




Harris County Municipal Utility District No. 284, of Harris County, Texas

**Independent Auditor's Report, Financial Statements,
and Supplementary Information**

August 31, 2025



**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Contents
August 31, 2025**

Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Statement of Net Position and Governmental Funds Balance Sheet	8
Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances	10
Notes to Financial Statements	11
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	22
Notes to Required Supplementary Information	23
Supplementary Information	
Other Schedules Included Within This Report	24
Schedule of Services and Rates	25
Schedule of General Fund Expenditures	26
Schedule of Temporary Investments	27
Analysis of Taxes Levied and Receivable	28
Schedules of Long-Term Debt Service Requirements by Years	30
Changes in Long-Term Bonded Debt	37
Comparative Schedules of Revenues and Expenditures – General Fund and Debt Service Fund – Five Years	38
Board Members, Key Personnel, and Consultants	40

Independent Auditor's Report

Board of Directors
Harris County Municipal Utility District No. 284,
of Harris County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 284, of Harris County, Texas (District), as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of August 31, 2025, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedules required by the Texas Commission on Environmental Quality listed in the table of contents are presented for purposes of additional analysis and are 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Forvis Mazars, LLP

Houston, Texas
January 11, 2026

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Management's Discussion and Analysis
Year Ended August 31, 2025**

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and by the District's state oversight agency, the Texas Commission on Environmental Quality (Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities that engage in a single governmental program, such as the provision of water, sanitary sewer, and drainage services. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements, and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets, liabilities, and deferred inflows and outflows of resources of the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position, and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period, and expenses are recorded even though they may not have used cash during the current year.

Although the statement of activities looks different from a commercial enterprise's statement of income, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as change in net position, essentially the same thing.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the general fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Management's Discussion and Analysis
Year Ended August 31, 2025**

Governmental Funds

Governmental-fund financial statements consist of a balance sheet and a statement of revenues, expenditures, and changes in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time but do not include capital assets such as land and water, sewer, and drainage systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's assets, liabilities, and deferred inflows and outflows of resources is labeled the fund balance and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

Because the focus of the government-wide and fund financial statements is different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in the notes to financial statements that describes the adjustments to fund balances to arrive at net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in the notes to financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position, as reported in the governmental activities column in the statement of activities.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data found in the government-wide and fund financial statements.

Financial Analysis of the District as a Whole

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements:

Summary of Net Position

	2025	2024
Current and other assets	\$ 6,381,330	\$ 10,734,102
Capital assets	16,997,634	7,550,852
Total assets	23,378,964	18,284,954
Deferred outflows of resources	216,912	239,739
Total assets and deferred outflows of resources	\$ 23,595,876	\$ 18,524,693
Long-term liabilities	\$ 25,110,714	\$ 20,760,848
Other liabilities	1,135,199	689,143
Total liabilities	26,245,913	21,449,991

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Management's Discussion and Analysis
Year Ended August 31, 2025**

Summary of Net Position (Continued)

	<u>2025</u>	<u>2024</u>
Net position		
Net investment in capital assets	\$ (8,323,743)	(8,404,616)
Restricted	2,437,790	2,020,094
Unrestricted	<u>3,235,916</u>	<u>3,459,224</u>
Total net position	<u>\$ (2,650,037)</u>	<u>\$ (2,925,298)</u>

The total net position of the District increased by \$275,261, or about 9%. The majority of the increase in net position is related to tax revenues intended to pay principal on the District's bonded indebtedness, which is included in long-term liabilities in the government-wide financial statements. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At August 31, 2025, the net investment in capital assets was \$(8,323,743). This amount was negative because not all expenditures from long-term debt were for the acquisition of capital assets. Within Harris County, the county government assumes the maintenance and other incidents of ownership of most storm sewer facilities constructed by the District. Accordingly, these assets are not recorded in the financial statements of the District.

Summary of Changes in Net Position

	<u>2025</u>	<u>2024</u>
Revenues		
Property taxes	\$ 2,410,120	\$ 2,256,927
Charges for services	1,557,262	1,532,670
Other revenues	<u>623,988</u>	<u>477,873</u>
Total revenues	<u>4,591,370</u>	<u>4,267,470</u>
Expenses		
Services	3,150,406	2,383,297
Depreciation	581,775	481,999
Debt service	<u>583,928</u>	<u>777,678</u>
Total expenses	<u>4,316,109</u>	<u>3,642,974</u>
Change in net position	275,261	624,496
Net position, beginning of year	<u>(2,925,298)</u>	<u>(3,549,794)</u>
Net position, end of year	<u>\$ (2,650,037)</u>	<u>\$ (2,925,298)</u>

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended August 31, 2025 were \$5,168,041, a decrease of \$4,844,166 from the prior year.

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Management's Discussion and Analysis
Year Ended August 31, 2025**

The general fund's fund balance decreased by \$227,283 due to service operations and capital outlay expenditures exceeding property taxes and service revenues and investment income.

The debt service fund's fund balance increased by \$80,092 due to property tax revenues and investment income being greater than bond principal and interest requirements and contracted services expenditures.

The capital projects fund's fund balance decreased by \$4,696,975 primarily due to capital outlay expenditures exceeding investment income.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to property tax revenues and professional fees and repairs and maintenance expenditures being greater than anticipated, as well as regional water fee revenues and capital outlay expenditures being less than anticipated. The fund balance as of August 31, 2025 was expected to be \$3,162,897, and the actual end-of-year fund balance was \$3,213,376.

Capital Assets and Related Debt

Capital Assets

Capital assets held by the District at the end of the current and previous fiscal years are summarized below:

Capital Assets (Net of Accumulated Depreciation)

	<u>2025</u>	<u>2024</u>
Land and improvements	\$ 36,488	\$ 36,488
Construction in progress	5,852,143	877,505
Water facilities	2,633,609	2,823,798
Wastewater facilities	3,533,784	3,813,061
Drainage facilities	4,941,610	-
	<u>\$ 16,997,634</u>	<u>\$ 7,550,852</u>
Total capital assets	<u>\$ 16,997,634</u>	<u>\$ 7,550,852</u>

During the current year, additions to capital assets were as follows:

Construction in progress related to the administrative building and recreational facilities	\$ 4,974,638
Storm sewer facilities to serve Weingarten Bear Creek 59.7 acre tract at Fry Road and Clay Road	5,053,919
	<u>5,053,919</u>
Total additions	<u>\$ 10,028,557</u>

Debt

The changes in the debt position of the District during the fiscal year ended August 31, 2025 are summarized as follows.

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Management's Discussion and Analysis
Year Ended August 31, 2025**

Long-term debt payable, beginning of year	\$ 20,760,848
Increases in long-term debt	5,053,919
Decreases in long-term debt	<u>(704,053)</u>
Long-term debt payable, end of year	<u><u>\$ 25,110,714</u></u>

A developer of the District has constructed facilities on behalf of the District under the terms of contracts with the District. The District has agreed to reimburse the developer for these facilities from the proceeds of future bond issues subject to the approval of the Commission. At August 31, 2025, a liability for developer-constructed capital assets of \$7,336,750 was recorded in the government-wide financial statements.

At August 31, 2025, the District had \$31,840,000 of unlimited tax bonds authorized, but unissued, for the purpose of acquiring and constructing facilities for improving the water, sanitary sewer, and drainage systems within the District; and \$6,450,000 of unlimited tax bonds authorized, but unissued, for the purpose of acquiring and constructing recreational facilities within the District.

The District's bonds carry an underlying rating of "BBB+" from Standard & Poor's. The Series 2017, Refunding Series 2019, Series 2024, and Park Series 2024A bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Assured Guaranty Inc. The Refunding Series 2021A and Refunding Series 2021B bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Build America Mutual Assurance Company.

Other Relevant Factors

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (City), the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City without the District's consent. If the District is annexed, the City must assume the District's assets and obligations (including the bonded indebtedness) and abolish the District within 90 days.

Contingencies

A developer of the District is constructing facilities within the boundaries of the District. The District has agreed to reimburse the developer for these costs plus interest from the proceeds of future bond sales, to the extent approved by the Commission. The District's engineer has stated that current construction amounts are approximately \$502,700. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Statement of Net Position and Governmental Funds Balance Sheet
August 31, 2025**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 265,926	\$ 61,422	\$ 846	\$ 328,194	\$ -	\$ 328,194
Certificates of deposit	1,175,000	235,000	-	1,410,000	-	1,410,000
Short-term investments	2,301,249	1,448,511	638,523	4,388,283	-	4,388,283
Receivables						
Property taxes	22,540	32,187	-	54,727	-	54,727
Service accounts	102,869	-	-	102,869	-	102,869
Accrued penalty and interest	-	-	-	-	23,363	23,363
Accrued interest	19,582	9,909	-	29,491	-	29,491
Interfund receivables	9,329	-	98	9,427	(9,427)	-
Due from others	26,924	-	-	26,924	-	26,924
Prepaid expenditures	17,479	-	-	17,479	-	17,479
Capital assets (net of accumulated depreciation)						
Land and improvements	-	-	-	-	36,488	36,488
Construction in progress	-	-	-	-	5,852,143	5,852,143
Infrastructure	-	-	-	-	11,109,003	11,109,003
Total Assets	3,940,898	1,787,029	639,467	6,367,394	17,011,570	23,378,964
Deferred Outflows of Resources						
Deferred amount on debt refundings	-	-	-	-	216,912	216,912
Total Assets and Deferred Outflows of Resources	\$ 3,940,898	\$ 1,787,029	\$ 639,467	\$ 6,367,394	\$ 17,228,482	\$ 23,595,876

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Statement of Net Position and Governmental Funds Balance Sheet
August 31, 2025**

(Continued)

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	\$ 316,494	\$ 394	\$ 41,224	\$ 358,112	\$ -	\$ 358,112
Retainage payable	-	-	388,697	388,697	-	388,697
Customer deposits	171,418	-	-	171,418	-	171,418
Due to others	8,400	-	-	8,400	-	8,400
Unearned tap connection fees	208,572	-	-	208,572	-	208,572
Interfund payables	98	9,329	-	9,427	(9,427)	-
Long-term liabilities						
Due within one year	-	-	-	-	705,000	705,000
Due after one year	-	-	-	-	24,405,714	24,405,714
Total Liabilities	704,982	9,723	429,921	1,144,626	25,101,287	26,245,913
Deferred Inflows of Resources						
Deferred property tax revenues	22,540	32,187	-	54,727	(54,727)	-
Fund Balances/Net Position						
Fund balances						
Nonspendable, prepaid expenditures	17,479	-	-	17,479	(17,479)	-
Restricted						
Unlimited tax bonds	-	1,745,119	-	1,745,119	(1,745,119)	-
Water, sewer, and drainage	-	-	209,515	209,515	(209,515)	-
Parks and recreational	-	-	31	31	(31)	-
Assigned, future expenditures	73,944	-	-	73,944	(73,944)	-
Unassigned	3,121,953	-	-	3,121,953	(3,121,953)	-
Total fund balances	3,213,376	1,745,119	209,546	5,168,041	(5,168,041)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,940,898	\$ 1,787,029	\$ 639,467	\$ 6,367,394		
Net position						
Net investment in capital assets					(8,323,743)	(8,323,743)
Restricted for debt service					1,800,669	1,800,669
Restricted for capital projects					637,121	637,121
Unrestricted					3,235,916	3,235,916
Total net position					\$ (2,650,037)	\$ (2,650,037)

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Statement of Activities and Governmental Funds Revenues,
Expenditures, and Changes in Fund Balances
Year Ended August 31, 2025**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	\$ 1,088,104	\$ 1,312,991	\$ -	\$ 2,401,095	\$ 9,025	\$ 2,410,120
Water service	320,722	-	-	320,722	-	320,722
Sewer service	726,523	-	-	726,523	-	726,523
Regional water fee	510,017	-	-	510,017	-	510,017
Penalty and interest	59,324	32,182	-	91,506	5,285	96,791
Tap connection and inspection fees	117,991	-	-	117,991	-	117,991
Investment income	160,742	99,562	139,122	399,426	-	399,426
Other income	9,780	-	-	9,780	-	9,780
Total Revenues	2,993,203	1,444,735	139,122	4,577,060	14,310	4,591,370
Expenditures/Expenses						
Service operations						
Regional water authority	590,798	-	-	590,798	-	590,798
Professional fees	289,058	17,627	-	306,685	16,158	322,843
Contracted services	882,779	36,627	-	919,406	663	920,069
Utilities	154,601	-	-	154,601	-	154,601
Repairs and maintenance	798,480	-	-	798,480	144,228	942,708
Other expenditures	157,997	19,167	101	177,265	-	177,265
Tap connections	42,122	-	-	42,122	-	42,122
Capital outlay	304,651	-	4,831,036	5,135,687	(5,135,687)	-
Depreciation	-	-	-	-	581,775	581,775
Debt service						
Principal retirement	-	690,000	-	690,000	(690,000)	-
Interest and fees	-	601,222	-	601,222	(22,254)	578,968
Debt issuance costs	-	-	4,960	4,960	-	4,960
Total Expenditures/Expenses	3,220,486	1,364,643	4,836,097	9,421,226	(5,105,117)	4,316,109
Excess (Deficiency) of Revenues Over Expenditures	(227,283)	80,092	(4,696,975)	(4,844,166)	4,844,166	
Change in Net Position					275,261	275,261
Fund Balances/Net Position						
Beginning of year	3,440,659	1,665,027	4,906,521	10,012,207	-	(2,925,298)
End of year	<u>\$ 3,213,376</u>	<u>\$ 1,745,119</u>	<u>\$ 209,546</u>	<u>\$ 5,168,041</u>	<u>\$ -</u>	<u>\$ (2,650,037)</u>

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Harris County Municipal Utility District No. 284, of Harris County, Texas (District), was created by an order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (Commission), effective July 9, 1985, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code, as amended, 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, and drainage facilities and to provide such facilities and services to the customers of the District.

The District is governed by a Board of Directors (Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for which the District is considered to be financially accountable. Accountability is defined as the District's substantive appointment of the voting majority of the component unit's governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

Government-Wide and Fund Financial Statements

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities that engage in a single governmental program, such as the provision of water, wastewater, drainage, and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, charges for services, and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District.

The fund financial statements provide information about the District's governmental funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental funds:

General Fund – The general fund is the primary operating fund of the District, which accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, charges for services, and interest income.

Debt Service Fund – The debt service fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for principal and interest related costs, as well as the financial resources being accumulated for future debt service.

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Notes to Financial Statements
August 31, 2025**

Capital Projects Fund – The capital projects fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays.

Fund Balances – Governmental Funds

The fund balances for the District's governmental funds can be displayed in up to five components:

Nonspendable – Amounts that are not in a spendable form or are required to be maintained intact.

Restricted – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by issuance of a resolution by the District's Board.

Assigned – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – The residual classification for the general fund and includes all amounts not contained in the other classifications.

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as liabilities. Intergovernmental revenues are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted.

Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures, and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures, and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Notes to Financial Statements
August 31, 2025**

accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services, and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

Interfund Transactions

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Pension Costs

The District does not participate in a pension plan and, therefore, has no pension costs.

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, liabilities, deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Investments and Investment Income

Investments in certificates of deposit, U.S. Government and agency securities, and certain pooled funds, which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

Property Taxes

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes and penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended August 31, 2025 include collections during the current period or within 60 days of year-end related to the 2024 and prior years' tax levies.

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Notes to Financial Statements
August 31, 2025**

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District’s fiscal year ended August 31, 2025, the 2024 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of \$5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives is not capitalized.

The county government has assumed the maintenance and other incidents of ownership of storm sewer facilities constructed by the District. Accordingly, these assets are not recorded in the financial statements of the District.

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

Water production and distribution facilities	10–45 years
Wastewater collection and treatment facilities	10–45 years
Drainage facilities	10–45 years

Deferred Amount on Debt Refundings

In the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt in a debt refunding is deferred and amortized to interest expense using the effective interest rate method over the remaining life of the old debt or the life of the new debt, whichever is shorter. Such amounts are classified as deferred outflows or inflows of resources.

Debt Issuance Costs

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and, therefore, are recognized as an expense/expenditure in the period incurred.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on bonds are recognized as a component of long-term liabilities and amortized over the life of the related debt using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts on bonds during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Notes to Financial Statements
August 31, 2025**

Net Position/Fund Balances

Fund balances and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

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

Reconciliation of Government-Wide and Fund Financial Statements

Amounts reported for net position of governmental activities in the statement of net position and fund balances in the governmental funds balance sheet are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	\$ 16,997,634
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	54,727
Penalty and interest on delinquent taxes are not receivable in the current period and are not reported in the funds.	23,363
Deferred amount on debt refundings for governmental activities is not considered financial resources and is not reported in the funds.	216,912
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	<u>(25,110,714)</u>
Adjustment to fund balances to arrive at net position.	<u>\$ (7,818,078)</u>

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balances in the governmental funds statement of revenues, expenditures, and changes in fund balances because of the following:

Change in fund balances.	\$ (4,844,166)
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation expense and noncapitalized costs in the current period.	4,392,863

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Notes to Financial Statements
August 31, 2025**

Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.	\$ 690,000
Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported as revenues in the statement of activities.	14,310
Some expenses paid in the current year, which have previously been reported in the statement of activities, are reported as expenditures in the governmental funds.	<u>22,254</u>
Change in net position of governmental activities.	<u><u>\$ 275,261</u></u>

Note 2. Deposits, Investments, and Investment Income

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies, or instrumentalities of the State of Texas; or certain collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.

At August 31, 2025, none of the District's bank balances were exposed to custodial credit risk.

Investments

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, obligations of states, agencies, and counties and other political subdivisions with an investment rating not less than "A," insured or collateralized certificates of deposit, and certain bankers' acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts, and investment pools.

The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas CLASS, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Trustees, elected by the participants, has oversight of Texas CLASS. The District's investments may be redeemed at any time. Texas CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques and limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organization. The District's investments in Texas CLASS are reported at net asset value.

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Notes to Financial Statements
August 31, 2025**

At August 31, 2025, the District had the following investments and maturities:

Type	Maturities in Years				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
Texas CLASS	<u>\$ 4,388,283</u>	<u>\$ 4,388,283</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years, and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At August 31, 2025, the District's investments in Texas CLASS were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet at August 31, 2025 as follows:

Carrying value	
Deposits	\$ 1,738,194
Investments	<u>4,388,283</u>
Total	<u>\$ 6,126,477</u>

Included in the following statement of net position captions:

Cash	\$ 328,194
Certificates of deposit	1,410,000
Short-term investments	<u>4,388,283</u>
Total	<u>\$ 6,126,477</u>

Investment Income

Investment income of \$399,426 for the year ended August 31, 2025 consisted of interest income.

Fair Value Measurements

The District has the following recurring fair value measurements as of August 31, 2025:

- Pooled investments of \$4,388,283 are valued at fair value per share of the pool's underlying portfolio.

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Notes to Financial Statements
August 31, 2025**

Note 3. Capital Assets

A summary of changes in capital assets for the year ended August 31, 2025 is presented as follows:

Governmental Activities	Balances, Beginning of Year	Additions	Balances, End of Year
Capital assets, non-depreciable			
Land and improvements	\$ 36,488	\$ -	\$ 36,488
Construction in progress	877,505	4,974,638	5,852,143
Total capital assets, non-depreciable	913,993	4,974,638	5,888,631
Capital assets, depreciable			
Water production and distribution facilities	5,854,448	-	5,854,448
Wastewater collection and treatment facilities	8,605,776	-	8,605,776
Drainage facilities	-	5,053,919	5,053,919
Total capital assets, depreciable	14,460,224	5,053,919	19,514,143
Less accumulated depreciation			
Water production and distribution facilities	(3,030,650)	(190,189)	(3,220,839)
Wastewater collection and treatment facilities	(4,792,715)	(279,277)	(5,071,992)
Drainage facilities	-	(112,309)	(112,309)
Total accumulated depreciation	(7,823,365)	(581,775)	(8,405,140)
Total governmental activities, net	<u>\$ 7,550,852</u>	<u>\$ 9,446,782</u>	<u>\$ 16,997,634</u>

Note 4. Long-Term Liabilities

Changes in long-term liabilities for the year ended August 31, 2025 were as follows:

Governmental Activities	Balances, Beginning of Year	Increases	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable					
General obligation bonds	\$ 18,495,000	\$ -	\$ 690,000	\$ 17,805,000	\$ 705,000
Add premiums on bonds	201,567	-	19,236	182,331	-
Less discounts on bonds	218,550	-	5,183	213,367	-
	18,478,017	-	704,053	17,773,964	705,000
Due to developer	2,282,831	5,053,919	-	7,336,750	-
Total governmental activities long-term liabilities	<u>\$ 20,760,848</u>	<u>\$ 5,053,919</u>	<u>\$ 704,053</u>	<u>\$ 25,110,714</u>	<u>\$ 705,000</u>

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Notes to Financial Statements
August 31, 2025**

General Obligation Bonds

	Series 2017	Refunding Series 2019
Amounts outstanding, August 31, 2025	\$2,125,000	\$2,610,000
Interest rates	3.00% to 5.00%	2.50% to 3.00%
Maturity dates, serially beginning/ending	September 1, 2026/2039	September 1, 2026/2034
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	September 1, 2024	September 1, 2024
	Refunding Series 2021A	Refunding Series 2021B
Amounts outstanding, August 31, 2025	\$5,775,000	\$1,595,000
Interest rates	2.00% to 3.00%	2.50% to 3.00%
Maturity dates, serially beginning/ending	September 1, 2026/2033	September 1, 2026/2036
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	September 1, 2026	September 1, 2026
	Series 2024	Park Series 2024A
Amounts outstanding, August 31, 2025	\$3,150,000	\$2,550,000
Interest rates	4.25% to 5.00%	4.25% to 5.00%
Maturity dates, serially beginning/ending	September 1, 2040/2050	September 1, 2040/2050
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	September 1, 2029	September 1, 2029

*Or any date thereafter; callable at par plus accrued interest to the date of redemption.

Annual Debt Service Requirements

The District has been paying the amount due September 1 within the fiscal year preceding this due date and the following schedule has been prepared assuming that this practice will be followed in future years. The schedule

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Notes to Financial Statements
August 31, 2025**

shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at August 31, 2025:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 705,000	\$ 547,912	\$ 1,252,912
2027	1,005,000	526,263	1,531,263
2028	1,025,000	498,462	1,523,462
2029	1,050,000	473,637	1,523,637
2030	1,065,000	451,436	1,516,436
2031–2035	4,715,000	1,916,704	6,631,704
2036–2040	2,935,000	1,454,740	4,389,740
2041–2045	2,335,000	964,982	3,299,982
2046–2050	2,970,000	407,963	3,377,963
Total	<u>\$ 17,805,000</u>	<u>\$ 7,242,099</u>	<u>\$ 25,047,099</u>

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount.

Bonds voted	\$ 57,900,000
Bonds sold	26,060,000
Recreational bonds voted	9,000,000
Recreational bonds sold	2,550,000
Refunding bonds voted	66,900,000
Refunding bond authorization used	1,330,123

Due to Developer

A developer of the District has constructed facilities on behalf of the District under the terms of contracts with the District. The District has agreed to reimburse the developer for these facilities from the proceeds of future bond issues subject to the approval of the Commission. At August 31, 2025, a liability for developer-constructed capital assets of \$7,336,750 was recorded in the government-wide financial statements.

Note 5. Significant Bond Order and Commission Requirements

The Bond Orders require that the District levy and collect an ad valorem debt service tax without legal limit as to the rate or amount sufficient to pay interest and principal on bonds when due. During the year ended August 31, 2025, the District levied an ad valorem debt service tax at the rate of \$0.3500 per \$100 of assessed valuation, which resulted in a tax levy of \$1,318,650 on the taxable valuation of \$376,758,003 for the 2024 tax year. The interest and principal requirements paid from the tax revenues and available resources were \$1,289,722.

Note 6. Maintenance Taxes

At an election held May 1, 1999, voters authorized a maintenance tax not to exceed \$1.50 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended August 31, 2025, the District levied an ad valorem maintenance tax at the rate of \$0.2900 per \$100 of assessed valuation, which resulted in a

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Notes to Financial Statements
August 31, 2025**

tax levy of \$1,092,595 on the taxable valuation of \$376,758,003 for the 2024 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 7. Regional Water Authority

The District is within the boundaries of the West Harris County Regional Water Authority (Authority). The Authority was created by the Texas Legislature to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Harris-Galveston Subsidence District, which regulates groundwater withdrawal. As of August 31, 2025, the Authority was billing the District \$3.95 per 1,000 gallons of water pumped from its wells. This amount is subject to future adjustments.

Note 8. 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. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three fiscal years.

Note 9. Contingencies

A developer of the District is constructing facilities within the boundaries of the District. The District has agreed to reimburse the developer for these costs, plus interest, from the proceeds of future bond sales, to the extent approved by the Commission. The District's engineer has stated that current construction amounts are approximately \$502,700. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

Required Supplementary Information

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Budgetary Comparison Schedule – General Fund
Year Ended August 31, 2025**

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 1,010,193	\$ 1,088,104	\$ 77,911
Water service	322,200	320,722	(1,478)
Sewer service	706,700	726,523	19,823
Regional water fee	585,600	510,017	(75,583)
Penalty and interest	60,800	59,324	(1,476)
Tap connection and inspection fees	58,800	117,991	59,191
Investment income	168,800	160,742	(8,058)
Other income	1,800	9,780	7,980
Total Revenues	2,914,893	2,993,203	78,310
Expenditures			
Service operations			
Regional water authority	585,600	590,798	(5,198)
Professional fees	145,000	289,058	(144,058)
Contracted services	850,000	882,779	(32,779)
Utilities	144,200	154,601	(10,401)
Repairs and maintenance	616,300	798,480	(182,180)
Other expenditures	131,555	157,997	(26,442)
Tap connections	20,000	42,122	(22,122)
Capital outlay	700,000	304,651	395,349
Total Expenditures	3,192,655	3,220,486	(27,831)
Deficiency of Revenues Over Expenditures	(277,762)	(227,283)	50,479
Fund Balance, Beginning of Year	3,440,659	3,440,659	-
Fund Balance, End of Year	\$ 3,162,897	\$ 3,213,376	\$ 50,479

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Notes to Required Supplementary Information
August 31, 2025**

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was not amended during fiscal 2025.

The District prepares its annual operating budget on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedule – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Supplementary Information

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Other Schedules Included Within This Report
August 31, 2025**

(Schedules included are checked or explanatory notes provided for omitted schedules.)

- [X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 11–21
- [X] Schedule of Services and Rates
- [X] Schedule of General Fund Expenditures
- [X] Schedule of Temporary Investments
- [X] Analysis of Taxes Levied and Receivable
- [X] Schedules of Long-Term Debt Service Requirements by Years
- [X] Changes in Long-Term Bonded Debt
- [X] Comparative Schedules of Revenues and Expenditures – General Fund and Debt Service Fund –
Five Years
- [X] Board Members, Key Personnel, and Consultants

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Schedule of Services and Rates
Year Ended August 31, 2025**

1. Services provided by the District

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

2. Retail service providers

a. Retail rates for a 5/8" meter (or equivalent):

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate Per 1,000 Gallons Over Minimum</u>	<u>Usage Levels</u>
Water:	\$ 15.75	8,000	N	\$ 0.79	8,001 to No Limit
Wastewater:	\$ 45.73	8,000	N	\$ 0.79	8,001 to No Limit
Regional water fee:	\$ 4.15	1	N	\$ 4.15	1 to No Limit
Does the District employ winter averaging for wastewater usage?					Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Total charges per 10,000 gallons usage (including fees):				Water \$ 58.83	Wastewater \$ 47.31

b. Water and wastewater retail connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFC*</u>
Unmetered	-	-	x1.0	-
≤ 3/4"	1,230	1,219	x1.0	1,219
1"	4	4	x2.5	10
1 1/2"	1	1	x5.0	5
2"	21	20	x8.0	160
3"	2	2	x15.0	30
4"	1	1	x25.0	25
6"	-	-	x50.0	-
8"	2	2	x80.0	160
10"	-	-	x115.0	-
Total water	1,261	1,249		1,609
Total wastewater	1,228	1,216	x1.0	1,216

3. Total water consumption (in thousands) during the fiscal year:

Gallons pumped into the system:	149,303
Gallons billed to customers:	124,187
Water accountability ratio (gallons billed/gallons pumped):	83.18%

***ESFC" means equivalent single-family connections

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Schedule of General Fund Expenditures
Year Ended August 31, 2025**

Personnel (including benefits)		\$	-
Professional Fees			
Auditing	\$	25,000	
Legal		248,962	
Engineering		15,096	
Financial advisor		-	289,058
Purchased Services for Resale			
Bulk water and wastewater service purchases			-
Regional Water Fee			590,798
Contracted Services			
Bookkeeping		90,321	
General manager		-	
Appraisal district		-	
Tax collector		-	
Security		330,040	
Other contracted services		76,158	496,519
Utilities			154,601
Repairs and Maintenance			798,480
Administrative Expenditures			
Directors' fees		23,019	
Office supplies		18,453	
Insurance		32,948	
Other administrative expenditures		83,577	157,997
Capital Outlay			
Capitalized assets		160,423	
Expenditures not capitalized		144,228	304,651
Debt Service			
Debt issuance costs			-
Tap Connection Expenditures			42,122
Solid Waste Disposal			386,260
Fire Fighting			-
Parks and Recreation			-
Other Expenditures			-
Total Expenditures		\$	<u><u>3,220,486</u></u>

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Schedule of Temporary Investments
August 31, 2025**

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Face Amount</u>	<u>Accrued Interest Receivable</u>
General Fund				
Certificates of Deposit				
No. 91300012218922	4.25%	07/29/26	\$ 235,000	\$ 903
No. 440069802	4.56%	10/18/25	235,000	3,934
No. 109266	4.27%	06/23/26	235,000	1,924
No. 6000072428	4.75%	09/05/25	235,000	9,909
No. 6550139678	4.15%	05/14/26	235,000	2,912
Texas CLASS	4.38%	Demand	2,301,249	-
			<u>3,476,249</u>	<u>19,582</u>
Debt Service Fund				
Certificate of Deposit				
No. 6000072410	4.75%	09/05/25	235,000	9,909
Texas CLASS	4.38%	Demand	1,448,511	-
			<u>1,683,511</u>	<u>9,909</u>
Capital Projects Fund				
Texas CLASS	4.38%	Demand	638,477	-
Texas CLASS	4.38%	Demand	15	-
Texas CLASS	4.38%	Demand	31	-
			<u>638,523</u>	<u>-</u>
Totals			<u>\$ 5,798,283</u>	<u>\$ 29,491</u>

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Analysis of Taxes Levied and Receivable
Year Ended August 31, 2025**

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year	\$ 18,565	\$ 27,137
Additions and corrections to prior years' taxes	(516)	(609)
Adjusted Receivable, Beginning of Year	<u>18,049</u>	<u>26,528</u>
 2024 Original Tax Levy	 995,930	 1,201,985
Additions and corrections	96,665	116,665
 Adjusted tax levy	 <u>1,092,595</u>	 <u>1,318,650</u>
Total to Be Accounted For	1,110,644	1,345,178
 Tax collections: Current year	 (1,082,513)	 (1,306,481)
Prior years	(5,591)	(6,510)
Receivable, End of Year	<u><u>\$ 22,540</u></u>	<u><u>\$ 32,187</u></u>
 Receivable, by Years		
2024	\$ 10,082	\$ 12,169
2023	3,137	3,608
2022	3,461	4,153
2021	2,251	2,926
2020	1,201	2,552
2019	1,198	2,745
2018	527	1,801
2017	344	1,136
2016	339	1,097
Receivable, End of Year	<u><u>\$ 22,540</u></u>	<u><u>\$ 32,187</u></u>

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Analysis of Taxes Levied and Receivable
Year Ended August 31, 2025**

(Continued)

	2024	2023	2022	2021
Property Valuations				
Land	\$ 115,052,433	\$ 111,041,421	\$ 61,651,517	\$ 61,597,951
Improvements	311,761,128	318,362,349	309,879,477	252,113,515
Personal property	10,449,973	4,839,980	5,216,061	3,508,892
Exemptions	<u>(60,505,531)</u>	<u>(84,010,583)</u>	<u>(69,067,893)</u>	<u>(21,484,017)</u>
Total Property Valuations	<u><u>\$ 376,758,003</u></u>	<u><u>\$ 350,233,167</u></u>	<u><u>\$ 307,679,162</u></u>	<u><u>\$ 295,736,341</u></u>
Tax Rates per \$100 Valuation				
Debt service tax rates	\$ 0.3500	\$ 0.3450	\$ 0.3600	\$ 0.3900
Maintenance tax rates*	<u>0.2900</u>	<u>0.3000</u>	<u>0.3000</u>	<u>0.3000</u>
Total Tax Rates per \$100 Valuation	<u><u>\$ 0.6400</u></u>	<u><u>\$ 0.6450</u></u>	<u><u>\$ 0.6600</u></u>	<u><u>\$ 0.6900</u></u>
Tax Levy	<u><u>\$ 2,411,245</u></u>	<u><u>\$ 2,258,998</u></u>	<u><u>\$ 2,030,677</u></u>	<u><u>\$ 2,040,574</u></u>
Percent of Taxes Collected to Taxes Levied**	<u><u>99%</u></u>	<u><u>99%</u></u>	<u><u>99%</u></u>	<u><u>99%</u></u>

*Maximum tax rate approved by voters: \$1.50 on May 1, 1999

**Calculated as taxes collected for a tax year divided by taxes levied for that tax year

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Schedule of Long-Term Debt Service Requirements by Years
August 31, 2025**

Due During Fiscal Years Ending August 31	Series 2017		Total
	Principal Due September 1	Interest Due March 1, September 1	
2026	\$ 25,000	\$ 72,594	\$ 97,594
2027	25,000	71,344	96,344
2028	25,000	70,094	95,094
2029	25,000	68,843	93,843
2030	25,000	67,593	92,593
2031	25,000	66,343	91,343
2032	25,000	65,593	90,593
2033	25,000	64,843	89,843
2034	25,000	64,094	89,094
2035	25,000	63,313	88,313
2036	25,000	62,531	87,531
2037	575,000	61,719	636,719
2038	625,000	43,031	668,031
2039	650,000	21,938	671,938
Totals	<u>\$ 2,125,000</u>	<u>\$ 863,873</u>	<u>\$ 2,988,873</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal years assuming the practice will continue in the future.

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Schedule of Long-Term Debt Service Requirements by Years
August 31, 2025**

(Continued)

<u>Due During Fiscal Years Ending August 31</u>	<u>Refunding Series 2019</u>		
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	<u>Total</u>
2026	\$ 405,000	\$ 74,725	\$ 479,725
2027	695,000	62,575	757,575
2028	715,000	41,725	756,725
2029	45,000	23,850	68,850
2030	45,000	22,500	67,500
2031	40,000	21,150	61,150
2032	40,000	19,950	59,950
2033	40,000	18,750	58,750
2034	<u>585,000</u>	<u>17,550</u>	<u>602,550</u>
Totals	<u>\$ 2,610,000</u>	<u>\$ 302,775</u>	<u>\$ 2,912,775</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal years assuming the practice will continue in the future.

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Schedule of Long-Term Debt Service Requirements by Years
August 31, 2025**

(Continued)

<u>Due During Fiscal Years Ending August 31</u>	<u>Refunding Series 2021A</u>		
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	<u>Total</u>
2026	\$ 240,000	\$ 117,900	\$ 357,900
2027	250,000	110,700	360,700
2028	255,000	105,700	360,700
2029	950,000	100,600	1,050,600
2030	965,000	81,600	1,046,600
2031	1,015,000	62,300	1,077,300
2032	1,045,000	42,000	1,087,000
2033	<u>1,055,000</u>	<u>21,100</u>	<u>1,076,100</u>
Totals	<u>\$ 5,775,000</u>	<u>\$ 641,900</u>	<u>\$ 6,416,900</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal years assuming the practice will continue in the future.

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Schedule of Long-Term Debt Service Requirements by Years
August 31, 2025**

(Continued)

<u>Due During Fiscal Years Ending August 31</u>	<u>Refunding Series 2021B</u>		
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	<u>Total</u>
2026	\$ 35,000	\$ 32,250	\$ 67,250
2027	35,000	31,200	66,200
2028	30,000	30,500	60,500
2029	30,000	29,900	59,900
2030	30,000	29,300	59,300
2031	30,000	28,700	58,700
2032	30,000	28,100	58,100
2033	30,000	27,500	57,500
2034	30,000	26,900	56,900
2035	650,000	26,300	676,300
2036	<u>665,000</u>	<u>13,300</u>	<u>678,300</u>
Totals	<u>\$ 1,595,000</u>	<u>\$ 303,950</u>	<u>\$ 1,898,950</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal years assuming the practice will continue in the future.

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Schedule of Long-Term Debt Service Requirements by Years
August 31, 2025**

(Continued)

<u>Due During Fiscal Years Ending August 31</u>	<u>Series 2024</u>		<u>Total</u>
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	
2026	\$ -	\$ 138,381	\$ 138,381
2027	-	138,381	138,381
2028	-	138,381	138,381
2029	-	138,381	138,381
2030	-	138,381	138,381
2031	-	138,381	138,381
2032	-	138,381	138,381
2033	-	138,381	138,381
2034	-	138,381	138,381
2035	-	138,381	138,381
2036	-	138,381	138,381
2037	-	138,382	138,382
2038	-	138,382	138,382
2039	-	138,382	138,382
2040	220,000	138,382	358,382
2041	235,000	127,381	362,381
2042	245,000	117,394	362,394
2043	255,000	106,981	361,981
2044	270,000	96,144	366,144
2045	285,000	84,669	369,669
2046	295,000	72,200	367,200
2047	310,000	59,294	369,294
2048	330,000	45,731	375,731
2049	345,000	31,294	376,294
2050	360,000	16,200	376,200
Totals	<u>\$ 3,150,000</u>	<u>\$ 2,833,007</u>	<u>\$ 5,983,007</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal years assuming the practice will continue in the future.

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Schedule of Long-Term Debt Service Requirements by Years
August 31, 2025**

(Continued)

<u>Due During Fiscal Years Ending August 31</u>	<u>Park Series 2024A</u>		<u>Total</u>
	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	
2026	\$ -	\$ 112,062	\$ 112,062
2027	-	112,063	112,063
2028	-	112,062	112,062
2029	-	112,063	112,063
2030	-	112,062	112,062
2031	-	112,063	112,063
2032	-	112,062	112,062
2033	-	112,063	112,063
2034	-	112,062	112,062
2035	-	112,063	112,063
2036	-	112,062	112,062
2037	-	112,063	112,063
2038	-	112,062	112,062
2039	-	112,063	112,063
2040	175,000	112,062	287,062
2041	185,000	103,313	288,313
2042	200,000	95,450	295,450
2043	210,000	86,950	296,950
2044	220,000	78,025	298,025
2045	230,000	68,675	298,675
2046	240,000	58,900	298,900
2047	255,000	48,400	303,400
2048	265,000	37,244	302,244
2049	280,000	25,650	305,650
2050	290,000	13,050	303,050
	<u>\$ 2,550,000</u>	<u>\$ 2,296,594</u>	<u>\$ 4,846,594</u>

The District pays the amount due September 1 prior to that date. This schedule shows the amounts due within the fiscal years assuming the practice will continue in the future.

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Schedule of Long-Term Debt Service Requirements by Years
August 31, 2025**

(Continued)

<u>Due During Fiscal Years Ending August 31</u>	<u>Annual Requirements For All Series</u>		
	<u>Total Principal Due</u>	<u>Total Interest Due</u>	<u>Total Principal and Interest Due</u>
2026	\$ 705,000	\$ 547,912	\$ 1,252,912
2027	1,005,000	526,263	1,531,263
2028	1,025,000	498,462	1,523,462
2029	1,050,000	473,637	1,523,637
2030	1,065,000	451,436	1,516,436
2031	1,110,000	428,937	1,538,937
2032	1,140,000	406,086	1,546,086
2033	1,150,000	382,637	1,532,637
2034	640,000	358,987	998,987
2035	675,000	340,057	1,015,057
2036	690,000	326,274	1,016,274
2037	575,000	312,164	887,164
2038	625,000	293,475	918,475
2039	650,000	272,383	922,383
2040	395,000	250,444	645,444
2041	420,000	230,694	650,694
2042	445,000	212,844	657,844
2043	465,000	193,931	658,931
2044	490,000	174,169	664,169
2045	515,000	153,344	668,344
2046	535,000	131,100	666,100
2047	565,000	107,694	672,694
2048	595,000	82,975	677,975
2049	625,000	56,944	681,944
2050	650,000	29,250	679,250
Totals	<u>\$ 17,805,000</u>	<u>\$ 7,242,099</u>	<u>\$ 25,047,099</u>

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Changes in Long-Term Bonded Debt
Year Ended August 31, 2025**

	Bond		
	Series 2017	Refunding Series 2019	Refunding Series 2021A
Interest rates	3.00% to 5.00%	2.50% to 3.00%	2.00% to 3.00%
Dates interest payable	March 1/ September 1	March 1/ September 1	March 1/ September 1
Maturity dates	September 1, 2026/2039	September 1, 2026/2034	September 1, 2026/2033
Bonds outstanding, beginning of current year	\$ 2,150,000	\$ 3,005,000	\$ 6,010,000
Retirements, principal	25,000	395,000	235,000
Bonds outstanding, end of current year	<u>\$ 2,125,000</u>	<u>\$ 2,610,000</u>	<u>\$ 5,775,000</u>
Interest paid during current year	<u>\$ 73,844</u>	<u>\$ 86,575</u>	<u>\$ 124,950</u>
Paying agent's name and address			
Series 2017	– The Bank of New York Mellon Trust Company, N.A., Houston, Texas		
Series 2019	– The Bank of New York Mellon Trust Company, N.A., Houston, Texas		
Series 2021A	– The Bank of New York Mellon Trust Company, N.A., Houston, Texas		
Series 2021B	– The Bank of New York Mellon Trust Company, N.A., Houston, Texas		
Series 2024	– The Bank of New York Mellon Trust Company, N.A., Houston, Texas		
Series 2024A	– The Bank of New York Mellon Trust Company, N.A., Houston, Texas		
Bond authority	Tax Bonds	Recreational Bonds	Refunding Bonds
Amount authorized by voters	\$ 57,900,000	\$ 9,000,000	\$ 66,900,000
Amount issued	\$ 26,060,000	\$ 2,550,000	\$ 1,330,123
Remaining to be issued	<u>\$ 31,840,000</u>	<u>\$ 6,450,000</u>	<u>\$ 65,569,877</u>
Debt service fund cash and temporary investment balances as of August 31, 2025:			<u>\$ 1,744,933</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:			<u>\$ 1,001,884</u>

Issues

Refunding Series 2021B	Series 2024	Park Series 2024A	Totals
2.00% to 3.00%	4.25% to 5.00%	4.25% to 5.00%	
March 1/ September 1	March 1/ September 1	March 1/ September 1	
September 1, 2026/2036	September 1, 2040/2050	September 1, 2040/2050	
\$ 1,630,000	\$ 3,150,000	\$ 2,550,000	\$ 18,495,000
35,000	-	-	690,000
<u>\$ 1,595,000</u>	<u>\$ 3,150,000</u>	<u>\$ 2,550,000</u>	<u>\$ 17,805,000</u>
<u>\$ 33,300</u>	<u>\$ 155,294</u>	<u>\$ 125,759</u>	<u>\$ 599,722</u>

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended August 31,**

	Amounts				
	2025	2024	2023	2022	2021
General Fund					
Revenues					
Property taxes	\$ 1,088,104	\$ 1,047,761	\$ 918,566	\$ 882,111	\$ 596,983
Water service	320,722	315,892	312,961	300,724	259,885
Sewer service	726,523	703,873	653,053	604,829	557,586
Regional water fee	510,017	512,905	455,539	432,016	347,922
Penalty and interest	59,324	61,838	55,259	55,204	40,361
Tap connection and inspection fees	117,991	59,438	20,277	-	-
Investment income	160,742	164,697	92,441	8,758	13,554
Other income	9,780	1,821	2,611	5,918	764
Total Revenues	2,993,203	2,868,225	2,510,707	2,289,560	1,817,055
Expenditures					
Service operations					
Regional water fee	590,798	539,353	563,216	519,135	409,776
Professional fees	289,058	193,563	151,213	139,721	85,309
Contracted services	882,779	824,366	735,350	550,450	534,249
Utilities	154,601	145,884	134,487	123,941	115,095
Repairs and maintenance	798,480	435,330	445,575	431,533	403,181
Other expenditures	157,997	111,454	91,967	160,016	61,623
Tap connections	42,122	17,900	15,654	-	-
Capital outlay	304,651	67,300	266,595	-	167,609
Debt service, debt issuance costs	-	-	-	-	10,265
Total Expenditures	3,220,486	2,335,150	2,404,057	1,924,796	1,787,107
Excess (Deficiency) of Revenues Over Expenditures	(227,283)	533,075	106,650	364,764	29,948
Other Financing Sources					
Interfund transfers in	-	176,006	-	354,629	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(227,283)	709,081	106,650	719,393	29,948
Fund Balance, Beginning of Year	3,440,659	2,731,578	2,624,928	1,905,535	1,875,587
Fund Balance, End of Year	\$ 3,213,376	\$ 3,440,659	\$ 2,731,578	\$ 2,624,928	\$ 1,905,535
Total Active Retail Water Connections	1,249	1,246	1,245	1,238	1,239
Total Active Retail Wastewater Connections	1,216	1,218	1,216	1,212	1,213

Percent of Fund Total Revenues				
2025	2024	2023	2022	2021
36.4 %	36.5 %	36.6 %	38.5 %	32.9 %
10.7	11.0	12.5	13.1	14.3
24.3	24.5	26.0	26.4	30.7
17.0	17.9	18.1	18.9	19.2
2.0	2.2	2.2	2.4	2.2
3.9	2.1	0.8	-	-
5.4	5.7	3.7	0.4	0.7
0.3	0.1	0.1	0.3	0.0
100.0	100.0	100.0	100.0	100.0
19.7	18.8	22.4	22.7	22.6
9.6	6.8	6.0	6.1	4.7
29.5	28.7	29.3	24.0	29.4
5.2	5.1	5.4	5.4	6.3
26.7	15.2	17.8	18.9	22.2
5.3	3.9	3.7	7.0	3.4
1.4	0.6	0.6	-	-
10.2	2.3	10.6	-	9.2
-	-	-	-	0.6
107.6	81.4	95.8	84.1	98.4
(7.6) %	18.6 %	4.2 %	15.9 %	1.6 %

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Five Years Ended August 31,**

	Amounts				
	2025	2024	2023	2022	2021
Debt Service Fund					
Revenues					
Property taxes	\$ 1,312,991	\$ 1,209,268	\$ 1,102,923	\$ 1,149,157	\$ 1,269,485
Penalty and interest	32,182	21,498	17,324	11,585	13,669
Investment income	99,562	105,259	57,752	6,456	5,556
Other income	-	-	2	6	21
Total Revenues	1,444,735	1,336,025	1,178,001	1,167,204	1,288,731
Expenditures					
Current					
Professional fees	17,627	8,835	4,847	5,658	4,089
Contracted services	36,627	36,874	33,128	33,269	31,907
Other expenditures	19,167	13,630	12,362	15,834	14,385
Debt service					
Principal retirement	690,000	670,000	650,000	630,000	655,000
Interest and fees	601,222	346,419	370,878	389,764	425,875
Debt issuance costs	-	-	-	-	340,075
Debt defeasance	-	-	-	-	6,000
Total Expenditures	1,364,643	1,075,758	1,071,215	1,074,525	1,477,331
Excess (Deficiency) of Revenues Over Expenditures	80,092	260,267	106,786	92,679	(188,600)
Other Financing Sources (Uses)					
General obligation bonds issued	-	-	-	-	8,315,000
Discount on debt issued	-	-	-	-	(5,767)
Premium on debt issued	-	-	-	-	165,812
Deposit with escrow agent	-	-	-	-	(8,134,970)
Total Other Financing Sources	-	-	-	-	340,075
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	80,092	260,267	106,786	92,679	151,475
Fund Balance, Beginning of Year	1,665,027	1,404,760	1,297,974	1,205,295	1,053,820
Fund Balance, End of Year	\$ 1,745,119	\$ 1,665,027	\$ 1,404,760	\$ 1,297,974	\$ 1,205,295

Percent of Fund Total Revenues				
2025	2024	2023	2022	2021
90.9 %	90.5 %	93.6 %	98.5 %	98.5 %
2.2	1.6	1.5	1.0	1.1
6.9	7.9	4.9	0.5	0.4
-	-	0.0	0.0	0.0
100.0	100.0	100.0	100.0	100.0
1.2	0.7	0.4	0.5	0.3
2.6	2.8	2.8	2.8	2.5
1.3	1.0	1.0	1.4	1.1
47.8	50.1	55.2	54.0	50.8
41.6	25.9	31.5	33.4	33.0
-	-	-	-	26.4
-	-	-	-	0.5
94.5	80.5	90.9	92.1	114.6
5.5 %	19.5 %	9.1 %	7.9 %	(14.6) %

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Board Members, Key Personnel, and Consultants
Year Ended August 31, 2025**

Complete District mailing address:	Harris County Municipal Utility District No. 284, of Harris County, Texas c/o Schwartz, Page & Harding, L.L.P. 1300 Post Oak Boulevard, Suite 2400 Houston, TX 77056
District business telephone number:	713.623.4531
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	May 7, 2024
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-End
Jake Stanley	Elected 05/22– 05/26	\$ 7,200	\$ 99	President
Nancy Hanson	Elected 05/22– 05/26	4,641	-	Vice President
Sylvia Lagunas Garza	Elected 05/22– 05/26	7,200	372	Secretary
John Smith	Elected 05/24– 05/28	1,547	182	Assistant Secretary
Aimee Moffat	Appointed 10/24– 05/28	2,431	-	Assistant Secretary

*Fees are the amounts actually paid to a director during the District's fiscal year.

**Harris County Municipal Utility District No. 284,
of Harris County, Texas
Board Members, Key Personnel, and Consultants
Year Ended August 31, 2025**

(Continued)

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Forvis Mazars, LLP	08/28/00	\$ 28,100	Auditor
Harris Central Appraisal District	Legislative Action	17,739	Appraiser
Municipal Accounts & Consulting, L.P.	04/01/03	95,937	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/06/01	17,627	Delinquent Tax Attorney
Rathmann & Associates, L.P.	03/04/97	-	Financial Advisor
Schwartz, Page & Harding, L.L.P.	10/11/85	245,559 2,460	General Counsel Bond Counsel
Sherrington-Humble, LLC	05/04/99	83,510	Engineer
Si Environmental, LLC	06/01/12	868,309	Operator
Wheeler & Associates, Inc.	05/14/86	34,754	Tax Assessor/ Collector
Investment Officers			
Mark M. Burton and Ghia Lewis	02/07/03	N/A	Bookkeepers

Forvis Mazars Internal Control Communication

Harris County Municipal Utility District No. 284, of Harris County, Texas Communication Regarding Internal Control-Related Matters Identified in an Audit

Required Communications Regarding Internal Control (AU-C 265)

Consideration of Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of Harris County Municipal Utility District No. 284, of Harris County, Texas (District) as of and for the year ended August 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control).

This consideration served as a basis for designing audit procedures that are appropriate in the circumstance for the purpose of expressing our opinions on the financial statements.

However, this consideration was **not** for the purpose of expressing an opinion on the effectiveness of the District's internal control.

Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraphs and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

Categorizing Deficiencies by Severity

Deficiency

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.



Significant Deficiency

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Material Weakness

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatements of the District's financial statements will not be prevented or detected and corrected on a timely basis.



The Board's Management Role & Responsibility for Controls

The District's management consists of an elected Board of Directors (Board). Day-to-day operations are performed by private entities (Consultants) under contract with the District. The Board supervises the performance of the Consultants; however, although Consultants can be part of the District's system of internal control, the Consultants are not members of management. Per auditing standards, management is responsible for the design and implementation of the District's system of internal controls.

Identified Deficiencies

We identified certain deficiencies in internal control that we consider to be material weaknesses.

Material Weaknesses

- Per auditing standards, one of the primary controls within the system of internal controls is related to the preparation of the financial statements. Management of the District is responsible for either preparing the financial statements or having the knowledge to determine whether the financial statements have been properly prepared and are free from potential misstatement. The absence of this expertise within management, or a Consultant of the District hired to perform this service, is considered by auditing standards to be a material weakness in internal control over financial reporting.
- During the course of performing an audit, it is not unusual for the auditor to prepare various journal entries to correct and present the financial statements on the government-wide basis of accounting. Additionally, we noted adjustments to various accounts, such as interfund receivables and payables, accounts payable, property tax revenues, and penalty and interest revenues, which were necessary in order for the fund financial statements to be in conformity with generally accepted accounting principles. The inability of management, or a Consultant of the District hired to perform this service, to detect these necessary adjustments is considered by auditing standards to be a material weakness in internal control over financial reporting.
- Finally, management, or a Consultant of the District, does not prepare the capital asset and depreciation register or post adjustments related to the presentation of the capital assets in the government-wide financial statements. As management is not preparing or reviewing and does not have the expertise to prevent, detect, and correct related significant potential misstatements, this is considered by auditing standards to be a material weakness in internal control over financial reporting.

The material weaknesses noted above, if not corrected, could result in a material misstatement or omission of a required disclosure in the financial statements.

Management's Response

The District responds that the auditor's Management Letter, and the material weaknesses identified therein, are prepared in response to Statement on Auditing Standards No. 115 (SAS 115) and are not prompted by any other circumstances identified during the course of the audit and disclosed to the District's Board.

As you know, the Board has, since the inception of the District, engaged the auditor to perform the District's audit and to prepare the financial statements and capital asset and depreciation schedules upon which the audit is based. It is our understanding that this is the usual and customary practice for smaller special districts in Texas, as it is more cost effective to engage Consultants to perform such services than to employ persons (who would constitute district management) to perform same. It is also the Board's understanding that, under the requirements of SAS 115, the engagement of the auditor to perform these services resulted in the Management Letter because (1) the Board members are not able to prevent, detect, and correct a misstatement in the preparation of the District's financial statements or its capital asset and depreciation schedules or to make adjustments to same, and (2) the Board has not implemented controls to prevent, detect, and correct a misstatement in the preparation of the District's financial statements or capital asset and depreciation schedules, such as the hiring of an employee or the engagement of another Consultant to prepare the District's financial statements or capital asset and depreciation schedules.

With respect to items (1) and (2) identified above, the Board responds that its members are appointed or elected in accordance with the requirements set forth in the Texas Water Code, and that such members do not necessarily have the ability to prevent, detect, and correct a misstatement in the preparation of the District's financial statements or its capital asset and depreciation schedules or to make adjustments to same.

Further, the Board responds that it is a small government unit and that it engages the auditor based upon the auditor's professional qualifications, and in light of such qualifications, does not feel that the addition at this time of an employee or the engagement of a Consultant to prepare the District's financial statements and capital asset and depreciation schedules (as a form of control) would be cost effective. Additionally, the Board adds that the District does not have any employees, but rather engages Consultants who possess industry knowledge and expertise to provide financial services, including its bookkeeper, auditor, and financial advisor, as well as Consultants that provide legal, engineering, and operation and

maintenance services. In particular, the District's bookkeeper presents periodic financial information (unaudited) to the Board for review, which information generally reflects income, disbursements, adjustments, and the status of investments relative to the District's various accounts.

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

Distribution Restriction

This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties:

- The Board of Directors
- Texas Commission on Environmental Quality

Forvis Mazars Report to the Board of Directors

Harris County Municipal Utility District No. 284, of Harris County, Texas

Results of the 2025 Financial Statement Audit, Including Required Communications

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

The following matters are required communications we must make to you, including these responsibilities:

Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	<p>This report covers audit results related to your financial statements and supplementary information:</p> <ul style="list-style-type: none">• As of and for the year ended August 31, 2025.• Conducted in accordance with our contract dated August 5, 2025.
Our Responsibilities	<p>Forvis Mazars is responsible for forming and expressing opinions about whether the financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).</p>
Audit Scope & Inherent Limitations to Reasonable Assurance	<p>An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the opinion unit being audited and did not include a detailed audit of all transactions.</p>
Extent of Our Communication	<p>In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.</p>
Independence	<p>The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.</p>
Your Responsibilities	<p>Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.</p>
Distribution Restriction	<p>This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties:</p> <ul style="list-style-type: none">• The Board of Directors

Qualitative Aspects of Significant Accounting Policies & Practices

The following matters are detailed in the following pages and included in our assessment:

Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements. We call your attention to the following topics:

- The fund financial statements are reported using the current financial resources focus and the modified accrual basis of accounting.
- The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Unusual Policies or Methods

- No matters are reportable

Alternative Accounting Treatments

- No matters are reportable

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. A significant area of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Amounts due to developer

Financial Statement Disclosures

The following area involves particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Contingent liability for developer construction

Our Judgment About the Quality of the District's Accounting Principles

- No matters are reportable

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- Interfund receivables and payables
- Accounts payable
- Property tax revenues

- Penalty and interest revenues
- Accrued revenues
- Capital assets and depreciation expense
- Deferred amount on debt refundings
- Long-term liabilities

Uncorrected Misstatements

- No uncorrected misstatements

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter
- Communication Regarding Internal Control-Related Matters Identified in an Audit