

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113**

**HARRIS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**MAY 31, 2024**



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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Harris County Water Control  
and Improvement District No. 113  
Harris County, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Water Control and Improvement District No. 113 (the "District") as of and for the year ended May 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of May 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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



### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### **Required Supplementary Information**

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





Board of Directors  
Harris County Water Control and  
Improvement District No. 113

### **Supplementary Information**

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



McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

October 8, 2024



**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MAY 31, 2024**

Management's discussion and analysis of Harris County Water Control and Improvement District No. 113's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended May 31, 2024. Please read it in conjunction with the District's financial statements.

**USING THIS ANNUAL REPORT**

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

The Statement of Net Position includes all the District's assets, liabilities and, if applicable, deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

**FUND FINANCIAL STATEMENTS**

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

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MAY 31, 2024**

**FUND FINANCIAL STATEMENTS (Continued)**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**OTHER INFORMATION**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the District’s financial position. In the case of the District, assets exceeded liabilities by \$5,346,784 as of May 31, 2024.

A portion of the District’s net position reflects its net investment in capital assets (water and wastewater facilities less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide water and wastewater services.

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MAY 31, 2024**

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

The following is a comparative analysis of government-wide changes in net position:

	Summary of Changes in the Statement of Net Position		
	2024	2023	Change Positive (Negative)
Current and Other Assets	\$ 2,934,084	\$ 2,609,987	\$ 324,097
Capital Assets (Net of Accumulated Depreciation)	<u>3,870,608</u>	<u>4,020,107</u>	<u>(149,499)</u>
Total Assets	<u>\$ 6,804,692</u>	<u>\$ 6,630,094</u>	<u>\$ 174,598</u>
Long -Term Liabilities	\$ 1,279,188	\$ 1,322,365	\$ 43,177
Other Liabilities	<u>178,720</u>	<u>173,957</u>	<u>(4,763)</u>
Total Liabilities	<u>\$ 1,457,908</u>	<u>\$ 1,496,322</u>	<u>\$ 38,414</u>
Net Position:			
Net Investment in Capital Assets	\$ 2,583,977	\$ 2,689,902	\$ (105,925)
Restricted	70,641	59,063	11,578
Unrestricted	<u>2,692,166</u>	<u>2,384,807</u>	<u>307,359</u>
Total Net Position	<u>\$ 5,346,784</u>	<u>\$ 5,133,772</u>	<u>\$ 213,012</u>

The following table provides a summary of the District's operations for the years ended May 31, 2024, and May 31, 2023.

	Summary of Changes in the Statement of Activities		
	2024	2023	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 728,047	\$ 733,151	\$ (5,104)
Charges for Services	400,005	411,082	(11,077)
Other Revenues	<u>222,091</u>	<u>104,715</u>	<u>117,376</u>
Total Revenues	\$ 1,350,143	\$ 1,248,948	\$ 101,195
Expenses for Services	<u>1,137,131</u>	<u>1,036,762</u>	<u>(100,369)</u>
Change in Net Position	\$ 213,012	\$ 212,186	\$ 826
Net Position, Beginning of Year	<u>5,133,772</u>	<u>4,921,586</u>	<u>212,186</u>
Net Position, End of Year	<u>\$ 5,346,784</u>	<u>\$ 5,133,772</u>	<u>\$ 213,012</u>

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MAY 31, 2024**

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

The District's combined fund balances as of May 31, 2024, were \$2,730,394, an increase of \$330,356 from the prior year.

The General Fund fund balance increased by \$313,417, a result of the service revenues and property tax collections exceeding costs of operating and maintaining the District's facilities.

The Debt Service fund fund balance increased by \$11,542, primarily due to the structure of the District's outstanding debt.

The Capital Projects fund fund balance increased by \$5,397 due to investment revenues.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors amended the budget during the current fiscal year to decrease projected property tax revenues and increase projected capital outlay. Actual revenues were \$171,319 more than budgeted revenues. Actual expenditures were \$174,203 less than budgeted expenditures. Transfers out of \$14,000 were unbudgeted. This resulted in a positive budget variance of \$331,522. See the budget to actual comparison for further information.

**CAPITAL ASSETS**

Capital assets as of May 31, 2024, total \$3,870,608 and include land and the water and wastewater systems.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 63,378	\$ 63,378	\$
Construction in Progress	55,167	43,850	11,317
Capital Assets, Net of Accumulated Depreciation:			
Water System	1,043,585	1,095,245	(51,660)
Wastewater System	2,708,478	2,817,634	(109,156)
Total Net Capital Assets	<u>\$ 3,870,608</u>	<u>\$ 4,020,107</u>	<u>\$ (149,499)</u>

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MAY 31, 2024**

**LONG-TERM DEBT ACTIVITY**

At the end of the current fiscal year, the District had total bond debt payable of \$1,360,000. The changes in the debt position of the District during the fiscal year ended May 31, 2024, are summarized as follows:

Bond Debt Payable, June 1, 2023	\$ 1,400,000
Less: Bond Principal Paid	<u>40,000</u>
Bond Debt Payable, May 31, 2024	<u>\$ 1,360,000</u>

The District’s Series 2019 Bonds carry an insured rating of “AA” by virtue of bond insurance issued by Assured Guaranty Municipal and also carry an underlying rating of “Baa2”. Credit enhanced ratings provided through bond insurance policies are subject to change based on the rating of the bond insurance company. The above ratings are as of May 31, 2024, and reflect rating changes, if any, through that date.

**CONTACTING THE DISTRICT’S MANAGEMENT**

This financial report is designed to provide a general overview of the District’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Harris County Water Control and Improvement District No. 113, c/o Smith, Murdaugh, Little & Bonham, 2727 Allen Parkway, Suite 1100, Houston, Texas 77019.

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUNDS BALANCE SHEET  
MAY 31, 2024**

	<u>General Fund</u>	<u>Debt Service Fund</u>
<b>ASSETS</b>		
Cash	\$ 20,771	\$ 34,829
Investments	2,506,813	121,613
Receivables:		
Property Taxes	56,196	4,928
Penalty and Interest on Delinquent Taxes		
Service Accounts	35,945	
Accrued Interest	11,580	
Other	350	
Due from Other Funds	170,085	
Prepaid Costs	12,062	
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
<b>TOTAL ASSETS</b>	<u>\$ 2,813,802</u>	<u>\$ 161,370</u>

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



<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 3,339	\$ 58,939	\$	\$ 58,939
104,728	2,733,154		2,733,154
	61,124		61,124
		20,930	20,930
	35,945		35,945
	11,580		11,580
	350		350
	170,085	(170,085)	
	12,062		12,062
		63,378	63,378
		55,167	55,167
		<u>3,752,063</u>	<u>3,752,063</u>
<u>\$ 108,067</u>	<u>\$ 3,083,239</u>	<u>\$ 3,721,453</u>	<u>\$ 6,804,692</u>

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

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUNDS BALANCE SHEET  
MAY 31, 2024**

	<u>General Fund</u>	<u>Debt Service Fund</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 70,846	\$
Accrued Interest Payable		
Due to Other Funds		99,575
Security Deposits	50,790	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
<b>TOTAL LIABILITIES</b>	<u>\$ 121,636</u>	<u>\$ 99,575</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	<u>\$ 56,196</u>	<u>\$ 4,928</u>
<b>FUND BALANCES</b>		
Nonspendable:		
Prepaid Costs	\$ 12,062	\$
Restricted for Authorized Construction		
Restricted for Debt Service		56,867
Assigned to 2025 Budget Deficit	11,885	
Unassigned	<u>2,612,023</u>	
<b>TOTAL FUND BALANCES</b>	<u>\$ 2,635,970</u>	<u>\$ 56,867</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u><u>\$ 2,813,802</u></u>	<u><u>\$ 161,370</u></u>
<b>NET POSITION</b>		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
<b>TOTAL NET POSITION</b>		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$	\$ 70,846	\$	\$ 70,846
		12,084	12,084
70,510	170,085	(170,085)	
	50,790		50,790
		45,000	45,000
		1,279,188	1,279,188
<u>\$ 70,510</u>	<u>\$ 291,721</u>	<u>\$ 1,166,187</u>	<u>\$ 1,457,908</u>
<u>\$ -0-</u>	<u>\$ 61,124</u>	<u>\$ (61,124)</u>	<u>\$ - 0 -</u>
\$	\$ 12,062	\$ (12,062)	\$
37,557	37,557	(37,557)	
	56,867	(56,867)	
	11,885	(11,885)	
	2,612,023	(2,612,023)	
<u>\$ 37,557</u>	<u>\$ 2,730,394</u>	<u>\$ (2,730,394)</u>	<u>\$ - 0 -</u>
<u>\$ 108,067</u>	<u>\$ 3,083,239</u>		
		\$ 2,583,977	\$ 2,583,977
		70,641	70,641
		<u>2,692,166</u>	<u>2,692,166</u>
		<u>\$ 5,346,784</u>	<u>\$ 5,346,784</u>

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

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
MAY 31, 2024**

Total Fund Balances - Governmental Funds	\$	2,730,394
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		3,870,608
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Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2023 and prior tax levies became part of recognized revenue in the governmental activities of the District.		82,054
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Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Accrued Interest Payable	\$ (12,084)	
Bonds Payable	<u>(1,324,188)</u>	<u>(1,336,272)</u>
Total Net Position - Governmental Activities		<u>\$ 5,346,784</u>

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

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**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED MAY 31, 2024**

	General Fund	Debt Service Fund
<b>REVENUES</b>		
Property Taxes	\$ 637,006	\$ 97,495
Water Service	80,676	
Wastewater Service	104,070	
Regional Water Authority Fees	191,290	
Penalty and Interest	8,084	10,613
Tap Connection and Inspection Fees	5,340	
Investment Revenues	115,791	4,463
Miscellaneous Revenues	92,062	4,372
<b>TOTAL REVENUES</b>	<u>\$ 1,234,319</u>	<u>\$ 116,943</u>
<b>EXPENDITURES/EXPENSES</b>		
Service Operations:		
Professional Fees	\$ 108,041	\$ 2,590
Contracted Services	168,740	18,682
Utilities	69,919	
Regional Water Authority Assessments	212,898	
Repairs and Maintenance	233,845	
Depreciation		
Other	102,142	8,791
Capital Outlay	11,317	
Debt Service:		
Bond Principal		40,000
Bond Interest		49,338
<b>TOTAL EXPENDITURES/EXPENSES</b>	<u>\$ 906,902</u>	<u>\$ 119,401</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES</b>	<u>\$ 327,417</u>	<u>\$ (2,458)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In(Out)	<u>\$ (14,000)</u>	<u>\$ 14,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 313,417</u>	<u>\$ 11,542</u>
<b>CHANGE IN NET POSITION</b>		
<b>FUND BALANCES/NET POSITION - JUNE 1, 2023</b>	<u>2,322,553</u>	<u>45,325</u>
<b>FUND BALANCES/NET POSITION - MAY 31, 2024</b>	<u><u>\$ 2,635,970</u></u>	<u><u>\$ 56,867</u></u>

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 734,501	\$ (6,454)	\$ 728,047
	80,676		80,676
	104,070		104,070
	191,290		191,290
	18,697	(68)	18,629
	5,340		5,340
5,403	125,657		125,657
	96,434		96,434
<u>\$ 5,403</u>	<u>\$ 1,356,665</u>	<u>\$ (6,522)</u>	<u>\$ 1,350,143</u>
\$	\$ 110,631	\$	\$ 110,631
	187,422		187,422
	69,919		69,919
	212,898		212,898
	233,845		233,845
		160,816	160,816
6	110,939		110,939
	11,317	(11,317)	
	40,000	(40,000)	
	49,338	1,323	50,661
<u>\$ 6</u>	<u>\$ 1,026,309</u>	<u>\$ 110,822</u>	<u>\$ 1,137,131</u>
<u>\$ 5,397</u>	<u>\$ 330,356</u>	<u>\$ (117,344)</u>	<u>\$ 213,012</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
\$ 5,397	\$ 330,356	\$ (330,356)	\$
		213,012	213,012
32,160	2,400,038	2,733,734	5,133,772
<u>\$ 37,557</u>	<u>\$ 2,730,394</u>	<u>\$ 2,616,390</u>	<u>\$ 5,346,784</u>

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

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2024**

Net Change in Fund Balances - Governmental Funds	\$	330,356
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		(6,454)
--	--	---------

Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.		(68)
---	--	------

Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(160,816)
--	--	-----------

Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		11,317
---	--	--------

Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.		40,000
---	--	--------

Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		(1,323)
---	--	---------

Change in Net Position - Governmental Activities	\$	<u>213,012</u>
--	----	----------------

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



**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2024**

**NOTE 1. CREATION OF DISTRICT**

Harris County Water Control and Improvement District No. 113, Harris County, Texas, was created by an order of the Texas Water Commission effective January 7, 1969 in accordance with the Texas Water Code, Chapter 51. The Board of Directors held its first meeting on October 8, 1969, and the first bonds were sold on January 27, 1970. The District is empowered, among other things, to purchase, to construct, to operate, and to maintain all works, improvements and facilities necessary for the supply of water, for the collection and processing of wastewater, for the control and diversion of storm water, and collection of garbage.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

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

**Financial Statement Presentation**

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

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

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2024**

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

Financial Statement Presentation (Continued)

- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

Governmental Funds

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

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2024**

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

Governmental Funds (Continued)

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

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

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

Basis of Accounting

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

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

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. During the current fiscal year, the General Fund transferred \$14,000 to the Debt Service Fund to help cover the cost of bond principal and bond interest expense. As of May 31, 2024, the Debt Service Fund (Tax Account) owed the General Fund \$99,075 for maintenance tax collections; the Debt Service Fund owed the General Fund \$500 to reimburse for funds used to open a bank account and the Capital Projects Fund owed the General Fund \$70,510 for bond issuance costs and project costs.

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2024**

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

Accounting Estimates

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

Capital Assets

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

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

	<u>Years</u>
Buildings	40
Water and sewer system	10-45
Machinery and equipment	5-20

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the revised budget amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Directors are wages subject to federal income tax withholding for payroll purposes only.

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2024**

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

Measurement Focus

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

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

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

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

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

*Assigned*: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances. As of May 31, 2024, the District has assigned \$11,885 of the General Fund fund balance for a projected budget deficit for the year ending May 31, 2025.

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

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

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2024**

**NOTE 3. LONG-TERM DEBT**

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

	June 1, 2023	Additions	Retirements	May 31, 2024
Bonds Payable	\$ 1,400,000	\$	\$ 40,000	\$ 1,360,000
Unamortized Discounts	(37,635)		(1,823)	(35,812)
Bonds Payable, Net	<u>\$ 1,362,365</u>	<u>\$ -0-</u>	<u>\$ 38,177</u>	<u>\$ 1,324,188</u>
		Amount Due Within One Year		\$ 45,000
		Amount Due After One Year		1,279,188
		Bonds Payable, Net		<u>\$ 1,324,188</u>

The District's bonds payable at May 31, 2024, consist of the following:

	Series 2019
Amount Outstanding - May 31, 2024	\$1,360,000
Interest Rates	3.00% - 5.00%
Maturity Dates – Serially Beginning/Ending	September 1, 2024/2043
Interest Payment Dates	September 1/ March 1
Callable Dates	September 1, 2024 (1)

- (1) Or any date thereafter, in inverse order of maturing at a redemption price of par, including accrued interest to the date fixed for redemption. Series 2019 term bonds due September 1, 2032, 2035, 2038 and 2043, are subject to mandatory redemption by lot or other customary method at a price of par plus accrued interest on September 1 in the years and amounts as reflected in the debt service schedules.

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2024**

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

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

Fiscal Year	Principal	Interest	Total
2025	\$ 45,000	\$ 47,213	\$ 92,213
2026	45,000	45,412	90,412
2027	45,000	44,063	89,063
2028	50,000	42,637	92,637
2029	50,000	41,138	91,138
2030-2034	295,000	179,319	474,319
2035-2039	370,000	121,525	491,525
2040-2044	460,000	44,437	504,437
	\$ 1,360,000	\$ 565,744	\$ 1,925,744

As of May 31, 2024, the District had \$25,000,000 authorized but unissued bonds for utility facilities and refunding purposes. The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount.

During the year ended May 31, 2024, the District levied an ad valorem maintenance tax of \$0.08 per \$100 of assessed valuation, which resulted in a tax levy of \$98,693 on the adjusted taxable valuation of \$123,366,338 for the 2023 tax year. The bond order requires the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for information concerning the District's authorization to levy a maintenance tax.

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

**NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS**

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

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2024**

**NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS**  
(Continued)

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

**NOTE 5. DEPOSITS AND INVESTMENTS**

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$398,939 and the bank balance was \$417,692. The District was not exposed to custodial credit risk at year-end.

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

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 20,771	\$ 340,000	\$ 360,771
DEBT SERVICE FUND	34,829		34,829
CAPITAL PROJECTS FUND	3,339		3,339
TOTAL DEPOSITS	<u>\$ 58,939</u>	<u>\$ 340,000</u>	<u>\$ 398,939</u>



**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2024**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Investments

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

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

The District invests in TexPool, an external investment pool that is not SEC-registered. The Texas State Comptroller of Public Accounts has oversight of the pool. Federated Investors, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

Certificates of deposit are valued at acquisition cost at the date of purchase.

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2024**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

As of May 31, 2024, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
TexPool	\$2,166,813	\$ 2,166,813
Certificates of Deposit	340,000	340,000
<u>DEBT SERVICE FUND</u>		
TexPool	121,613	121,613
<u>CAPITAL PROJECTS FUND</u>		
TexPool	104,728	104,728
<b>TOTAL INVESTMENTS</b>	<u><u>\$2,733,154</u></u>	<u><u>\$ 2,733,154</u></u>

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in TexPool to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value. The District also manages interest rate risk by investing in certificates of deposit with maturities of less than one year.

Restrictions

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

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2024**

**NOTE 6. CAPITAL ASSETS**

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

	June 1, 2023	Increases	Decreases	May 31, 2024
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 63,378	\$	\$	\$ 63,378
Construction in Progress	43,850	11,317		55,167
<b>Total Capital Assets Not Being Depreciated</b>	<u>\$ 107,228</u>	<u>\$ 11,317</u>	<u>\$ - 0 -</u>	<u>\$ 118,545</u>
<b>Capital Assets Subject to Depreciation</b>				
Water System	\$ 3,140,020	\$	\$	\$ 3,140,020
Wastewater System	5,251,524			5,251,524
<b>Total Capital Assets Subject to Depreciation</b>	<u>\$ 8,391,544</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 8,391,544</u>
<b>Accumulated Depreciation</b>				
Water System	\$ 2,044,775	\$ 51,660	\$	\$ 2,096,435
Wastewater System	2,433,890	109,156		2,543,046
<b>Total Accumulated Depreciation</b>	<u>\$ 4,478,665</u>	<u>\$ 160,816</u>	<u>\$ - 0 -</u>	<u>\$ 4,639,481</u>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 3,912,879</u>	<u>\$ (160,816)</u>	<u>\$ - 0 -</u>	<u>\$ 3,752,063</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 4,020,107</u>	<u>\$ (149,499)</u>	<u>\$ - 0 -</u>	<u>\$ 3,870,608</u>

**NOTE 7. MAINTENANCE TAX**

An election held May 4, 1991, authorized a Maintenance Tax not to exceed \$0.50 per \$100 valuation on all property subject to taxation within the District. This authorization was amended to \$0.90 by election on September 14, 2002. During the year ended May 31, 2024, the District levied an ad valorem maintenance tax of \$0.52 per \$100 of assessed valuation for the 2023 tax year. Based upon the assessed valuation of \$123,366,338 the maintenance tax levy was \$641,505. This maintenance tax is to be used by the General Fund to pay expenditures of operating or improving the District's waterworks and sanitary sewer system.

**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 from which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2024**

**NOTE 9. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY**

The District is located within the boundaries of the North Harris County Regional Water Authority (the “Authority”). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 2965 (the “Act”), as passed by the 75<sup>th</sup> Texas Legislature, in 1999. The Act empowers the Authority to provide for the conservation, preservation, protection, recharge and prevention of waste of groundwater, and for the reduction of groundwater withdrawals. The Authority is overseeing that its participants comply with the Harris-Galveston Subsidence District pumpage requirements.

The Authority charges a fee, based on the amount of water pumped from a well, to the owner of wells located within the boundaries of the Authority, unless exempted. This fee enables the Authority to fulfill its purpose and regulatory functions. The current fee is \$3.60 per 1,000 gallons of water pumped from each well. The District recorded expenditures of \$212,898 for fees assessed during the current fiscal year.

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113**

**REQUIRED SUPPLEMENTARY INFORMATION**

**MAY 31, 2024**



**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED MAY 31, 2024**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 647,000	\$ 623,000	\$ 637,006	\$ 14,006
Water Service	70,000	70,000	80,676	10,676
Wastewater Service	100,000	100,000	104,070	4,070
Regional Water Authority Fee	198,000	198,000	191,290	(6,710)
Penalty and Interest	7,000	7,000	8,084	1,084
Tap Connection and Inspection Fees			5,340	5,340
Investment Revenues	65,000	65,000	115,791	50,791
Miscellaneous Revenues			92,062	92,062
<b>TOTAL REVENUES</b>	<u>\$ 1,087,000</u>	<u>\$ 1,063,000</u>	<u>\$ 1,234,319</u>	<u>\$ 171,319</u>
<b>EXPENDITURES</b>				
Service Operations:				
Professional Fees	\$ 107,500	\$ 107,500	\$ 108,041	\$ (541)
Contracted Services	143,200	143,200	168,740	(25,540)
Utilities	60,000	60,000	69,919	(9,919)
Regional Water Authority Assessments	198,000	198,000	212,898	(14,898)
Repairs and Maintenance	195,000	195,000	233,845	(38,845)
Other	124,465	130,385	102,142	28,243
Capital Outlay	48,000	247,020	11,317	235,703
<b>TOTAL EXPENDITURES</b>	<u>\$ 876,165</u>	<u>\$ 1,081,105</u>	<u>\$ 906,902</u>	<u>\$ 174,203</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 210,835</u>	<u>\$ (18,105)</u>	<u>\$ 327,417</u>	<u>\$ 345,522</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers In(Out)			(14,000)	(14,000)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 210,835</u>	<u>\$ (18,105)</u>	<u>\$ 313,417</u>	<u>\$ 331,522</u>
<b>FUND BALANCE - JUNE 1, 2023</b>	<u>2,322,553</u>	<u>2,322,553</u>	<u>2,322,553</u>	
<b>FUND BALANCE - MAY 31, 2024</b>	<u>\$ 2,533,388</u>	<u>\$ 2,304,448</u>	<u>\$ 2,635,970</u>	<u>\$ 331,522</u>

See accompanying independent auditor's report.

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**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 113**

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

**MAY 31, 2024**





**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 113  
SERVICES AND RATES  
FOR THE YEAR ENDED MAY 31, 2024**

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

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

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤¾"	<u>401</u>	<u>398</u>	x 1.0	<u>398</u>
1"	<u>8</u>	<u>8</u>	x 2.5	<u>20</u>
1½"			x 5.0	
2"	<u>4</u>	<u>4</u>	x 8.0	<u>32</u>
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u>413</u>	<u>410</u>		<u>450</u>
Total Wastewater Connections	<u>410</u>	<u>408</u>	x 1.0	<u>408</u>

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

Gallons pumped into system:	55,173,000	Water Accountability Ratio: 84 % (Gallons billed/Gallons pumped)
Gallons billed to customers:	45,222,000	
Leaks and flushing:	1,153,000	
Total Gallons Purchased:	-0-	

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 113  
SERVICES AND RATES  
FOR THE YEAR ENDED MAY 31, 2024**

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

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

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

**5. LOCATION OF DISTRICT:**

Is the District located entirely within one county?

Yes ☒ No ☐

County in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely ☐ Partly ☐ Not at all ☒

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

Entirely ☒ Partly ☐ Not at all ☐

ETJ in which District is located:

City of Houston, Texas.

Are Board Members appointed by an office outside the District?

Yes ☐ No ☒

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 113  
GENERAL FUND EXPENDITURES  
FOR THE YEAR ENDED MAY 31, 2024**

PROFESSIONAL FEES:

Auditing	\$ 13,750
Engineering	42,129
Legal	<u>52,162</u>

TOTAL PROFESSIONAL FEES	<u>\$ 108,041</u>
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CONTRACTED SERVICES:

Bookkeeping	\$ 9,909
Operations and Billing	35,890
Solid Waste Disposal	<u>122,941</u>

TOTAL CONTRACTED SERVICES	<u>\$ 168,740</u>
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UTILITIES:

Electricity	\$ 66,738
Telephone	<u>3,181</u>

TOTAL UTILITIES	<u>\$ 69,919</u>
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REPAIRS AND MAINTENANCE	<u>\$ 233,845</u>
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ADMINISTRATIVE EXPENDITURES:

Director Fees	\$ 11,946
Insurance	21,813
Office Supplies and Postage	27,710
Payroll Taxes	914
Other	<u>4,780</u>

TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 67,163</u>
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See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 113  
GENERAL FUND EXPENDITURES  
FOR THE YEAR ENDED MAY 31, 2024**

CAPITAL OUTLAY	<u>\$ 11,317</u>
OTHER EXPENDITURES:	
Chemicals	\$ 5,305
Laboratory Fees	20,818
Permit Fees	2,780
Regional Water Authority Assessment	212,898
Sludge Hauling	<u>6,076</u>
TOTAL OTHER EXPENDITURES	<u>\$ 247,877</u>
TOTAL EXPENDITURES	<u>\$ 906,902</u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 113  
INVESTMENTS  
MAY 31, 2024**

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
TexPool	XXXX0001	Various	Daily	\$ 2,166,813	\$
Certificate of Deposit	XXXX3710	2.25%	08/11/24	95,000	632
Certificate of Deposit	XXXX1710	5.23%	01/12/25	245,000	10,948
TOTAL GENERAL FUND				<u>\$ 2,506,813</u>	<u>\$ 11,580</u>
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0003	Varies	Daily	<u>\$ 121,613</u>	<u>\$ - 0 -</u>
<u>CAPITAL PROJECTS FUND</u>					
TexPool	XXXX0002	Varies	Daily	<u>\$ 104,728</u>	<u>\$ - 0 -</u>
TOTAL - ALL FUNDS				<u><u>\$ 2,733,154</u></u>	<u><u>\$ 11,580</u></u>

See accompanying independent auditor's report.



**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 113  
TAXES LEVIED AND RECEIVABLE  
FOR THE YEAR ENDED MAY 31, 2024**

	<u>Maintenance Taxes</u>		<u>Debt Service Taxes</u>	
TAXES RECEIVABLE -				
JUNE 1, 2023	\$	62,254	\$	5,324
Adjustments to Beginning				
Balance		<u>(10,557)</u>		<u>(1,594)</u>
	\$	51,697	\$	3,730
Original 2023 Tax Levy	\$	576,580	\$	88,705
Adjustment to 2023 Tax Levy		<u>64,925</u>		<u>9,988</u>
		641,505		98,693
TOTAL TO BE				
ACCOUNTED FOR		\$ 693,202		\$ 102,423
TAX COLLECTIONS:				
Prior Years	\$	12,093	\$	1,355
Current Year		<u>624,913</u>		<u>96,140</u>
		637,006		97,495
TAXES RECEIVABLE -				
MAY 31, 2024		<u>\$ 56,196</u>		<u>\$ 4,928</u>
TAXES RECEIVABLE BY				
YEAR:				
2023	\$	16,592	\$	2,553
2022		3,521		530
2021		4,883		794
2020		3,352		559
2019		2,882		492
2018		3,382		
2017		3,203		
2016		2,837		
2015 and prior		<u>15,544</u>		
TOTAL	\$	<u>56,196</u>	\$	<u>4,928</u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 113  
TAXES LEVIED AND RECEIVABLE  
FOR THE YEAR ENDED MAY 31, 2024**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
PROPERTY VALUATIONS:				
Land	\$ 33,240,268	\$ 28,941,530	\$ 28,948,431	\$ 22,820,291
Improvements	109,465,464	102,260,173	82,138,907	74,466,403
Personal Property	6,298,485	6,982,319	6,050,729	5,584,241
Exemptions	<u>(25,637,879)</u>	<u>(24,374,263)</u>	<u>(16,735,235)</u>	<u>(11,963,233)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 123,366,338</u>	<u>\$ 113,809,759</u>	<u>\$ 100,402,832</u>	<u>\$ 90,907,702</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.08	\$ 0.085	\$ 0.100	\$ 0.11
Maintenance Tax	<u>0.52</u>	<u>0.565</u>	<u>0.615</u>	<u>0.66</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.60</u>	<u>\$ 0.650</u>	<u>\$ 0.715</u>	<u>\$ 0.77</u>
ADJUSTED TAX LEVY*	<u>\$ 740,198</u>	<u>\$ 739,763</u>	<u>\$ 699,989</u>	<u>\$ 690,587</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>97.41 %</u>	<u>99.45 %</u>	<u>99.19 %</u>	<u>99.43 %</u>

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

Maintenance Tax – Maximum tax rate of \$0.90 per \$100 of assessed valuation approved by voters on September 14, 2002.

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 113  
LONG-TERM DEBT SERVICE REQUIREMENTS  
MAY 31, 2024**

S E R I E S - 2 0 1 9			
Due During Fiscal Years Ending May 31	Principal Due September	Interest Due September 1/ March 1	Total
2025	\$ 45,000	\$ 47,213	\$ 92,213
2026	45,000	45,412	90,412
2027	45,000	44,063	89,063
2028	50,000	42,637	92,637
2029	50,000	41,138	91,138
2030	55,000	39,562	94,562
2031	55,000	37,844	92,844
2032	60,000	35,975	95,975
2033	60,000	34,025	94,025
2034	65,000	31,913	96,913
2035	70,000	29,550	99,550
2036	70,000	27,100	97,100
2037	75,000	24,469	99,469
2038	75,000	21,656	96,656
2039	80,000	18,750	98,750
2040	85,000	15,656	100,656
2041	90,000	12,375	102,375
2042	90,000	9,000	99,000
2043	95,000	5,531	100,531
2044	100,000	1,875	101,875
	<u>\$ 1,360,000</u>	<u>\$ 565,744</u>	<u>\$ 1,925,744</u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 113  
CHANGES IN LONG-TERM BOND DEBT  
FOR THE YEAR ENDED MAY 31, 2024**

Description	Original Bonds Issued	Bonds Outstanding June 1, 2023
Harris County Water Control and Improvement District No. 113 Unlimited Tax Bonds-Series 2019	\$ 1,515,000	\$ 1,400,000
Bond Authority:	Tax and Refunding Bonds*	
Amount Authorized by Voters	\$ 25,000,000	
Amount Issued		
Remaining to be Issued	\$ 25,000,000	
Debt Service Fund cash and investments balances as of May 31, 2024:		\$ 156,442
Average annual debt service payment (principal and interest) for remaining term of all debt:		\$ 96,287

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

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

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding May 31, 2024</u>	<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>		
<u>\$ -0-</u>	<u>\$ 40,000</u>	<u>\$ 49,338</u>	<u>\$ 1,360,000</u>	The Bank of New York Mellon Trust Company, N.A. Dallas, TX

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 113  
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES  
GENERAL FUND - FIVE YEARS**

	Amounts		
	2024	2023	2022
<b>REVENUES</b>			
Property Taxes	\$ 637,006	\$ 630,048	\$ 610,500
Water Service	80,676	77,541	59,258
Wastewater Service	104,070	102,404	97,879
Regional Water Authority Fee	191,290	220,457	182,254
Penalty and Interest	8,084	5,700	5,574
Tap Connection and Inspection Fees	5,340	4,980	5,040
Investment Revenues	115,791	70,593	2,429
Miscellaneous Revenues	92,062	21,515	10,394
<b>TOTAL REVENUES</b>	<u>\$ 1,234,319</u>	<u>\$ 1,133,238</u>	<u>\$ 973,328</u>
<b>EXPENDITURES</b>			
Professional Fees	\$ 108,041	\$ 83,083	\$ 81,920
Contracted Services	168,740	133,297	131,071
Utilities	69,919	53,006	57,019
Regional Water Authority Assessment	212,898	216,031	195,551
Repairs and Maintenance	233,845	200,108	112,718
Other	102,142	104,168	88,123
Capital Outlay	11,317	111,630	
<b>TOTAL EXPENDITURES</b>	<u>\$ 906,902</u>	<u>\$ 901,323</u>	<u>\$ 666,402</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 327,417</u>	<u>\$ 231,915</u>	<u>\$ 306,926</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In(Out)	<u>\$ (14,000)</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ 313,417	\$ 231,915	\$ 306,926
<b>BEGINNING FUND BALANCE</b>	<u>2,322,553</u>	<u>2,090,638</u>	<u>1,783,712</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 2,635,970</u>	<u>\$ 2,322,553</u>	<u>\$ 2,090,638</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 587,289	\$ 584,433	51.5 %	55.7 %	62.7 %	61.4 %	58.9 %
61,307	69,684	6.6	6.8	6.1	6.4	7.0
95,825	95,027	8.4	9.0	10.1	10.0	9.6
196,259	185,355	15.5	19.5	18.7	20.5	18.7
5,488	7,234	0.7	0.5	0.6	0.6	0.7
4,860	4,920	0.4	0.4	0.5	0.5	0.5
3,093	23,012	9.4	6.2	0.2	0.3	2.3
2,919	22,929	7.5	1.9	1.1	0.3	2.3
<u>\$ 957,040</u>	<u>\$ 992,594</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 72,033	\$ 77,723	8.8 %	7.3 %	8.4 %	7.5 %	7.8 %
124,035	116,735	13.7	11.8	13.5	13.0	11.8
53,647	48,879	5.7	4.7	5.9	5.6	4.9
204,436	181,196	17.2	19.1	20.1	21.4	18.3
104,480	244,436	18.9	17.7	11.6	10.9	24.6
77,135	97,088	8.3	9.2	9.1	8.1	9.8
105,107	364,181	0.8	9.8		11.0	36.7
<u>\$ 740,873</u>	<u>\$ 1,130,238</u>	<u>73.4 %</u>	<u>79.6 %</u>	<u>68.6 %</u>	<u>77.5 %</u>	<u>113.9 %</u>
<u>\$ 216,167</u>	<u>\$ (137,644)</u>	<u>26.6 %</u>	<u>20.4 %</u>	<u>31.4 %</u>	<u>22.5 %</u>	<u>(13.9) %</u>
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>					
\$ 216,167	\$ (137,644)					
<u>1,567,545</u>	<u>1,705,189</u>					
<u>\$ 1,783,712</u>	<u>\$ 1,567,545</u>					

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 113  
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES  
DEBT SERVICE FUND - FIVE YEARS**

	Amounts		
	2024	2023	2022
<b>REVENUES</b>			
Property Taxes	\$ 97,495	\$ 94,851	\$ 99,449
Penalty and Interest	10,613	5,487	8,765
Investment Revenues	4,463	2,522	114
Miscellaneous Revenues	4,372	124	2,970
<b>TOTAL REVENUES</b>	<b>\$ 116,943</b>	<b>\$ 102,984</b>	<b>\$ 111,298</b>
<b>EXPENDITURES</b>			
Tax Collection Expenditures	\$ 29,238	\$ 29,130	\$ 24,659
Debt Service Principal	40,000	40,000	40,000
Debt Service Interest and Fees	50,163	52,088	54,087
<b>TOTAL EXPENDITURES</b>	<b>\$ 119,401</b>	<b>\$ 121,218</b>	<b>\$ 118,746</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (2,458)</b>	<b>\$ (18,234)</b>	<b>\$ (7,448)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In(Out)	\$ 14,000	\$ -0-	\$ -0-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 11,542</b>	<b>\$ (18,234)</b>	<b>\$ (7,448)</b>
<b>BEGINNING FUND BALANCE</b>	<b>45,325</b>	<b>63,559</b>	<b>71,007</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 56,867</b>	<b>\$ 45,325</b>	<b>\$ 63,559</b>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	<b>410</b>	<b>410</b>	<b>408</b>
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	<b>408</b>	<b>408</b>	<b>406</b>

See accompanying independent auditor's report.



		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 97,943 6,794	\$ 98,106 6,687	83.3 % 9.1	92.1 % 5.3	89.3 % 7.9	93.1 % 6.5	92.9 % 6.3
404	805	3.9 3.7	2.5 0.1	0.1 2.7	0.4	0.8
\$ 105,141	\$ 105,598	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
\$ 23,250 35,000	\$ 22,226	25.0 % 34.2	28.3 % 38.8	22.2 % 35.9	22.1 % 33.3	21.0 %
55,963	59,798	42.9	50.6	48.6	53.2	56.6
\$ 114,213	\$ 82,024	102.1 %	117.7 %	106.7 %	108.6 %	77.6 %
\$ (9,072)	\$ 23,574	(2.1) %	(17.7) %	(6.7) %	(8.6) %	22.4 %
\$ -0-	\$ -0-					
\$ (9,072)	\$ 23,574					
80,079	56,505					
\$ 71,007	\$ 80,079					
404	408					
402	406					

See accompanying independent auditor's report.

District Mailing Address - Harris County Water Control and  
Improvement District No. 113  
c/o Smith, Murdaugh, Little and Bonham, LLP  
2727 Allen Parkway, Suite 1100  
Houston, TX 77019

Board Members	Term of Office (Elected or Appointed)	Fees of office for the year ended May 31, 2024	Expense Reimbursements for the year ended May 31, 2024	Title
Ken Atchison	05/24 - 05/28 (Elected)	\$ 2,289	\$ -0-	President
Carolyn Maniscalco	05/24 - 05/28 (Elected)	\$ 2,359	\$ -0-	Vice President
Darren Hoyland	05/22 - 05/26 (Elected)	\$ 2,359	\$ -0-	Secretary
David Robicheaux	05/22 - 05/26 (Elected)	\$ 2,580	\$ -0-	Director
Scott McCorkle	05/24 - 05/28 (Elected)	\$ 2,359	\$ -0-	Director

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

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**HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 113  
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
MAY 31, 2024**

<u>Consultants</u>	<u>Date Hired</u>	<u>Fees for the year ended May 31, 2024</u>	<u>Title</u>
Smith, Murdaugh, Little & Bonham, LLP	05/08/69	\$ 52,162	General Counsel
Perdue, Brandon, Fielder, Collins & Mott	07/97	\$ 2,608	Delinquent Tax Attorney
McCall Gibson Swedlund Barfoot PLLC	05/83	\$ 13,750	Auditor
Municipal Business Services	03/87	\$ 9,909	Bookkeeper
Burke Engineering, LLC	10/13/15	\$ 53,446	Engineer
Masterson Advisors LLC	06/12/18	\$ -0-	Financial Advisor
Bob Ideus	03/87	\$ -0-	Investment Officer
Municipal Operations & Consulting, Inc.	03/01/12	\$ 228,463	Operator
Bob Leared Interests	12/13/77	\$ 18,179	Tax Assessor/ Collector

See accompanying independent auditor's report.

