>Operations and Maintenance (General)</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>General Fixed Assets</u> | <u>General Long- Term Debt</u> | <u>2001</u> | <u>2000</u> |
| Liabilities: | | | | | | | |
| Vouchers Payable | \$ 1,775,407 | \$ - | \$ 1,049,389 | \$ - | \$ - | \$ 2,824,796 | \$ 2,366,149 |
| Accrued Payroll and Compensated Absences | 1,361,305 | - | - | - | - | 1,361,305 | 1,172,601 |
| Retainages Payable | 44,403 | - | 583,025 | - | - | 627,428 | 456,710 |
| Due to Other Funds | 292,120 | 51,901 | 337,923 | - | - | 681,944 | 951,113 |
| Due to Other Units | - | - | 290,051 | - | - | 290,051 | - |
| Deferred Revenues | 4,045,355 | 2,381,472 | - | - | - | 6,426,827 | 4,421,388 |
| Bonds Payable (Note 5) | - | - | - | - | 205,156,985 | 205,156,985 | 221,024,189 |
| Compensatory Time Payable (Note 5) | - | - | - | - | 248,146 | 248,146 | 290,603 |
| Total Liabilities | <u>7,518,590</u> | <u>2,433,373</u> | <u>2,260,388</u> | <u>-</u> | <u>205,405,131</u> | <u>217,617,482</u> | <u>230,682,753</u> |
| Equity and Other Credits: | | | | | | | |
| Investment in General Fixed Assets | - | - | - | 946,116,742 | - | 946,116,742 | 908,286,797 |
| Fund Balances: | | | | | | | |
| Reserved for: | | | | | | | |
| Encumbrances | 19,296,256 | - | 18,430,208 | - | - | 37,726,464 | 39,386,265 |
| Debt Service | - | 37,610,183 | - | - | - | 37,610,183 | 46,696,308 |
| Unreserved: | | | | | | | |
| Designated for Capital Projects | - | - | 45,934,435 | - | - | 45,934,435 | 44,390,160 |
| Undesignated | 22,725,158 | - | - | - | - | 22,725,158 | 29,131,566 |
| Total Equity and Other Credits | <u>42,021,414</u> | <u>37,610,183</u> | <u>64,364,643</u> | <u>946,116,742</u> | <u>-</u> | <u>1,090,112,982</u> | <u>1,067,891,096</u> |
| TOTAL LIABILITIES, EQUITY AND OTHER CREDITS | <u>\$ 49,540,004</u> | <u>\$ 40,043,556</u> | <u>\$ 66,625,031</u> | <u>\$ 946,116,742</u> | <u>\$ 205,405,131</u> | <u>\$ 1,307,730,464</u> | <u>\$ 1,298,573,849</u> |

See notes to the financial statements.

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES**

**For The Year Ended February 28, 2001
With Comparative Totals
For The Year Ended February 29, 2000**

| | Operations and | | | Total | |
|---|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | Maintenance | Debt | Capital | (Memorandum Only) | |
| | (General) | Service | Projects | 2001 | 2000 |
| Revenues: | | | | | |
| Taxes (Note 3) | \$ 59,924,526 | \$ 33,224,416 | \$ - | \$ 93,148,942 | \$ 110,938,539 |
| Charges for Services | 255,419 | - | - | 255,419 | 221,380 |
| Intergovernmental | 403,777 | - | 5,182,763 | 5,586,540 | 1,140,875 |
| Interest | 3,124,596 | 2,253,466 | 3,505,842 | 8,883,904 | 6,079,346 |
| Miscellaneous | 587,726 | - | 4,190,778 | 4,778,504 | 4,879,340 |
| Total Revenues | 64,296,044 | 35,477,882 | 12,879,383 | 112,653,309 | 123,259,480 |
| Expenditures: | | | | | |
| Current Operating: | | | | | |
| Flood Control | 43,459,875 | - | - | 43,459,875 | 36,201,146 |
| Tax Administration | 875,413 | - | - | 875,413 | 875,052 |
| Capital Outlay | - | - | 39,344,073 | 39,344,073 | 30,251,165 |
| Debt Service (Note 5): | | | | | |
| Principal Retirement | - | 22,170,242 | - | 22,170,242 | 22,552,524 |
| Interest and Fiscal Charges | - | 22,411,765 | - | 22,411,765 | 23,177,419 |
| Total Expenditures | 44,335,288 | 44,582,007 | 39,344,073 | 128,261,368 | 113,057,306 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 19,960,756 | (9,104,125) | (26,464,690) | (15,608,059) | 10,202,174 |
| Other Financing Sources (Uses): | | | | | |
| Operating Transfers In | - | 423,647 | 25,000,000 | 25,423,647 | 22,938,800 |
| Operating Transfers Out | (25,000,000) | (405,647) | (18,000) | (25,423,647) | (22,585,000) |
| Total Other Financing Sources (Uses): | (25,000,000) | 18,000 | 24,982,000 | - | 353,800 |
| Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses | (5,039,244) | (9,086,125) | (1,482,690) | (15,608,059) | 10,555,974 |
| Fund Balances, Beginning | 47,060,658 | 46,696,308 | 65,847,333 | 159,604,299 | 149,048,325 |
| Fund Balances, Ending | \$ 42,021,414 | \$ 37,610,183 | \$ 64,364,643 | \$ 143,996,240 | \$ 159,604,299 |

See notes to the financial statements.

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS**

**COMBINED STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS
OPERATIONS AND MAINTENANCE (GENERAL) AND BUDGETED DEBT SERVICE FUNDS**

For The Year Ended February 28, 2001

| | OPERATIONS AND MAINTENANCE (GENERAL) FUND | | | DEBT SERVICE FUNDS | | |
|--|--|-----------------------|--------------------------------------|------------------------|-----------------------|--------------------------------------|
| | Budget | Actual (Note 1) | Favorable (Unfavorable) Budget | Budget | Actual (Note 1) | Favorable (Unfavorable) Budget |
| Revenues and Other Financing Sources: | | | | | | |
| Taxes | \$ 65,863,335 | \$ 60,549,480 | \$ (5,313,855) | \$ 36,768,543 | \$ 33,746,253 | \$ (3,022,290) |
| Charges for Services | - | 255,419 | 255,419 | - | - | - |
| Intergovernmental | - | 403,777 | 403,777 | - | - | - |
| Interest | 1,900,000 | 2,922,877 | 1,022,877 | 1,231,094 | 1,857,439 | 626,345 |
| Miscellaneous | 279,100 | 1,167,556 | 888,456 | - | - | - |
| Transfers In | - | - | - | - | 423,647 | 423,647 |
| Total Revenues and Other Financing Sources | <u>68,042,435</u> | <u>65,299,109</u> | <u>(2,743,326)</u> | <u>37,999,637</u> | <u>36,027,339</u> | <u>(1,972,298)</u> |
| Expenditures: | | | | | | |
| Current Operating and Capital Outlay: | | | | | | |
| Flood Control | 114,601,814 | 43,072,318 | 71,529,496 | - | - | - |
| Tax Administration | 950,000 | 875,413 | 74,587 | - | - | - |
| Debt Service | - | - | - | 82,404,499 | 44,582,007 | 37,822,492 |
| Transfer Out | - | 25,000,000 | (25,000,000) | - | 405,647 | (405,647) |
| Total Expenditures | <u>115,551,814</u> | <u>68,947,731</u> | <u>46,604,083</u> | <u>82,404,499</u> | <u>44,987,654</u> | <u>37,416,845</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures | <u>\$ (47,509,379)</u> | <u>\$ (3,648,622)</u> | <u>\$ 43,860,757</u> | <u>\$ (44,404,862)</u> | <u>\$ (8,960,315)</u> | <u>\$ 35,444,547</u> |

See notes to the financial statements.

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2001

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Harris County Flood Control District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting and reporting policies are described in the following notes.

A. REPORTING ENTITY

These financial statements include all of the operations and activities of the District legal entity, which is a component unit of the reporting entity of Harris County, Texas (the "County"). Financial statements of the District are included as a blended component unit in the County financial statements.

Commissioners Court, as the elected governing body of the County, is also the statutory governing body of the District. All activities for which the District is financially accountable have been incorporated to form the reporting entity. This report includes the financial statements of the funds and account groups required to account for activities, organizations and functions of the District. The criteria for including activities in the District's financial statements are in conformity with GASB Statement No.14, "The Reporting Entity."

B. BASIS OF PRESENTATION

The accounts of the District are organized on the basis of funds and account groups each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The following fund types and account groups are used by the District:

GOVERNMENTAL FUNDS

Operations and Maintenance (General) Fund - used to account for all revenues and expenditures, not accounted for in other funds, relating to general operations.

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2001

Debt Service Funds - used to account for payment of principal and interest on the District's property tax bonds which are recorded in the General Long-Term Debt Account Group.

Capital Projects Funds - used to account for capital improvements and acquisitions which are financed from the District's general obligation bonds, ad valorem taxes and other revenue services.

ACCOUNT GROUPS

General Fixed Assets Account Group - used to account for tangible general government assets having a useful life longer than a year and having a monetary value large enough to warrant maintaining related custodial records.

General Long-Term Debt Account Group - used to record and account for the outstanding bonds, certificates of participation, compensatory time payable, and arbitrage rebate payable.

C. **BASIS OF ACCOUNTING**

Basis of accounting refers to the time at which revenues and expenditures are recognized and reported in the financial statements. All Governmental Funds and Agency Funds are accounted for on the modified accrual basis of accounting. The Governmental Funds use a current financial resource measurement focus. Under the modified accrual basis of accounting, certain revenues are recorded when susceptible to accrual; both measurable and available. Available means collectible within the current period or as soon thereafter to be available to pay liabilities of the current period. All other revenues are recognized when cash is received. Expenditures, if measurable, are generally recognized on the accrual basis of accounting. Exceptions to this general rule include prepaid items and compensated absences which are recognized as expenditures when paid, and principal and interest on long-term debt which are recognized as expenditures when due.

D. **BUDGETS**

Annual appropriation budgets are adopted for the Flood Control Operations and Maintenance (General) Fund and the Flood Control Debt Service Funds. Commissioners Court appoints the County Budget Officer, who prepares the proposed budget using revenue estimates furnished by the County Auditor. The County adheres to the following timetable for consideration and adoption of the annual budget for the Flood Control Operations and Maintenance (General) Fund and the Debt Service Funds:

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2001

- Departmental annual budget requests are submitted by the Department or Agency Head to the County Budget Officer during the third quarter of the fiscal year for the upcoming fiscal year to begin March 1.
- The County Auditor must prepare an estimate of available resources for the upcoming fiscal year. Available resources include the unrestricted cash and investment balance at the beginning of the fiscal year plus estimated revenues for the upcoming fiscal year.
- The County Budget Officer prepares the proposed annual operating budget to be presented to Commissioners Court for their consideration. The budget represents the financial plan for the new fiscal year and includes estimated available financial resources and proposed expenditures.
- Public hearings are held on the proposed budget.
- Commissioners Court must adopt an annual operating budget by a majority vote of Commissioners Court before April 1. The adopted budget must be balanced; that is, available resources must be sufficient to support annual appropriations.
- The department is the legal level of budgetary control. Commissioners Court approval is necessary to transfer appropriations between departments. Transfers may not increase the total budget.
- Annual budgets are legally adopted for the General Fund and Debt Service Funds. Budgets for Capital Projects are established on a project basis.
- Transfers cannot exceed the original appropriation level adopted for the fund during the fiscal year.
- Appropriations lapse at year-end.
- Budgets are prepared on a cash basis (budget basis) which differs from a GAAP basis.

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2001

A reconciliation of revenues and expenditures on a cash basis (budgetary basis) compared to modified accrual basis (GAAP) is as follows:

| | General Fund | Debt Service |
|---|-------------------------|-------------------------|
| Revenues: | | |
| Cash basis (budget basis) | \$ 65,299,109 | \$36,027,339 |
| Accrued in 2000 received in 2001 | (2,415,233) | (2,276,251) |
| Accrued in 2001 to be received in 2002 | 1,412,168 | 2,150,441 |
| Operating Transfers Reclassification | - | (423,647) |
| Revenues on modified accrual basis (GAAP basis) | 64,296,044 | 35,477,882 |
| Expenditures: | | |
| Cash basis (budget basis) | 68,947,731 | 44,987,654 |
| Incurred during 2000 paid in 2001 | (844,670) | - |
| Incurred during 2001 payable in 2002 | 1,232,227 | - |
| Operating Transfers Reclassification | (25,000,000) | (405,647) |
| Expenditures on modified accrual basis (GAAP basis) | 44,335,288 | 44,582,007 |
| Excess (Deficiency) of revenues over (under) expenditures on modified accrual basis (GAAP basis) | \$ 19,960,756 | \$ (9,104,125) |

E. ENCUMBRANCES

Encumbrances represent commitments for goods and services and are recorded during the year upon execution of purchase orders, contracts, or other appropriate documents. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitment will be honored in the next fiscal year. Such encumbrances are reappropriated in the next budget year.

F. CASH AND INVESTMENTS

Cash and cash equivalents include amounts in demand deposits as well as short-term investments (i.e. with original maturity of 90 days or less). All investments are recorded at fair value, as required by GASB Statement No.31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," based upon quoted market prices as of February 28, 2001, with the difference between the purchase price and market price being recorded as interest income.

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2001**

G. INTERFUND TRANSACTIONS

During the course of normal operations, the District has many transactions between funds. The accompanying financial statements reflect as operating transfers the expenditures and transfers of resources to provide services, construct assets and meet debt service requirements. Non-recurring transfers of equity between funds are treated as residual equity transfers and are reported as additions or deductions to fund balance.

H. FIXED ASSETS

All fixed assets are stated at historical cost or estimated historical cost if actual cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated.

The costs of acquiring or constructing fixed assets are recorded as expenditures in the Governmental Funds. Expenditures in excess of \$1,000 are capitalized in the General Fixed Assets Account Group. Public domain fixed assets consisting of improvements other than buildings, roads, bridges, and related rights-of-way also are included in the General Fixed Assets Account Group. No depreciation has been provided or net interest cost capitalized on general fixed assets.

I. COMPENSATED ABSENCES

Accumulated compensatory leave, vacation and sick leave expected to be liquidated with expendable available financial resources is reported as an expenditure in the respective Governmental Fund. Accumulated compensated absences not expected to be liquidated with expendable available resources are reported in the General Long-Term Debt Account Group.

Employees accrue 9.75 days of sick leave per year. Sick leave benefits are recognized as they are used by the employees. Employees may accumulate up to 480 sick leave hours. Unused sick leave benefits are not paid at termination. Employees with more than one year of service accrue from two to four weeks of vacation annually, depending on years of service. Unused vacation benefits lapse at calendar year-end or upon termination, except for exempt employees who may convert such benefits to compensatory time, subject to a 240 hour maximum.

Non-exempt employees earn compensatory time at one and one-half times their full pay times the excess of 40 hours per week worked. Non-exempt employees can carry forward compensatory time up to 240 hours indefinitely. Upon termination, non-exempt employees

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2001

will be paid for compensatory time at their wage rate at time of termination. Exempt employees earn compensatory time at their regular rate of pay for hours worked in excess of 40 hours a week. Exempt employees can accumulate up to 240 hours of compensatory time. Upon termination, exempt employees are paid one-half of the compensatory time earned at the wage rate at time of termination.

As of February 28, 2001, \$626,298 and \$248,146 has been recorded in the Governmental Funds and General Long-Term Debt Account Group, respectively, for future compensated absences.

J. TOTAL COLUMNS ON COMBINED STATEMENTS (MEMORANDUM ONLY)

Total columns on the combined statements are captioned "*Memorandum Only*" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation since interfund eliminations have not been made in the aggregation of this data.

K. USE OF 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 amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. RECLASSIFICATIONS

Certain reclassifications have been made to fiscal year 2000 amounts to conform to fiscal year 2001 presentations.

2. CASH AND INVESTMENTS

State statutes authorize the District to invest in fully collateralized or insured time deposits, direct debt securities of the United States or its Agencies, investment grade commercial paper, money market mutual funds and fully collateralized repurchase agreements. District policy requires repurchase agreements be purchased under a master repurchase agreement which specifies the rights and obligations of both parties and requires that the securities involved in the transaction be held in a safekeeping account subject to the control and custody of the District. The margin requirement for all repurchase agreements is that market value must be at

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2001

least 101% of the purchase price. Investments in repurchase agreements may be made only through a primary government securities dealer, as defined by the Federal Reserve, or a bank domiciled in the State of Texas with which the District has signed a master repurchase agreement.

Deposits:

As of February 28, 2001, the carrying amount of the District's demand and time deposits was \$0. The bank balance of \$1,131,075 was covered by federal depository insurance or collateralized with securities held by the District's agent in the District's name.

Investment Policies:

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 investments that protect principal, are consistent with the operating requirements of the District, and yield the highest possible rate of return. The District's written investment policy specifically excludes investments in mortgaged-backed securities and bankers' acceptances.

In practice, the District's investments are limited to obligations of the United States or its instrumentalities, Federal agencies, fully collateralized repurchase agreements, commercial paper, municipal obligations rated AA or higher, and money market mutual funds. Under Texas law, District 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."

Investments:

As of February 28, 2001 the District's investible funds were \$146,326,254. The following percentages of the District's investible funds were invested in the following categories of investments, the average remaining maturity of such investments was 227 days.

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2001**

Distribution of District Investible Funds

| | |
|----------------------------|-----|
| U.S. Government Securities | 61% |
| Commercial Paper | 22% |
| Municipal Securities | 17% |

The District's investments are categorized below to give an indication of the level of risk, with Category 1 being the lowest level of risk to Category 3 being the highest level of risk. Investments are included in the credit risk categories as follows:

- Category 1: Insured or registered, or for which the securities are held by the District or its agent in the District's name.
- Category 2: Uninsured and unregistered, for which the securities are held by the District's counterparty's trust department or agent in the District's name.
- Category 3: Uninsured and unregistered, for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name.

Shown below are the District's investments by risk category as of February 28, 2001.

| | Categories | | | Fair Value |
|-----------------------------|----------------------|-------------|-------------|----------------------|
| | 1 | 2 | 3 | |
| U. S. Government Securities | \$ 88,815,172 | \$ - | \$ - | \$ 88,815,772 |
| Commercial Paper | 32,973,864 | - | - | 32,973,864 |
| Municipal Securities | <u>24,536,618</u> | <u>-</u> | <u>-</u> | <u>24,536,618</u> |
| Subtotal | <u>\$146,326,254</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$146,326,254</u> |

3. PROPERTY TAXES

Property taxes for the Harris County Flood Control District are levied each October 1 on the assessed value as of the preceding January 1 for all taxable real and personal property. On January 1, at the time of assessment, an enforceable lien is attached to the property for property taxes. Appraised values are determined by the Harris County Appraisal District (the "Appraisal District") equal to 100% of the appraised market value as required by the State Property Tax Code.

Real property must be appraised at least every four years. Taxpayers and taxing units may challenge appraisals of the Appraisal District through various appeals and, if necessary, legal action.

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2001**

The County is responsible for setting the tax rate for Harris County, Harris County Flood Control District, Harris County Hospital District and Port of Houston Authority - Debt Tax Rate, only.

The Flood Control District is permitted by law to levy a tax rate up to \$.30 per \$100 of taxable valuation. There is no limitation on the tax rate which may be set for debt service within the \$.30/\$100 valuation. The tax rate for maintenance is limited to the rate as may from time to time be approved by the voters of the District. The maximum tax rate for maintenance is \$.15 per \$100 of taxable valuation. The County adopted the following tax rates on behalf of the District for the 2000 tax year, per \$100 of taxable valuation:

| | Operations and Maintenance <u>(General)</u> | Debt <u>Service</u> | <u>Total</u> |
|------------------------|---|------------------------|--------------|
| Flood Control District | \$0.04001 | \$0.02172 | \$0.06173 |

Property tax receivables of \$6,426,685 as of February 28, 2001 are reported net of an allowance for uncollectible taxes of \$21,715,315.

4. GENERAL FIXED ASSETS

General fixed assets transactions are summarized as follows:

| | Balance March 1, <u>2000</u> | Transfers/ <u>Additions</u> | Transfers/ <u>Deductions</u> | Balance February 28, <u>2001</u> |
|-----------------------------------|------------------------------------|--------------------------------|---------------------------------|--|
| Land | \$ 785,071 | \$ 26,040,722 | \$ - | \$ 26,825,793 |
| Buildings | 5,059,730 | - | - | 5,059,730 |
| Improvements Other Than Buildings | 1,200,668 | - | - | 1,200,668 |
| Equipment | 8,981,456 | 2,401,287 | (1,980,451) | 9,402,292 |
| Construction Work in Progress | 103,627,674 | 11,368,387 | (104,494,020) | 10,502,041 |
| Flood Control Projects | <u>788,632,198</u> | <u>104,494,020</u> | <u>-</u> | <u>893,126,218</u> |
| TOTAL | <u>\$908,286,797</u> | <u>\$144,304,416</u> | <u>\$(106,474,471)</u> | <u>\$946,116,742</u> |

5. GENERAL LONG-TERM DEBT

A. OVERVIEW - SUMMARY OF LONG-TERM DEBT

Bonded debt of the District consists of various issues of General Obligation Bonds, which are direct obligations of the District with the District's full faith and credit pledged towards the payment of these obligations. Debt service on these bonds is paid from the receipts of a separate limited ad valorem tax.

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2001**

B. BONDED DEBT - CHANGES IN FY 2001

The following is a summary of the general long-term debt transactions:

| | Balance March 1, 2000 | Increase | Decrease | Balance February 28, 2001 |
|---|-----------------------------|--------------------|----------------------|---------------------------------|
| Total Bonds Payable - Principal | \$151,409,153 | \$ - | \$22,170,242 | \$129,238,911 |
| Amortized Premium, Series 1991 | 3,632,159 | - | 1,825,773 | 1,806,386 |
| Unamortized Premium, Series 1993 | 6,834,608 | - | 254,834 | 6,579,774 |
| Accretion of Discount-Compound Interest | | | | |
| Bonds, Series 1991 | 53,488,251 | 7,079,892 | - | 60,568,143 |
| Bonds, Series 1993 | <u>5,660,018</u> | <u>1,303,753</u> | <u>-</u> | <u>6,963,771</u> |
| Total Bonds Payable | 221,024,189 | 8,383,645 | 24,250,849 | 205,156,985 |
| Compensatory Time Payable | <u>290,603</u> | <u>-</u> | <u>42,457</u> | <u>248,146</u> |
| Total General Long-Term Debt | <u>\$221,314,792</u> | <u>\$8,383,645</u> | <u>\$ 24,293,306</u> | <u>\$ 205,405,131</u> |

C. OUTSTANDING BONDED DEBT - FEBRUARY 28, 2001

| | Interest Rates(%) | Date Series | | Balance February 28, 2001 |
|------------------------|----------------------|-------------|---------|---------------------------------|
| | | Issued | Matures | |
| Series 1989B | 6.75 - 8.00 | 1989 | 2001 | 1,000,000 |
| Refunding Series 1991 | (a) | 1991 | 2006 | 40,663,926 |
| Series 1992A | 5.125 - 7.125 | 1992 | 2013 | 11,835,000 |
| Series 1992B | 5.00 - 7.00 | 1992 | 2014 | 9,205,000 |
| Refunding Series 1993A | (b) | 1993 | 2015 | <u>66,534,985</u> |
| TOTAL | | | | <u>\$129,238,911</u> |

(a) Includes Compound Interest Bonds @ 6.2-6.5% to mature 1999-2002. Includes Current Interest Bonds @ 5.25-6.25% to mature 1995-2006. Includes Adjustable Sinking Fund Bonds @ 6.2%-6.5% to mature 1998-2002.

(b) Includes Compound Interest Bonds @ 5.4-5.6% to mature 2007-2011. Includes Current Interest Bonds @ 3.3-5.6% to mature 1995-2015.

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2001**

D. DEBT SERVICE REQUIREMENTS

The debt service requirements to maturity for the bonds are summarized as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Requirements</u> |
|--------------------|----------------------|---------------------|----------------------|
| 2002 | \$20,244,282 | \$17,148,324 | \$37,392,606 |
| 2003 | 15,534,644 | 19,061,595 | 34,596,239 |
| 2004 | 19,565,000 | 4,661,043 | 24,226,043 |
| 2005 | 18,215,000 | 3,578,307 | 21,793,307 |
| 2006 | 14,790,000 | 2,542,944 | 17,332,944 |
| 2007-2011 | 26,490,961 | 27,628,831 | 54,119,792 |
| 2012-2016 | <u>14,399,024</u> | <u>3,093,026</u> | <u>17,492,050</u> |
| TOTAL | <u>\$129,238,911</u> | <u>\$77,714,070</u> | <u>\$206,952,981</u> |

E. UNISSUED AUTHORIZED BONDS

As of February 28, 2001, the District has voter authorization to issue \$95,000,000 of additional property tax bonds.

F. DEFEASANCE OF DEBT

The District has defeased certain property tax bonds by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. As of February 28, 2001, the outstanding principal balance of these defeased Flood Control property tax bonds was \$14,465,000.

6. RETIREMENT PLAN

Plan Description

The District, a component unit of Harris County, provides retirement, disability, and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System ("TCDRS"). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 502 non-traditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report ("CAFR") on a calendar year basis. The CAFR is available upon written request from the TCRDS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

Under the state law governing TCDRS since 1991, the District has had the option of selecting

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2001**

the plan of benefits to provide in the future, while at the same time considering the level of the employer contribution rate required to adequately finance the plan. Effective January 1, 1995, the District adopted an annually determined contribution rate plan, for which the employer contribution rate is actuarially determined as a part of the annual actuarial valuation. The rate, applicable for a calendar year, consists of the normal cost contribution rate plus the rate required to amortize the unfunded actuarial liability over the remainder of the plan's 25-year amortization period which began January 1, 1995 using the entry age actuarial cost method. Monthly contributions by the District are based on the covered payroll and the employer contribution rate in effect. The contribution rate for 2001 is 9.95%. The contribution rates for 2000 and 1999 were 10.07 % and 10.16% respectively.

The plan provisions are adopted by the governing body of the District, within the options available in the state statutes governing TCDRS ("TCDRS Act"). Members can retire at ages 60 and above with 8 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after eight years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the District.

Funding Policy

The District has elected the annually determined contribution rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the District based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the District is actuarially determined annually. The District contributed using actuarially determined rate of 10.07% for the months of the accounting year in 2000, and 9.95% for the months of the accounting year in 2001.

The contribution rate payable by the employee members for 2001 is the rate of 7% as adopted by Commissioners Court.

Annual Pension Cost

For the County's accounting year ending February 28, 2001, the annual pension cost for the TCDRS plan for its employees, including the District, was \$47,979,693, and the actual contributions were \$47,979,693.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 1998 and December 31, 1999, which were the basis for determining the contribution rates for calendar years 2000 and 2001.

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2001

The December 31, 1999 actuarial valuation is the most recent valuation.

| Actuarial Valuation Method | | | |
|--|---|---|---|
| Actuarial Valuation Date | 12/31/97 | 12/31/98 | 12/31/99 |
| Actuarial Cost Method | Entry Age | Entry Age | Entry Age |
| Amortization Method | Level percentage of payroll, closed | Level percentage of payroll, open | Level percentage of payroll, open |
| Amortization period in years | 20 | 20 | 20 |
| Asset Valuation Method | Long-term appreciation with adjustments | Long-term appreciation with adjustments | Long-term appreciation with adjustments |
| Actuarial Assumption | | | |
| Investment return (1) | 8.00 % | 8.00 % | 8.00 % |
| Projected Salary Increases (1) | 5.9 % | 5.9 % | 5.9 % |
| Inflation | 4.0 % | 4.0 % | 4.5 % |
| Cost of Living Adjustments | 0.0% | 0.0% | 0.0% |
| (1) Includes inflation at the stated rate. | | | |

| Trend Information | | | |
|--------------------------|---------------------|-------------------------------|------------------------|
| Accounting Year Ending | Annual Pension Cost | Percentage of APC Contributed | Net Pension Obligation |
| 2/28/01 | \$ 47,979,693 | 100% | 0 |
| 2/29/00 | \$ 42,746,939 | 100% | 0 |
| 2/28/99 | \$37,977,561 | 100% | 0 |

| Schedule of Funding | | | |
|---|---------------|-----------------|-----------------|
| Actuarial Valuation Date | 12/31/97 | 12/31/98 | 12/31/99 |
| Actuarial Value of Assets | \$954,603,458 | \$1,041,568,976 | \$1,151,075,284 |
| Actuarial Accrued Liability (AAL) | 1,113,130,572 | 1,207,495,129 | 1,324,342,278 |
| Unfunded Actuarial Accrued Liability (UAAL) | 158,527,114 | 165,926,153 | 173,266,994 |
| Funded Ratio | 85.76% | 86.26% | 86.92% |
| Annual Covered Payroll (Actuarial) | \$401,289,828 | \$420,646,130 | \$458,448,714 |
| UAAL as Percentage of Covered Payroll | 39.50% | 39.45% | 37.79% |

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2001**

7. POST EMPLOYMENT BENEFITS

In addition to providing pension benefits described herein, the District provides certain retirement health care and life insurance benefits for retired employees. In accordance with the Personnel Regulations adopted by Commissioners Court, all District employees may become eligible for these benefits after meeting the service and retirement age requirements of the District's retirement plan. These requirements, which were modified effective January 1, 1996, require 30 years of service, or 8 years of service and 60 years of age, or years of service plus age equal to 75 or more. The District pays 100% of the cost of medical plan and life insurance coverage for retirees. The District recognizes expenditures for retirement benefits as incurred, which during fiscal year 2001 totaled \$473,340. Presently, 115 retirees qualified for retirement benefits.

8. COMMITMENTS AND CONTINGENT LIABILITIES

The District is involved in lawsuits and other claims in the ordinary course of operations. Although the outcome of such lawsuits and other claims is not presently determinable, the resolution of these matters is not expected to have a material effect on the financial condition of the District.

9. RISK MANAGEMENT

The District's risk-of-loss exposures include exposure to liability and accidental loss of real and personal property as well as human resources. District operations involve a variety of high risk activities including, but not limited to, construction and maintenance activities. The County's Office of Risk Management is responsible for identifying, evaluating, and managing the District's risk in order to reduce the exposure from liability and accidental loss of property and human resources. The District is treated as a County department by the County's Risk Management Office and is assessed premiums and charges similar to other County departments.

The District is covered by the Harris County workers' compensation program. The County is self-insured for workers' compensation medical and indemnity payments. Claims adjusting services are provided by a third-party administrative claims adjusting service. Interfund premiums on workers' compensation are determined by position class code, at actuarially determined rates.

The County has reinsurance coverage for excess workers' compensation and employer's liability. The retention (deductible) for the fiscal year ended February 28, 2001 is \$750,000 per occurrence. During the last three fiscal years, two claims incurred exceeded the insurance coverage for the County. Through the County, the District provides medical, dental, vision, and basic life and disability insurance to eligible employees and retirees. The District pays the full

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2001

cost of employee and retiree coverage and 50% of the cost of dependant premiums. Disability insurance will pay up to 50% of an employee's salary for two years with an employee option to extend the benefits period to age 65 and increase the percentage to 60%.

The District's group insurance premiums, as well as employee payroll deductions for premiums for dependents and optional coverages, are paid into the County's Health Insurance Internal Service Fund, which in turn makes disbursements to contracted insurance providers based upon monthly enrollment and premium calculations.

Billings to the District for property insurance, professional liability insurance, and crime and fidelity policies are handled through the County's Risk Management Fund, as are payments to the insurance carriers. Claim payments made up to the deductible limit are expensed by the District when paid by the Risk Management Fund. Payments for the District's general, vehicle, and property damage liability claims, for which the County is self-insured, are made through the Risk Management Fund and billed to the District.

10. SUBSEQUENT EVENT

Beginning on June 5, 2001, Harris County and surrounding areas experienced significant flooding as a result of Tropical Storm Allison. On June 9, 2001, the federal government issued a major disaster declaration for Harris County and 27 surrounding counties. Federal funds are expected to provide approximately 75 percent of the eligible costs for debris removal, emergency services related to the disaster, and repairing and replacing damaged public facilities. The County also had flood insurance which is expected to recover a significant amount of flood related losses. Due to the expected recovery of costs by the County through federal fund reimbursement and flood insurance, the damage caused by Tropical Storm Allison is not expected, by management, to have a material effect on the financial condition of the County.

11. RECENT ACCOUNTING PRONOUNCEMENT – GASB STATEMENT NO. 34, “BASIC FINANCIAL STATEMENTS – AND MANAGEMENT’S DISCUSSION AND ANALYSIS – FOR STATE AND LOCAL GOVERNEMENTS” (“GASB NO. 34”)

The District has not completed the process of evaluating the impact that will result from adopting GASB No. 34. The District is therefore unable to disclose the impact that adopting GASB No. 34 will have on the financial position and results of operations of the District when such statement is adopted.

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF SERVICES AND RATES
For Fiscal Year Ended February 28, 2001
Schedule 1
(Unaudited)**

1. Services Provided by the District:

- | | | |
|--|---|-------------------------------------|
| <input type="checkbox"/> Retail Water | <input type="checkbox"/> Wholesale Water | <input type="checkbox"/> Drainage |
| <input type="checkbox"/> Retail Wastewater | <input type="checkbox"/> Wholesale Wastewater | <input type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks/Recreation | <input type="checkbox"/> Fire Protection | <input type="checkbox"/> Security |
| <input type="checkbox"/> Solid Waste/Garbage | <input checked="" type="checkbox"/> Flood Control | <input type="checkbox"/> Roads |
| <input checked="" type="checkbox"/> Participates in joint venture, regional system and/or wastewater service (other than emergency Interconnect) | | |
| <input type="checkbox"/> Other (specify): _____ | | |

2. Retail Rates Based on 5/8" Meter

Retail Rates Not Applicable

Most prevalent type of meter (if not a 5/8"): _____

| | Minimum Charge | Minimum Usage | Flat Rate Y/N | Rate per 1000 Gallons Over Minimum | Usage Levels |
|-----------------|----------------|---------------|---------------|------------------------------------|----------------|
| WATER: N/A | \$ _____ | _____ | _____ | \$ _____ | _____ to _____ |
| WASTEWATER: N/A | \$ _____ | _____ | _____ | \$ _____ | _____ to _____ |
| SURCHARGE: N/A | \$ _____ | _____ | _____ | \$ _____ | _____ to _____ |

District employs winter averaging for wastewater usage? Yes No

Total water and wastewater charges per 10,000 gallons usage (including surcharges). \$ _____

3. Retail Service Providers: Number of retail water and/or wastewater connections within the District as of the fiscal year end. Provide actual numbers and single family equivalents (ESFC) as noted:

| | Active Connections | Active ESFC | Inactive Connections (ESFC) |
|--|--------------------|-------------|-----------------------------|
| Single Family | _____ | _____ | _____ |
| Multi-Family | _____ | _____ | _____ |
| Commercial | _____ | _____ | _____ |
| Other – recreational centers, government & VFD | _____ | _____ | _____ |
| TOTAL | N/A | N/A | N/A |

(Continued)

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF SERVICES AND RATES
For Fiscal Year Ended February 28, 2001
Schedule 1
(Unaudited)**

4. **Total Water Consumption (In Thousands) During The Fiscal Year:**

Gallons pumped into system: N/A

Gallons billed to customers: N/A

5. **Standby Fees:** Does the District assess standby fees? Yes No .

For the most recent full fiscal year, FYE _____ :

| | | |
|--------------------------|----------------------|----------|
| Debt Service: | Total levy | \$ _____ |
| | Total Collected | \$ _____ |
| | Percentage Collected | _____ % |
| | | |
| Operation & Maintenance: | Total levy | \$ _____ |
| | Total Collected | \$ _____ |
| | Percentage Collected | _____ % |

Have standby fees been levied in accordance with Water Code Section 49.231, thereby constituting a lien on property? Yes No .

6. **Anticipated sources of funds to be used for debt service payments in the district's following fiscal year - FY 2001-2002:**

| | | <u>Amount</u> |
|----|--|----------------------|
| a. | Debt Service Tax Receipts | \$ 32,736,550 |
| b. | Surplus Construction Funds | - |
| c. | Water and/or Wastewater Revenue | - |
| d. | Standby Fees | - |
| e. | Debt Service Fund Balance To Be Used | 1,327,403 |
| f. | Interest Revenues | 3,328,653 |
| g. | Other (Describe) | - |
| | | _____ |
| | TOTAL ANTICIPATED FUNDS TO BE USED* | \$ 37,392,606 |

(Continued)

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF SERVICES AND RATES
For Fiscal Year Ended February 28, 2001
Schedule 1
(Unaudited)**

7. **Location of District:**

County in which district is located. Harris County

Is the District located entirely within one county? Yes No .

Is the District located within a city? Entirely Partly Not at all .

Cities in which district is located. Houston & all other cities in Harris County

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

| <u>City</u> | <u>Entirely</u> | <u>Partly</u> | <u>Not at all</u> |
|-----------------------|-----------------|---------------|-------------------|
| Baytown | | X | |
| Bellaire | | X | |
| Bunker Hill Village | | X | |
| Deer Park | | X | |
| Friendswood | | X | |
| Galena Park | | X | |
| Houston | | X | |
| Humble | | X | |
| Jacinto City | | X | |
| Jersey Village | | X | |
| Katy | | X | |
| LaPorte | | X | |
| League City | | X | |
| Mission Bend | | X | |
| Missouri City | | X | |
| Morgan's Point | | X | |
| Nassau Bay | | X | |
| Pasadena | | X | |
| Pearland | | X | |
| Seabrook | | X | |
| Shore Acres | | X | |
| South Houston | | X | |
| Tomball | | X | |
| Waller | | X | |
| Webster | | X | |
| West University Place | | X | |

Is the general membership of the Board appointed by an office outside the district?

Yes No

By whom? Board, governed by Harris County Commissioner's Court.

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF GENERAL FUND EXPENDITURES
For The Year Ended February 28, 2001**

**Schedule 2
(Unaudited)**

| | |
|---|---------------------------------|
| Personnel Expenditures (including benefits) | \$ 14,609,199 |
| Professional Fees and Contractual Services | 24,241,311 |
| Utilities | 425,676 |
| Repairs and Maintenance | 1,925,785 |
| Administrative Expenditures | 1,971,503 |
| Other Expenditures | 1,117,306 |
| Transfer Out | <u>25,000,000</u> |
| TOTAL EXPENDITURES & TRANSFER OUT | <u><u>\$ 69,290,780</u></u> |

Number of persons employed by the District: 270 Full-Time ___ Part-Time

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF TEMPORARY INVESTMENTS
For The Year Ended February 28, 2001
Schedule 3
(Unaudited)**

No temporary investments outstanding at fiscal year end

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF TAXES LEVIED AND RECEIVABLE
For The Year Ended February 28, 2001
Schedule 4
(Unaudited)

| | Maintenance Taxes | Debt Service Taxes |
|--|------------------------------|-------------------------------|
| Taxes Receivable (including penalty & interest), March 1, 2000 | \$ 11,853,336 | \$ 13,785,806 |
| 2000 Original Tax Levy (less abatements) | 61,637,047 <u>-</u> | 33,460,552 <u>-</u> |
| Total to be accounted for | \$ 73,490,383 | \$ 47,246,358 |
| Tax collections: | | |
| Current year - 2000 | (56,408,292) | (30,622,047) |
| Prior years | (2,677,207) | (2,887,198) |
| Total Collections | \$ (59,085,499) | \$ (33,509,245) |
| Taxes Receivable (including penalty & interest), February 28, 2001 | \$ 14,404,884 | \$ 13,737,113 |

| | Tax year | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 2000 | 1999 | 1998 | 1997 |
| Property Valuations: | | | | |
| Real Property | \$ 126,497,732,580 | \$ 114,051,126,000 | \$ 105,180,892,000 | \$ 100,182,840,314 |
| Personal Property | 27,556,371,203 | 26,918,777,670 | 25,209,885,147 | 24,049,794,309 |
| Total Property Valuations | \$ 154,054,103,783 | \$ 140,969,903,670 | \$ 130,390,777,147 | \$ 124,232,634,623 |
| Tax Rates Per \$100 Valuation: | | | | |
| Debt service tax rates | \$ 0.04001 | \$ 0.03080 | \$ 0.03454 | \$ 0.03703 |
| Maintenance tax rates | 0.02172 | 0.04920 | 0.04546 | 0.04264 |
| Total Tax Rates Per \$100 Valuation | \$ 0.06173 | \$ 0.08000 | \$ 0.08000 | \$ 0.07967 |
| Original Tax Levy: | \$ 95,097,599 | \$ 112,895,000 | \$ 104,385,000 | \$ 98,620,000 |
| Percent of Taxes Collected to Taxes Levied* | 97.4% | 96.2% | 95.9% | 96.2% |

* Calculated as taxes collected in current and previous years divided by tax levy.

(Continued)

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
ANALYSIS OF TAXES LEVIED AND RECEIVABLE
For The Year Ended February 28, 2001
Schedule 4
(Unaudited)

TAX RATE FOR ANY OTHER SPECIAL DISTRICT WHICH (A) ENCOMPASSES LESS THAN A COUNTY, (B) PROVIDES WATER, WASTEWATER COLLECTION, DRAINAGE OR ROADS TO PROPERTY IN THE DISTRICT AND TAXES PROPERTY IN THE DISTRICT.

| Name of Special District(s) | Service Provided | Tax Rate |
|--------------------------------------|------------------|----------|
| | NOT AVAILABLE | |
| Total Rate(s) of Special District(s) | | 0 |

TAX RATES FOR ALL OVERLAPPING JURISDICTIONS. Include any taxing entities which overlap **10% or more** of the district.

| TAXING JURISDICTION | TAX RATE (Per \$100 valuation) |
|--|-----------------------------------|
| a. County - Harris | 0.35902 |
| b. Cities (see Attachment A) | 0.1200 - 1.0713 |
| c. School Districts (see Attachment A) | 1.5190 - 1.8675 |
| d. Community Colleges (see Attachment A) | 0.1100 |
| e. Special District(s) not included above: | - |
| f. Total District (from previous page) | 0.06173 |
| Total Overlapping tax rate | 2.16975 - 3.46955 |

(Continued)

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF TAXES LEVIED AND RECEIVABLE
For The Year Ended February 28, 2001
Schedule 4 - Attachment A
(Unaudited)**

| Entity | Property Tax Rate | As Of |
|---------------------------------------|----------------------|---------|
| <u>Cities:</u> | | |
| Baytown | 0.7370 | 9/30/00 |
| Bellaire | 0.4900 | 9/30/00 |
| Bunker Hill Village | 0.3323 | 1/31/01 |
| Deer Park | 0.7000 | 9/30/00 |
| El Lago | 0.4226 | 2/16/01 |
| Friendswood | 0.6385 | 9/30/00 |
| Galena Park | 1.0713 | 9/30/00 |
| Hedwig Village | 0.1764 | 3/16/01 |
| Houston | 0.6650 | 6/30/00 |
| Humble | 0.2006 | 9/30/00 |
| Jacinto City | 0.9660 | 2/28/01 |
| Jersey Village | 0.6750 | 9/30/00 |
| Katy | 0.6147 | 9/30/00 |
| LaPorte | 0.7100 | 9/30/00 |
| League City | 0.6675 | 9/30/00 |
| Missouri City | 0.9599 | 2/28/01 |
| Morgan's Point | 0.2700 | 9/30/00 |
| Nassau Bay | 0.5941 | 9/30/00 |
| Pasadena | 0.5790 | 6/30/00 |
| Pearland | 0.6950 | 1/31/01 |
| Seabrook | 0.5841 | 9/30/00 |
| South Houston | 0.6909 | 9/30/99 |
| Southside Place | 0.2214 | 1/31/01 |
| Taylor Lake Village | 0.3870 | 9/30/00 |
| Tomball | 0.3425 | 9/30/00 |
| Webster | 0.2600 | 2/28/01 |
| West University Place | 0.1200 | 2/28/01 |
| <u>School Districts:</u> | | |
| Aldine I.S.D. | 1.5190 | 2/28/01 |
| Alief I.S.D. | 1.6400 | 8/31/00 |
| Channelview I.S.D. | 1.6100 | 8/31/00 |
| Clear Creek I.S.D. | 1.7008 | 8/31/00 |
| Crosby I.S.D. | 1.6800 | 8/31/00 |
| Cypress-Fairbanks I.S.D. | 1.7090 | 8/31/00 |
| Deer Park I.S.D. | 1.6900 | 2/15/01 |
| Galena Park I.S.D. | 1.6135 | 8/31/00 |
| Goose Creek I.S.D. | 1.6610 | 8/31/00 |
| Houston I.S.D. | 1.5190 | 8/31/00 |
| Huffman I.S.D. | 1.7400 | 8/31/00 |
| Humble I.S.D. | 1.7112 | 8/31/00 |
| Katy I.S.D. | 1.8675 | 8/31/00 |
| Klein I.S.D. | 1.6700 | 1/30/01 |
| LaPorte I.S.D. | 1.6300 | 8/31/00 |
| North Forest I.S.D. | 1.7444 | 8/31/00 |
| Pasadena I.S.D. | 1.5200 | 8/31/00 |
| Pearland I.S.D. | 1.6500 | 2/28/01 |
| Sheldon I.S.D. | 1.5630 | 8/31/00 |
| Spring I.S.D. | 1.6900 | 8/31/00 |
| Spring Branch I.S.D. | 1.7900 | 8/31/00 |
| Tomball I.S.D. | 1.5900 | 8/31/00 |
| Waller I.S.D. | 1.6200 | 8/31/00 |
| <u>Community Colleges:</u> | | |
| North Harris Montgomery Comm. College | 0.1100 | 8/31/00 |
| San Jacinto Junior College | 0.1100 | 8/31/00 |

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
For The Year Ended February 28, 2001**

**Schedule 5
(Unaudited)**

| | Balances at Beginning of Year March 1, 2000 | Additions | Deletions | Balances at End of Year February 28, 2001 |
|------------------------------------|--|-----------------------|-------------------------|--|
| PHYSICAL FACILITIES: | | | | |
| Buildings | \$ 5,059,730 | \$ - | \$ - | \$ 5,059,730 |
| Land and Easements | 785,071 | 26,040,722 | - | 26,825,793 |
| Flood Control Project Improvements | 788,632,198 | 104,494,020 | - | 893,126,218 |
| Other Improvements | 1,200,668 | - | - | 1,200,668 |
| Equipment | 8,981,456 | 2,401,287 | (1,980,451) | 9,402,292 |
| Construction in Progress | 103,627,674 | 11,368,387 | (104,494,020) | 10,502,041 |
| TOTAL PHYSICAL FACILITIES | <u>\$ 908,286,797</u> | <u>\$ 144,304,416</u> | <u>\$ (106,474,471)</u> | <u>\$ 946,116,742</u> |
| TOTAL GENERAL FIXED ASSETS | <u>\$ 908,286,797</u> | <u>\$ 144,304,416</u> | <u>\$ (106,474,471)</u> | <u>\$ 946,116,742</u> |
| AMOUNT PROVIDED BY: | | | | |
| Capital Projects Fund: | \$ 843,645,363 | \$ 6,236,856 | \$ (104,494,020) | \$ 745,388,199 |
| General Fund: | 64,641,434 | 138,067,560 | (1,980,451) | 200,728,543 |
| TOTAL AMOUNT PROVIDED | <u>\$ 908,286,797</u> | <u>\$ 144,304,416</u> | <u>\$ (106,474,471)</u> | <u>\$ 946,116,742</u> |

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF GENERAL LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEAR
For The Year Ended February 28, 2001
Schedule 6
(Unaudited)

Annual Requirements for All Series

| Due During Fiscal Years Ending | Total Principal Due | Total Interest Due | Total Principal and Interest Due |
|-----------------------------------|---------------------------|--------------------------|--|
| 2002 | \$ 20,244,282 | \$ 17,148,324 | \$ 37,392,606 |
| 2003 | 15,534,644 | 19,061,595 | 34,596,239 |
| 2004 | 19,565,000 | 4,661,043 | 24,226,043 |
| 2005 | 18,215,000 | 3,578,307 | 21,793,307 |
| 2006 | 14,790,000 | 2,542,944 | 17,332,944 |
| 2007 | 12,645,000 | 1,743,124 | 14,388,124 |
| 2008 | 3,975,287 | 9,497,369 | 13,472,656 |
| 2009 | 2,928,864 | 6,951,292 | 9,880,156 |
| 2010 | 3,732,889 | 5,659,767 | 9,392,656 |
| 2011 | 3,208,921 | 3,777,279 | 6,986,200 |
| 2012 | 2,824,024 | 1,855,720 | 4,679,744 |
| 2013 | 3,880,000 | 588,287 | 4,468,287 |
| 2014 | 3,880,000 | 391,081 | 4,271,081 |
| 2015 | 2,565,000 | 193,875 | 2,758,875 |
| 2016 | 1,250,000 | 64,063 | 1,314,063 |
| | <u>\$ 129,238,911</u> | <u>\$ 77,714,070</u> | <u>\$ 206,952,981</u> |

(Continued)

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF GENERAL LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEAR
For The Year Ended February 28, 2001
Schedule 6
(Unaudited)

| | Series 1989-B | | |
|----------------------------------|---------------------------|--------------------------------|--------------|
| Due During Fiscal Year Ending | Principal Due 05/01 | Interest Due 05/01,11/01 | Total |
| 2002 | \$ 1,000,000 | \$ 33,750 | \$ 1,033,750 |
| | \$ 1,000,000 | \$ 33,750 | \$ 1,033,750 |

(Continued)

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF GENERAL LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEAR
For The Year Ended February 28, 2001
Schedule 6
(Unaudited)**

| Due During Fiscal Years Ending | Series 1991 | | |
|-----------------------------------|---------------------------|--------------------------------|----------------------|
| | Principal Due 10/01 | Interest Due 04/01,10/01 | Total |
| 2002 | \$ 7,714,282 | \$ 12,957,351 | \$ 20,671,633 |
| 2003 | 5,939,644 | 15,588,515 | 21,528,159 |
| 2004 | 10,000,000 | 1,675,625 | 11,675,625 |
| 2005 | 9,635,000 | 1,063,125 | 10,698,125 |
| 2006 | 6,200,000 | 460,937 | 6,660,937 |
| 2007 | 1,175,000 | 73,438 | 1,248,438 |
| | <u>\$ 40,663,926</u> | <u>\$ 31,818,991</u> | <u>\$ 72,482,917</u> |

(Continued)

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF GENERAL LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEAR
For The Year Ended February 28, 2001**

**Schedule 6
(Unaudited)**

| Due During Fiscal Years Ending | Series 1992-A | | |
|-----------------------------------|---------------------------|--------------------------------|----------------------|
| | Principal Due 10/01 | Interest Due 04/01,10/01 | Total |
| 2002 | \$ 1,315,000 | \$ 669,664 | \$ 1,984,664 |
| 2003 | 1,315,000 | 575,970 | 1,890,970 |
| 2004 | 1,315,000 | 490,495 | 1,805,495 |
| 2005 | 1,315,000 | 414,225 | 1,729,225 |
| 2006 | - | 336,969 | 336,969 |
| 2007 | - | 336,969 | 336,969 |
| 2008 | - | 336,969 | 336,969 |
| 2009 | - | 336,969 | 336,969 |
| 2010 | 1,315,000 | 336,969 | 1,651,969 |
| 2011 | 1,315,000 | 269,575 | 1,584,575 |
| 2012 | 1,315,000 | 202,181 | 1,517,181 |
| 2013 | 1,315,000 | 134,787 | 1,449,787 |
| 2014 | 1,315,000 | 67,394 | 1,382,394 |
| | <u>\$ 11,835,000</u> | <u>\$ 4,509,136</u> | <u>\$ 16,344,136</u> |

(Continued)

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF GENERAL LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEAR
For The Year Ended February 28, 2001
Schedule 6
(Unaudited)**

| Due During Fiscal Years Ending | Series 1992-B | | |
|-----------------------------------|---------------------------|--------------------------------|----------------------|
| | Principal Due 10/01 | Interest Due 04/01,10/01 | Total |
| 2002 | \$ 1,315,000 | \$ 529,287 | \$ 1,844,287 |
| 2003 | 1,315,000 | 437,238 | 1,752,238 |
| 2004 | 1,315,000 | 348,475 | 1,663,475 |
| 2005 | 1,315,000 | 273,520 | 1,588,520 |
| 2006 | - | 197,250 | 197,250 |
| 2007 | - | 197,250 | 197,250 |
| 2008 | - | 197,250 | 197,250 |
| 2009 | - | 197,250 | 197,250 |
| 2010 | - | 197,250 | 197,250 |
| 2011 | - | 197,250 | 197,250 |
| 2012 | - | 197,250 | 197,250 |
| 2013 | 1,315,000 | 197,250 | 1,512,250 |
| 2014 | 1,315,000 | 131,500 | 1,446,500 |
| 2015 | 1,315,000 | 65,750 | 1,380,750 |
| | <u>\$ 9,205,000</u> | <u>\$ 3,363,770</u> | <u>\$ 12,568,770</u> |

(Continued)

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF GENERAL LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEAR
For The Year Ended February 28, 2001
Schedule 6
(Unaudited)**

| Due During Fiscal Years Ending | Series 1993 | | Total |
|-----------------------------------|---------------------------|--------------------------------|-----------------------|
| | Principal Due 10/01 | Interest Due 04/01,10/01 | |
| 2002 | \$ 8,900,000 | \$ 2,958,272 | \$ 11,858,272 |
| 2003 | 6,965,000 | 2,459,872 | 9,424,872 |
| 2004 | 6,935,000 | 2,146,448 | 9,081,448 |
| 2005 | 5,950,000 | 1,827,437 | 7,777,437 |
| 2006 | 8,590,000 | 1,547,788 | 10,137,788 |
| 2007 | 11,470,000 | 1,135,467 | 12,605,467 |
| 2008 | 3,975,287 | 8,963,150 | 12,938,437 |
| 2009 | 2,928,864 | 6,417,073 | 9,345,937 |
| 2010 | 2,417,889 | 5,125,548 | 7,543,437 |
| 2011 | 1,893,921 | 3,310,454 | 5,204,375 |
| 2012 | 1,509,024 | 1,456,289 | 2,965,313 |
| 2013 | 1,250,000 | 256,250 | 1,506,250 |
| 2014 | 1,250,000 | 192,187 | 1,442,187 |
| 2015 | 1,250,000 | 128,125 | 1,378,125 |
| 2016 | 1,250,000 | 64,063 | 1,314,063 |
| | <u>\$ 66,534,985</u> | <u>\$ 37,988,423</u> | <u>\$ 104,523,408</u> |

(Continued)

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT
For The Year Ended February 28, 2001
Schedule 7
(Unaudited)**

| | Bond Issues | | | | | | | | Total |
|--|------------------|------------------|---------------------|------------------|----------------------|----------------------|---------------------|----------------------|-----------------------|
| | Series 1988-A | Series 1989-A | Series 1989-B | Series 1989-C | Series 1991 | Series 1992-A | Series 1992-B | Series 1993 | |
| Interest Rate | 7.318750% | 7.078730% | 6.743629% | 7.108511% | 6.387350% | 5.868667% | 5.911076% | 4.937829% | |
| Dates Interest Payable | 05/01;11/01 | 05/01;11/01 | 05/01;11/01 | 05/01;11/01 | 04/01;10/01 | 04/01;10/01 | 04/01;10/01 | 04/01;10/01 | |
| Maturity Dates | 5/1/99 | 5/1/99 | 5/1/01 | 11/1/99 | 10/1/06 | 10/1/13 | 10/1/14 | 10/1/15 | |
| Bonds Outstanding at March 1, 2000 | \$ - | \$ - | \$ 2,000,000 | \$ - | \$ 50,279,168 | \$ 13,150,000 | \$ 10,520,000 | \$ 75,459,985 | \$ 151,409,153 |
| Bonds Sold During the Current Year: 2000-2001 | - | - | - | - | - | - | - | - | - |
| Retirements During the Current: 2000-2001 | - | - | 1,000,000 | - | 9,615,242 | 1,315,000 | 1,315,000 | 8,925,000 | 22,170,242 |
| Bonds Outstanding at February 28, 2001 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,000,000</u> | <u>\$ -</u> | <u>\$ 40,663,926</u> | <u>\$ 11,835,000</u> | <u>\$ 9,205,000</u> | <u>\$ 66,534,985</u> | <u>\$ 129,238,911</u> |
| Interest Paid During the Current Year - 2000-2001 | <u>\$ 20,429</u> | <u>\$ 20,300</u> | <u>\$ 101,250</u> | <u>\$ 6,324</u> | <u>\$ 17,429,618</u> | <u>\$ 763,358</u> | <u>\$ 621,338</u> | <u>\$ 3,449,148</u> | <u>\$ 22,411,765</u> |

| Paying Agent's | Name | City |
|----------------|----------------------|--------------------|
| Series 1989-B | Chase Manhattan Bank | New York, New York |
| Series 1991 | Chase Manhattan Bank | New York, New York |
| Series 1992-A | Chase Manhattan Bank | New York, New York |
| Series 1992-B | Chase Manhattan Bank | New York, New York |
| Series 1993 | Chase Manhattan Bank | New York, New York |

Bond Authorization:

| | Tax Bonds |
|-----------------------------|----------------------|
| Amount Authorized By Voters | \$ 250,000,000 |
| Amount Issued | 155,000,000 |
| Remaining To Be Issued | <u>\$ 95,000,000</u> |

Debt Service Fund Cash and Investments balances as of February 28, 2001: \$ 36,652,969

Average Annual Debt Service Payment (Principal & Interest) for remaining term of all debt: \$ 13,796,865

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
COMPARATIVE SCHEDULE OF REVENUE AND EXPENDITURES-GENERAL FUND AND DEBT SERVICE FUNDS
Five Years Ended February 28, 2001
Schedule 8
(Unaudited)

| | AMOUNTS | | | | | PERCENT OF FUND COMPARED TO TOTAL REVENUES | | | | |
|--|-----------------------|-----------------------|----------------------|----------------------|-----------------------|--|---------------|---------------|---------------|---------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 | 2001 | 2000 | 1999 | 1998 | 1997 |
| General Fund: | | | | | | | | | | |
| Revenues: | | | | | | | | | | |
| Taxes | \$ 59,924,526 | \$ 67,864,044 | \$ 58,587,514 | \$ 32,661,282 | \$ 31,678,702 | 93.2% | 96.0% | 96.0% | 95.5% | 93.8% |
| Charges for services | 255,419 | 221,380 | - | - | - | 0.4% | 0.3% | 0.0% | 0.0% | 0.0% |
| Intergovernmental | 403,777 | - | 37,293 | - | - | 0.6% | 0.0% | 0.1% | 0.0% | 0.0% |
| Interest | 3,124,596 | 2,117,955 | 1,522,575 | 966,078 | 843,995 | 4.9% | 3.0% | 2.5% | 2.8% | 2.5% |
| Miscellaneous | 587,726 | 491,526 | 877,948 | 574,427 | 1,251,976 | 0.9% | 0.7% | 1.4% | 1.7% | 3.7% |
| Total Revenues | <u>\$ 64,296,044</u> | <u>\$ 70,694,905</u> | <u>\$ 61,025,330</u> | <u>\$ 34,201,787</u> | <u>\$ 33,774,673</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> |
| Expenditures: | | | | | | | | | | |
| Current Operating: | | | | | | | | | | |
| Flood Control | \$ 43,459,875 | \$ 36,201,146 | \$ 34,493,857 | \$ 28,064,716 | \$ 25,487,198 | 67.6% | 51.2% | 56.5% | 82.1% | 75.5% |
| Tax Administration | 875,413 | 875,052 | 800,000 | 718,375 | 787,078 | 1.4% | 1.2% | 1.3% | 2.1% | 2.3% |
| Capital Outlay | - | - | - | - | - | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total Expenditures | <u>\$ 44,335,288</u> | <u>\$ 37,076,198</u> | <u>\$ 35,293,857</u> | <u>\$ 28,783,091</u> | <u>\$ 26,274,276</u> | <u>69.0%</u> | <u>52.4%</u> | <u>57.8%</u> | <u>84.2%</u> | <u>77.9%</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 19,960,756</u> | <u>\$ 33,618,707</u> | <u>\$ 25,731,473</u> | <u>\$ 5,418,696</u> | <u>\$ 7,500,397</u> | <u>31.0%</u> | <u>47.6%</u> | <u>42.2%</u> | <u>15.8%</u> | <u>22.1%</u> |
| Debt Service Fund: | | | | | | | | | | |
| Revenues: | | | | | | | | | | |
| Taxes | \$ 33,224,416 | \$ 43,074,495 | \$ 44,841,381 | \$ 45,106,228 | \$ 37,983,622 | 93.6% | 96.5% | 96.8% | 97.2% | 96.5% |
| Intergovernmental | - | - | - | - | - | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Interest | 2,253,466 | 1,554,519 | 1,483,332 | 1,302,777 | 1,382,685 | 6.4% | 3.5% | 3.2% | 2.8% | 3.5% |
| Reimbursements | - | - | - | - | - | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Miscellaneous | - | - | - | 10 | - | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total Revenues | <u>\$ 35,477,882</u> | <u>\$ 44,629,014</u> | <u>\$ 46,324,713</u> | <u>\$ 46,409,015</u> | <u>\$ 39,366,307</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> |
| Expenditures: | | | | | | | | | | |
| Debt Service | | | | | | | | | | |
| Principal Retirement | \$ 22,170,242 | \$ 22,552,524 | \$ 31,849,968 | \$ 30,500,000 | \$ 32,340,000 | 62.5% | 50.5% | 68.8% | 65.7% | 82.2% |
| Interest and Fiscal Charges | 22,411,765 | 23,177,419 | 13,179,884 | 10,398,136 | 12,322,326 | 63.2% | 51.9% | 28.5% | 22.4% | 31.3% |
| Total Expenditures | <u>\$ 44,582,007</u> | <u>\$ 45,729,943</u> | <u>\$ 45,029,852</u> | <u>\$ 40,898,136</u> | <u>\$ 44,662,326</u> | <u>125.7%</u> | <u>102.4%</u> | <u>97.3%</u> | <u>88.1%</u> | <u>113.5%</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ (9,104,125)</u> | <u>\$ (1,100,929)</u> | <u>\$ 1,294,861</u> | <u>\$ 5,510,879</u> | <u>\$ (5,296,019)</u> | <u>-25.7%</u> | <u>-2.4%</u> | <u>2.7%</u> | <u>11.9%</u> | <u>-13.5%</u> |

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF INSURANCE COVERAGE**

For The Year Ended February 28, 2001

**Schedule 9
(Unaudited)**

| Type of Coverage | Amount of Coverage | Name | Type of Corporation Stock/Mutual | Policy Clause: Co-Insurance |
|----------------------------------|--|------------------|--|-----------------------------------|
| Crime: (\$5,000 deductible) | None - effective 2/28/2001 | | | |
| Employee Dishonesty | \$3,000,000 | Zurich Ins. Co. | Stock | No |
| Forgery/Alteration | \$3,000,000 | Zurich Ins. Co. | Stock | No |
| Theft/Disappearance | \$3,000,000 | Zurich Ins. Co. | Stock | No |
| Robbery/Safe Burglary | \$3,000,000 | Zurich Ins. Co. | Stock | No |
| Computer Fraud | \$3,000,000 | Zurich Ins. Co. | Stock | No |
| Counterfeit Currency | \$3,000,000 | Zurich Ins. Co. | Stock | No |
| Credit Card Forgery | \$3,000,000 | Zurich Ins. Co. | Stock | No |
| Liability (General): -0- deduct | Self insured; Section 101.021-Texas Civil Practice & Remedies Code | | | |
| Property (per occurrence) | \$100,000 | | | |
| Injury (per person) | \$100,000 | | | |
| Injury (per occurrence) | \$300,000 | | | |
| Liability (Auto): -0- deductible | Self insured; Section 101.021-Texas Civil Practice & Remedies Code | | | |
| Property (per occurrence) | \$100,000 | | | |
| Injury (per person) | \$100,000 | | | |
| Injury (per occurrence) | \$300,000 | | | |
| Property: (\$75,000 deductible) | Blanket catastrophic policy for District | | | |
| | In excess of | Coregis Ins. Co. | Stock | No |
| | \$1 billion | | | |

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
For The Year Ended February 28, 2001
Schedule 10
(Unaudited)**

Complete District Mailing Address: HCFCF 9900 NW Fwy Houston, Tx 77092

District Business Telephone Number: (713) 684-4000

| Names and Addresses: | Term of Office (Elected or Appointed) or Date Hired | Fees Feb 28, 2001 | Expense Reimbursements Feb 28, 2001 | Title at Year End | Resident of District |
|---|--|----------------------|---|--|----------------------------|
| Commissioners' Court acts as Board of Director for District | | | | | |
| Judge Robert Eckels 1001 Preston, Suite 911 Houston Texas 77002 | (Elected) 01/99 - 12/02 | N/A | N/A | County Judge | Yes |
| El Franco Lee 1001 Preston, 9th Fl Houston Texas 77002 | (Elected) 01/97 - 12/02 | N/A | N/A | Commissioner | Yes |
| Jim Fonteno 1001 Preston, 9th Fl Houston Texas 77002 | (Elected) 01/99 - 12/02 | N/A | N/A | Commissioner | Yes |
| Steve Radack 1001 Preston, 9th Fl Houston Texas 77002 | (Elected) 01/97 - 12/02 | N/A | N/A | Commissioner | Yes |
| Jerry Eversole 1001 Preston, 9th Fl Houston Texas 77002 | (Elected) 01/99 - 12/02 | N/A | N/A | Commissioner | Yes |
| Key Personnel: | | | | | |
| Authur Storey Jr. P.E. 1001 Preston, 7th Fl Houston Texas 77002 | (Appointed) 9/25/89 | N/A | N/A | Executive Director/ County Employee | Yes |
| Mike Talbott P.E. 9900 NW Fwy Houston, Tx 77092 | (Appointed) 5/18/81 | N/A | N/A | Director/ Employee | Yes |

(Continued)

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|--|--|----------------------|---|---|----------------------------|
| Michael Stafford 1019 Congress 15th Fl Houston Texas 77002 | (Elected) 03/01 - 12/02 | N/A | N/A | County Attorney | Yes |
| Paul Bettencourt 1001 Preston, 1th Fl Houston Texas 77002 | (Elected) | N/A | N/A | Tax Assessor & Collector of Taxes | Yes |
| Faye Christopher 1001 Preston, Rm 630 Houston, Texas 77002 | 12/1/85 | N/A | N/A | Investment Officer & Debt Manager County Employee | Yes |
| County Auditor | | | | | |
| Tommy Tompkins, CPA 1001 Preston, 8th Fl Houston Texas 77002 | (Appointed) 01/01 - 12/02 | N/A | N/A | County Auditor | Yes |
| Consultant | | | | | |
| Deloitte & Touche LLP 333 Clay St. Suite 2300 Houston, Texas 77002 | 3/21/01 | N/A | N/A | Independent Auditor | N/A |