

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JUNE 30, 2024

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

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McCALL GIBSON SWEDLUND BARFOOT PLLC

Certified Public Accountants

13100 Wortham Center Drive
Suite 235
Houston, Texas 77065-5610
(713) 462-0341
Fax (713) 462-2708

PO Box 29584
Austin, TX 78755-5126
(512) 610-2209
www.mgsbpllc.com
E-Mail: mgsb@mgsbpllc.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harris County Fresh Water
Supply District No. 51
Harris County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Fresh Water Supply District No. 51 (the "District") as of and for the year ended June 30, 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 June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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



McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

October 9, 2024

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2024

Management's discussion and analysis of Harris County Fresh Water Supply District No. 51's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Net Position includes all of the District's assets, liabilities and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net 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 four governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, costs and general expenditures. The Special Revenue Funds account of financial resources collected and administered by the District for the operations of a joint water plant and regional wastewater treatment plant. 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 FRESH WATER SUPPLY DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") and other supplementary information. The budgetary comparison schedule is included as RSI for the General Fund. In addition, the Schedule of Changes in Net Pension Asset and Related Ratios and the Schedule of District Contributions-Pensions are included as RSI.

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 and deferred outflows of resources exceeded liabilities by \$12,842,785 as of June 30, 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.

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

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2024	2023	Change Positive (Negative)
Current and Other Assets	\$ 10,064,527	\$ 9,994,463	\$ 70,064
Capital Assets (Net of Accumulated Depreciation)	13,818,240	14,033,695	(215,455)
Total Assets	\$ 23,882,767	\$ 24,028,158	\$ (145,391)
Deferred Outflows of Resources	\$ 66,456	\$ -0-	\$ 66,456
Bonds Payable	\$ 9,517,027	\$ 10,690,234	\$ 1,173,207
Other Liabilities	1,589,411	1,597,324	7,913
Total Liabilities	\$ 11,106,438	\$ 12,287,558	\$ 1,181,120
Net Position:			
Net Investment in Capital Assets	\$ 6,186,853	\$ 3,730,646	\$ 2,456,207
Restricted	2,904,257	4,480,824	(1,576,567)
Unrestricted	3,751,675	3,529,130	222,545
Total Net Position	\$ 12,842,785	\$ 11,740,600	\$ 1,102,185

The following table provides a summary of the District's operations for the years ended June 30, 2024, and June 30, 2023.

	Summary of Changes in the Statement of Activities		
	2024	2023	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 1,256,734	\$ 1,646,788	\$ (390,054)
Charges for Services	7,923,790	7,656,828	266,962
Other Revenues	762,604	499,455	263,149
Total Revenues	\$ 9,943,128	\$ 9,803,071	\$ 140,057
Expenses for Services	8,840,943	8,583,418	(257,525)
Change in Net Position	\$ 1,102,185	\$ 1,219,653	\$ (117,468)
Net Position, Beginning of Year	11,740,600	10,520,947	1,219,653
Net Position, End of Year	\$ 12,842,785	\$ 11,740,600	\$ 1,102,185

**HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of June 30, 2024, were \$8,268,687, a decrease of \$26,509 from the prior year.

The General Fund fund balance increased by \$191,739, primarily due to service revenues exceeding operating costs.

The Special Revenue Funds are revenue neutral. Costs incurred are billed to participants on a monthly basis.

The Debt Service Fund fund balance decreased by \$48,072, primarily due to the structure of the District's outstanding debt.

The Capital Projects Fund fund balance decreased by \$170,176 due to the use of bond proceeds received in a prior fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the fiscal year. Actual revenues were \$243,353 more than budgeted revenues. Actual expenditures were \$132,539 more than budgeted expenditures. This resulted in a positive budget variance of \$110,814.

CAPITAL ASSETS

Capital assets as of June 30, 2024, total \$13,818,240 (net of accumulated depreciation) and include land, buildings, trucks and equipment as well as the water and wastewater systems. Additional information on the District's capital assets can be found in Note 6 of this report.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 457,235	\$ 457,235	\$
Construction in Progress	1,139,503	2,025,082	(885,579)
Capital Assets, Net of Accumulated Depreciation:			
Building and Improvements	223,946	236,027	(12,081)
Water System	2,585,064	2,675,140	(90,076)
Wastewater System	9,412,492	8,640,211	772,281
Total Net Capital Assets	<u>\$ 13,818,240</u>	<u>\$ 14,033,695</u>	<u>\$ (215,455)</u>

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

LONG-TERM DEBT ACTIVITY

At year-end, the District had bond debt payable of \$9,455,000. The changes in the debt position of the District during the fiscal year ended June 30, 2024, are summarized as follows:

Bond Debt Payable, July 1, 2023	\$ 10,550,000
Less: Bond Principal Paid	<u>1,095,000</u>
Bond Debt Payable, June 30, 2024	<u><u>\$ 9,455,000</u></u>

The Series 2014 Refunding bonds do not have an underlying rating and are not insured. The District's Series 2019 Refunding and Series 2020 bonds have an underlying rating of "A+" by S&P and carry an insured rating of "AA" by virtue of bond insurance issued by Build America Mutual. The above ratings reflect all changes through June 30, 2024.

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 Fresh Water Supply District No. 51, c/o P.O. Box 24338, Houston, Texas 77229.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2024

		Special Revenue Funds	
	General Fund	Water Plant	Wastewater Treatment Plant
ASSETS			
Cash	\$ 733,162	\$ 226,433	\$ 77,738
Investments	3,008,840		
Receivables:			
Property Taxes			
Penalty and Interest on Delinquent Taxes			
Service Accounts	297,581		
Other	6,548	9,546	67,670
Due from Other Funds	21,085	273,871	31,452
Prepaid Costs	92,498		412
Due from Other Governmental Units	155,093	132,142	85,668
Advance for Water Authority and Joint			
Water Plant Facilities	349,760		
Net Pension Asset			
Land			
Construction in Progress			
Capital Assets (Net of Accumulated Depreciation)			
TOTAL ASSETS	\$ 4,664,567	\$ 641,992	\$ 262,940
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pensions	\$	\$	\$
Deferred Charges on Refunding Bonds			
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ - 0 -	\$ -0-	\$ -0-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,664,567	\$ 641,992	\$ 262,940

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

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 126,344	\$ 48,319	\$ 1,211,996	\$	\$ 1,211,996
2,581,235	1,976,816	7,566,891		7,566,891
189,684		189,684		189,684
			105,215	105,215
		297,581		297,581
		83,764		83,764
		326,408	(326,408)	
		92,910		92,910
		372,903		372,903
		349,760	(207,411)	142,349
			1,234	1,234
			457,235	457,235
			1,139,503	1,139,503
			12,221,502	12,221,502
<u>\$ 2,897,263</u>	<u>\$ 2,025,135</u>	<u>\$ 10,491,897</u>	<u>\$ 13,390,870</u>	<u>\$ 23,882,767</u>
\$	\$	\$	\$ 29,572	\$ 29,572
			36,884	36,884
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 66,456</u>	<u>\$ 66,456</u>
<u>\$ 2,897,263</u>	<u>\$ 2,025,135</u>	<u>\$ 10,491,897</u>	<u>\$ 13,457,326</u>	<u>\$ 23,949,223</u>

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

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2024

		Special Revenue Funds	
	General Fund	Water Plant	Wastewater Treatment Plant
LIABILITIES			
Accounts Payable	\$ 96,016	\$ 281,369	\$ 121,820
Accrued Interest Payable			
Due to Other Governmental Units		132,473	157
Due to Other Funds	305,323		21,085
Due to Taxpayers			
Security Deposits	542,359		
Reserved for Regional Wastewater Treatment Plant Operations			119,878
Reserved for Joint Water Plant Operations		228,150	
Long-Term Liabilities:			
Bonds Payable, Due Within One Year			
Bonds Payable, Due After One Year			
TOTAL LIABILITIES	<u>\$ 943,698</u>	<u>\$ 641,992</u>	<u>\$ 262,940</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	<u>\$ - 0 -</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
FUND BALANCES			
Nonspendable:			
Prepaid Costs	\$ 92,498	\$	\$
For Water Authority and Joint Water Plant Facilities	349,760		
Restricted for Authorized Construction			
Restricted for Debt Service			
Unassigned	<u>3,278,611</u>		
TOTAL FUND BALANCES	<u>\$ 3,720,869</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,664,567</u>	<u>\$ 641,992</u>	<u>\$ 262,940</u>
NET POSITION			
Net Investment in Capital Assets			
Restricted for Debt Service			
Unrestricted			
TOTAL NET POSITION			

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

Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 1,854	\$ 176,379	\$ 677,438	\$	\$ 677,438
			89,704	89,704
		132,630		132,630
		326,408	(326,408)	
6,663		6,663		6,663
		542,359		542,359
		119,878		119,878
		228,150	(207,411)	20,739
			1,135,000	1,135,000
			8,382,027	8,382,027
<u>\$ 8,517</u>	<u>\$ 176,379</u>	<u>\$ 2,033,526</u>	<u>\$ 9,072,912</u>	<u>\$ 11,106,438</u>
<u>\$ 189,684</u>	<u>\$ - 0 -</u>	<u>\$ 189,684</u>	<u>\$ (189,684)</u>	<u>\$ -0-</u>
\$	\$	\$ 92,498	\$ (92,498)	\$
		349,760	(349,760)	
	1,848,756	1,848,756	(1,848,756)	
2,699,062		2,699,062	(2,699,062)	
		3,278,611	(3,278,611)	
<u>\$ 2,699,062</u>	<u>\$ 1,848,756</u>	<u>\$ 8,268,687</u>	<u>\$ (8,268,687)</u>	<u>\$ - 0 -</u>
<u>\$ 2,897,263</u>	<u>\$ 2,025,135</u>	<u>\$ 10,491,897</u>		
			\$ 6,186,853	\$ 6,186,853
			2,904,257	2,904,257
			3,751,675	3,751,675
			<u>\$ 12,842,785</u>	<u>\$ 12,842,785</u>

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

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balances - Governmental Funds	\$	8,268,687
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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.		13,818,240
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Portions of the change in net pension asset that are not immediately recognized as pension expense are recorded as deferred outflows and inflows of resources.		30,806
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The difference between the net carrying amount of refunded bonds and the reacquisition price is recorded as a deferred outflow in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.		36,884
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Deferred inflows of resources related to property tax revenues and uncollected penalty and interest receivables on delinquent taxes for the 2023 and prior tax levies became part of recognized revenue in the governmental activities of the District.		294,899
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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	\$ (89,704)	
Bonds Payable Within One Year	(1,135,000)	
Bonds Payable After One Year	<u>(8,382,027)</u>	<u>(9,606,731)</u>
Total Net Position - Governmental Activities	\$	<u><u>12,842,785</u></u>

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

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HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

		Special Revenue Funds	
	General Fund	Water Plant	Wastewater Treatment Plant
REVENUES			
Property Taxes	\$	\$	\$
Water Service	2,514,860	3,343,309	
Wastewater Service	1,310,076		1,504,356
Service to Other Governmental Entities	1,510,490		
Sales Tax Revenue	247,219		
Penalty and Interest	65,266		
Investment Revenues	156,359		
Miscellaneous Revenues	57,711	9,546	67,670
TOTAL REVENUES	\$ 5,861,981	\$ 3,352,855	\$ 1,572,026
EXPENDITURES/EXPENSES			
Service Operations:			
Personnel	\$ 1,945,884	\$	\$
Professional Fees	32,854	1,735	3,575
Contracted Services	48,200	18,300	530,949
Purchased Water Service	1,960,413	3,077,977	
Purchased Wastewater Service	467,034		
Utilities	128,447	82,754	348,675
Repairs and Maintenance	771,485	143,235	395,331
Depreciation			
Other	315,925	28,854	293,496
Capital Outlay			
Debt Service:			
Bond Principal			
Bond Interest			
TOTAL EXPENDITURES/EXPENSES	\$ 5,670,242	\$ 3,352,855	\$ 1,572,026
NET CHANGE IN FUND BALANCES	\$ 191,739	\$	\$
CHANGE IN NET POSITION			
FUND BALANCES/NET POSITION - JULY 1, 2023	3,529,130		
FUND BALANCES/NET POSITION - JUNE 30, 2024	\$ 3,720,869	\$ - 0 -	\$ - 0 -

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

Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
\$ 1,250,001	\$	\$ 1,250,001	\$ 6,733	\$ 1,256,734
		5,858,169	(1,960,413)	3,897,756
		2,814,432	(467,034)	2,347,398
		1,510,490		1,510,490
		247,219		247,219
32,890		98,156	69,990	168,146
108,569	115,500	380,428		380,428
30		134,957		134,957
<u>\$ 1,391,490</u>	<u>\$ 115,500</u>	<u>\$ 12,293,852</u>	<u>\$ (2,350,724)</u>	<u>\$ 9,943,128</u>
\$	\$	\$ 1,945,884	\$ (30,806)	\$ 1,915,078
12,765		50,929		50,929
63,363		660,812		660,812
		5,038,390	(1,960,413)	3,077,977
		467,034	(467,034)	
		559,876		559,876
		1,310,051		1,310,051
			500,830	500,830
9,351	301	647,927		647,927
	285,375	285,375	(285,375)	
1,095,000		1,095,000	(1,095,000)	
259,083		259,083	(141,620)	117,463
<u>\$ 1,439,562</u>	<u>\$ 285,676</u>	<u>\$ 12,320,361</u>	<u>\$ (3,479,418)</u>	<u>\$ 8,840,943</u>
\$ (48,072)	\$ (170,176)	\$ (26,509)	\$ 26,509	\$
			1,102,185	1,102,185
2,747,134	2,018,932	8,295,196	3,445,404	11,740,600
<u>\$ 2,699,062</u>	<u>\$ 1,848,756</u>	<u>\$ 8,268,687</u>	<u>\$ 4,574,098</u>	<u>\$ 12,842,785</u>

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

**HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Governmental Funds	\$	(26,509)
--	----	----------

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.		6,733
--	--	-------

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.		69,990
---	--	--------

The changes in the net pension asset as well as deferred inflows and outflows of resources - pension are recorded as pension expense in the government-wide financial statements.		30,806
---	--	--------

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.		(500,830)
--	--	-----------

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.		285,375
---	--	---------

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.		1,095,000
---	--	-----------

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.		141,620
---	--	---------

Change in Net Position - Governmental Activities	\$	1,102,185
--	----	-----------

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

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. CREATION OF DISTRICT

Harris County Fresh Water Supply District No. 51 (the "District") was created in 1960 by order of the Harris County Commissioners Court at a meeting held November 21, 1960. On April 25, 1979, the Texas Water Commission authorized the conversion to a municipal utility district. The District operates in accordance with Texas Water Code Chapters 49 and 54. The first bonds were issued on February 15, 1961. The District is a political subdivision of the State of Texas, governed by an elected five member Board of Directors. The District is subject to the continuing supervision of the Texas Commission on Environmental Quality (the "Commission").

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water. The District may provide garbage disposal and collection services. In addition, the District is empowered, if approved by the electorate, the Commission and other governmental entities having jurisdiction, to establish, operate and maintain a fire department, either independently or jointly with certain other districts.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

The District is the legal owner and manager of the Harris County Fresh Water Supply District No. 51 Regional Wastewater Treatment Plant (the "Plant"). Oversight of the Plant is exercised by the Board of Directors of the District and financial activity of the Plant has been included as a component unit in the financial statements of the District. The Plant's General Fund has been reported as a Special Revenue Fund of the District. Transactions with this joint venture are described in Note 9.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District is the legal owner and manager of the Harris County Fresh Water Supply District No. 51 Joint Water Facilities (the "Facilities"). Oversight of the Facilities is exercised by the Board of Directors of the District and financial activity of the Facilities has been included as a component unit in the financial statements of the District. The Facilities' General Fund has been reported as a Special Revenue Fund of the District. Transactions with this joint venture are described in Note 9.

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

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

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

Governmental Funds

The District has four governmental fund types and considers each to be a major fund.

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

Special Revenue Funds – To account of financial resources collected and administered by the District for the operations of a joint water plant and regional wastewater treatment plant.

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.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

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.

Capital Assets

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

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$10,000 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 and Improvement	40
Water System	10-45
Wastewater System	10-45
Machinery and Vehicles	5-15

Budgeting

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

Pensions

The District has 17 full-time employees and one part-time employee. Effective August 1, 2023, the District entered into pension plan with the Texas County and District Retirement System (TCDRS). See Note 11. The District provides neither administrative services nor investment advice to the plans and, therefore, no fiduciary relationship exists between the District and these plans. The District has elected to pay Social Security for its employees. The Internal Revenue Service has determined that the directors are considered to be employees for federal payroll tax purposes only. Directors do not participate in the pension plan.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 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 and does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3. LONG-TERM DEBT

	Refunding Series 2014	Refunding Series 2019	Series 2020
Amount Outstanding – June 30, 2024	\$ 2,195,000	\$ 2,560,000	\$ 4,700,000
Interest Rates	2.511%	2.00% - 4.00%	2.00% - 3.00%
Maturity Dates – Serially Beginning/Ending	August 15, 2024/2027	August 15, 2024/2029	August 15, 2024/2039
Interest Payment Dates	August 15/ February 15	August 15/ February 15	August 15/ February 15
Callable Dates	August 15, 2022*	August 15, 2025*	August 15, 2027*

* Or any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. Series 2020 term bonds maturing on August 15, 2031 are subject to mandatory redemption beginning August 15, 2030.

The following is a summary of transactions regarding bonds payable for the year ended June 30, 2024:

	July 1, 2023	Additions	Retirements	June 30, 2024
Bonds Payable	\$ 10,550,000	\$	\$ 1,095,000	\$ 9,455,000
Unamortized Discounts	(54,582)		(14,866)	(39,716)
Unamortized Premiums	205,626		103,883	101,743
Bonds Payable, Net	<u>\$ 10,701,044</u>	<u>\$ -0-</u>	<u>\$ 1,184,017</u>	<u>\$ 9,517,027</u>
		Amount Due Within One Year		\$ 1,135,000
		Amount Due After One Year		<u>8,382,027</u>
		Bonds Payable, Net		<u>\$ 9,517,027</u>

As of June 30, 2024, the District had authorized but unissued bonds in the amount of \$5,310,000 for utility facilities.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3. LONG-TERM DEBT (Continued)

As of June 30, 2024, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 1,135,000	\$ 218,498	\$ 1,353,498
2026	1,160,000	178,995	1,338,995
2027	1,190,000	145,540	1,335,540
2028	1,220,000	115,833	1,335,833
2029	590,000	94,500	684,500
2030-2034	1,855,000	331,621	2,186,621
2035-2039	1,880,000	152,722	2,032,722
2040	425,000	4,781	429,781
	<u>\$ 9,455,000</u>	<u>\$ 1,242,490</u>	<u>\$ 10,697,490</u>

For the 2023 tax year, the District levied an ad valorem debt service tax rate of \$0.14 per \$100 of assessed valuation, which resulted in a tax levy of \$1,276,588 on the adjusted taxable valuation of \$911,848,426. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes.

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 orders state that the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data to each nationally recognized municipal securities information depository and the state information depository. 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.

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.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

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 \$1,211,996 and the bank balance was \$1,415,250. The District was not exposed to custodial credit risk at year-end.

Deposits (Continued)

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at June 30, 2024, as listed below:

	<u>Cash</u>
GENERAL FUND	\$ 733,162
SPECIAL REVENUE FUNDS	304,171
DEBT SERVICE FUND	126,344
CAPITAL PROJECTS FUND	<u>48,319</u>
TOTAL DEPOSITS	<u>\$ 1,211,996</u>

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment,

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

considering the probable safety of capital and the probable income to be derived.” No person may invest District funds without express written authority from the Board of Directors.

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

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

As of June 30, 2024, the District had the following investments:

Fund and Investment Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
<u>GENERAL FUND</u>					
TexPool	\$ 3,008,840	\$ 3,008,840	\$	\$	\$
<u>DEBT SERVICE FUND</u>					
TexPool	2,581,235	2,581,235			
<u>CAPITAL PROJECTS FUND</u>					
TexPool	1,976,816	1,976,816			
TOTAL INVESTMENTS	\$ 7,566,891	\$ 7,566,891	\$ - 0 -	\$ - 0 -	\$ - 0 -

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2024, the District’s investments in TexPool were rated AAAM by Standard and Poor’s.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in TexPool to have maturities 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.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Restrictions

All cash and investments of the Special Revenue Funds are restricted for the operations of the joint water facilities, regional wastewater treatment facilities All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the payment of capital expenditures.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024:

	July 1, 2023	Increases	Decreases	June 30, 2024
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 457,235	\$	\$	\$ 457,235
Construction in Progress	<u>2,025,082</u>	<u>285,375</u>	<u>1,170,954</u>	<u>1,139,503</u>
Total Capital Assets Not Being Depreciated	<u>\$ 2,482,317</u>	<u>\$ 285,375</u>	<u>\$ 1,170,954</u>	<u>\$ 1,596,738</u>
Capital Assets Subject to Depreciation				
Building and Improvements	\$ 459,667	\$	\$	\$ 459,667
Machinery and Equipment	126,235			126,235
Automobiles and Trucks	352,060			352,060
Water System	8,033,167			8,033,167
Wastewater System	<u>22,325,089</u>	<u>1,170,954</u>		<u>23,496,043</u>
Total Capital Assets Subject to Depreciation	<u>\$ 31,296,218</u>	<u>\$ 1,170,954</u>	<u>\$ - 0 -</u>	<u>\$ 32,467,172</u>
Accumulated Depreciation				
Building and Improvements	\$ 223,640	\$ 12,081	\$	\$ 235,721
Machinery and Equipment	126,235			126,235
Automobiles and Trucks	352,060			352,060
Water System	5,358,027	90,076		5,448,103
Wastewater System	<u>13,684,878</u>	<u>398,673</u>		<u>14,083,551</u>
Total Accumulated Depreciation	<u>\$ 19,744,840</u>	<u>\$ 500,830</u>	<u>\$ - 0 -</u>	<u>\$ 20,245,670</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 11,551,378</u>	<u>\$ 670,124</u>	<u>\$ - 0 -</u>	<u>\$ 12,221,502</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 14,033,695</u>	<u>\$ 955,499</u>	<u>\$ 1,170,954</u>	<u>\$ 13,818,240</u>

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7. INTERFUND RECEIVABLES AND LIABILITIES

As of June 30, 2024, the District had the following interfund liabilities: the General Fund owed the Water Plant and Wastewater Treatment Plant Special Revenue Funds \$305,323 for operation costs. The Wastewater Treatment Plant Special Revenue Fund owes the General Fund \$21,085 for general manager fees and maintenance and repairs.

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 for the past three fiscal years.

NOTE 9. CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES

Regional Wastewater Treatment Plant

On June 10, 1974, the District, Harris County Municipal Utility District No. 53 ("No. 53") and Harris County Water Control and Improvement District No. 36 ("No. 36") entered into a 40 year contract for the purpose of sharing the cost of constructing and operating the Harris County Fresh Water Supply District No. 51 Regional Wastewater Treatment Plant (the "Plant"). This contract was amended September 21, 1978, January 11, 1979, October 8, 1981, October 10, 1983 and May 1, 2004. The contract provides that the District is the legal owner and manager of the Plant. At June 30, 2024, ownership of capacity in the Plant was as follows: Harris County Water Control and Improvement District No. 36 -- 23.81%; Harris County Fresh Water Supply District No. 51 --40.48%; Harris County Municipal Utility District No. 53-- 35.71%. Oversight of the Plant is exercised by the Board of Directors of the District and financial activity of the Plant has been included in the financial statements of the District. The Plant's General Fund has been reported as a Special Revenue Fund of the District. Construction costs of the Plant are funded by the contribution of funds from each participating district. The Plant issues no debt.

Monthly operating costs of the Plant are shared by the participants based upon each participant's winter average (previous December, January and February average water intake) less amounts sold to customers who do not return any water to the participant's wastewater collection system. During the fiscal year ended June 30, 2024, the District's share of the Plant's operating expenditures were \$467,034. The Plant has not established an operating reserve and the participating districts' share of the unreserved and undesignated fund balance has not yet been determined and recorded.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9. CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES (Continued)

Joint Water Supply Contract

On May 1, 1997 (as supplemented August 8, 2007 and December 16, 2013), the District and Harris County Municipal Utility District No. 285 ("No. 285") entered into a forty year joint water supply contract. The Joint Water Facilities Special Revenue Fund was established to account for the operations of the joint water facilities. At June 30, 2024, ownership of capacity in the Joint Water Facilities (the "Facilities") was as follows: Harris County Fresh Water Supply District No. 51 - 54.86%; Harris County Municipal Utility District No. 285 - 45.14%. The contract provides that the districts will share in the monthly operational costs of the Facilities in proportion to the adjusted gallons used by each district. During the fiscal year ended June 30, 2024, the District's share of the Facilities' operating expenditures was \$1,960,413. During the fiscal year ended June 30, 2024, the Facilities purchased water from the North Channel Water Authority at a cost of \$3,077,977 in accordance with the contract described in a following paragraph. As of June 30, 2024, the District's share of the operating reserve is \$207,411.

North Channel Water Authority

On May 21, 1990 (restated effective March 1, 2001), the District entered into a contract with the North Channel Water Authority (the "Authority"), a conservation and reclamation district and political subdivision of the State of Texas. The restated contract continues until December 31, 2040 and year to year thereafter until payment in full of the principal, premium, if any, and interest on all bonds and all related fees to be paid under any bond resolution of the Authority is made. Oversight of the Authority is exercised by the Board of Directors of the Authority. The Authority has developed a plan whereby it will initially purchase treated surface water from the City of Houston and will construct distribution lines to convey such surface water to the District and others so that the participants in the Authority's regional water supply system can meet the requirements of the Harris-Galveston Subsidence District for conversion to 80% surface water consisting of a combination of surface water and ground water from existing wells.

The District is also contractually committed to pay for its share of the Authority's total operating costs. During the fiscal year ended June 30, 2024, the Facilities purchased water from the North Channel Water Authority at a cost of \$3,077,977. As of June 30, 2024, the District's share of the operating reserve is \$142,349.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10. STRATEGIC PARTNERSHIP AGREEMENT WITH THE CITY OF HOUSTON

On April 11, 2003 (amended December 30, 2003), the District and the City of Houston (the "City") entered into a 30 year Strategic Partnership Agreement (the "Agreement"). Under the terms of the Agreement, the City annexed a portion of the District (the "Partial District") for limited purposes within the Partial District. The Agreement states that the District and all taxable property within the District shall not be liable for any present or future debts of the City and current and future taxes levied by the City shall not be levied on taxable property with the District.

The City imposed a Sales and Use Tax within the boundaries of the Partial District at the time of the limited- purpose annexation of the Partial District. The Agreement provides that the City shall pay to the District one half of all Sales and Use Tax revenues generated within the boundaries of the Partial District and received by the City from the Comptroller of Public Accounts of the State of Texas. The District accrued Sales and Use Tax revenues of \$247,219 from the City for the fiscal year ended June 30, 2024. \$61,438 was receivable from the City for amounts accrued for the current fiscal year at June 30, 2024.

NOTE 11. PENSION PLAN

Plan Description

The District provides retirement, disability, and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of more than 850 non-traditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available at www.tcdrs.org.

Benefits Provided

The plan provisions are adopted by the District, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 5 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 5 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the District.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11. PENSION PLAN (Continued)

Benefits Provided (Continued)

Benefit amounts are determined by the sum of the employee's deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the District within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	<u>0</u>
Inactive employees entitled but not yet receiving benefits	<u>1</u>
Active employees	<u>19</u>

Contributions

The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 4.52% for 2023 calendar year. The deposit rate payable by the employee members for calendar year 2023 is 7.00% as adopted by the governing body of the District. The employee deposit rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act.

For the District's fiscal year ended June 30, 2024, the annual pension cost for the TCDRS plan for its employees was \$53,720; the actual contributions were \$53,720. The employees contributed \$81,748 to the plan for the 2024 fiscal year.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11. PENSION PLAN (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumption:

Actuarial valuation date	12/31/23
Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining Amortization period	19.8 years
Asset Valuation Method	5-year smoothed market
Actuarial Assumptions:	
Investment return ¹	7.50%
Projected salary increases ¹	4.70%
Inflation	2.50%
Cost-of-living adjustments	0.00%

¹ Includes inflation at the stated rate

The demographic assumptions were developed from an actuarial experience investigation of TCDRS over the years 2017-2020. They were recommended by Milliman and adopted by the TCDRS Board of Trustees in December of 2021. All economic assumptions were recommended by Milliman and adopted by the TCDRS Board of Trustees in March of 2021. These assumptions, except where required to be different by GASB 68, are used to determine the total pension liability as of December 31, 2023. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

Mortality rates were based on the following:

Depositing members – 135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Service retirees, beneficiaries and non-depositing members – 135% of Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Disabled retirees – 160% of Pub-2010 General Disabilities Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11. PENSION PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension asset was 7.60%.

In order to determine the discount rate to be used, the actuary used an alternative method to determine the sufficiency of the fiduciary net position in all future years. This alternative method reflects the funding requirements under the funding policy and the legal requirements under the TCDRS Act:

- 1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
- 2) Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
- 3) The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
- 4) Any increased cost due to the adoption of a cost-of-living adjustment is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses. Therefore, the actuary has used a discount rate of 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2024 information for a 10 year time horizon.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11. PENSION PLAN (Continued)

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	11.50%	4.75%
Global Equities	2.50%	4.75%
International Equities-Development	5.00%	4.75%
International Equities-Emerging	6.00%	4.75%
Investment-Grade Bonds	3.00%	2.35%
Strategic Credit	9.00%	3.65%
Direct Lending	16.00%	7.25%
Distressed Debt	4.00%	6.90%
REIT Equities	2.00%	4.10%
Master Limited Partnerships (MLPs)	2.00%	5.20%
Private Real Estate Partnerships	6.00%	5.70%
Private Equity	25.00%	7.75%
Hedge Funds	6.00%	3.25%
Cash Equivalents	2.00%	0.60%

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11. PENSION PLAN (Continued)

Changes in Net Pension Liability/(Asset) for the measurement year ended December 31, 2023 are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a)-(b)
Balances of December 31, 2022	\$ -0-	\$ -0-	\$ -0-
Changes for the year:			
Service Costs	62,628		62,628
Interest on the Total Pension Liability	4,760		4,760
Effect of Economic/Demographic Gains or Losses	42		42
Refund of Contributions			
Administrative Expenses		(36)	36
Member Contributions		39,112	(39,112)
Net investment income		641	(641)
Employer Contributions		25,702	(25,702)
Other		3,245	(3,245)
Balances of December 31, 2023	<u>\$ 67,430</u>	<u>\$ 68,664</u>	<u>\$ (1,234)</u>

Sensitivity Analysis - The following presents the net pension liability/(asset) of the District, calculated using the discount rate of 7.60%, as well as what the District net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total Pension Liability	\$ 80,029	\$ 67,430	\$ 57,631
Fiduciary Net Position	<u>68,664</u>	<u>68,664</u>	<u>68,664</u>
Net Pension Liability/(Asset)	<u>\$ 11,365</u>	<u>\$ (1,234)</u>	<u>\$ (11,033)</u>

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11. PENSION PLAN (Continued)

As of June 30, 2024, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of resources	Deferred Outflows of resources
Differences between expected and actual experience	\$ -0-	\$ 37
Changes of assumptions		
Net difference between projected and actual earnings		1,517
Contributions paid to TCDRS subsequent to the measurement date		28,018
Total	<u>\$ -0-</u>	<u>\$ 29,572</u>

\$28,018 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2024 (i.e. to be recognized in the District's financial statements dated June 30, 2025). Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31		
2024	\$	384
2025		384
2026		384
2027		385
2028		5
Thereafter		12

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2024

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Water Service	\$ 2,460,000	\$ 2,514,860	\$ 54,860
Wastewater Service	1,320,000	1,310,076	(9,924)
Service to Other Governmental Entities	1,531,200	1,510,490	(20,710)
Sales Tax Revenue	228,000	247,219	19,219
Penalty and Interest	42,000	65,266	23,266
Investment Revenues	1,800	156,359	154,559
Miscellaneous Revenues	<u>35,628</u>	<u>57,711</u>	<u>22,083</u>
TOTAL REVENUES	<u>\$ 5,618,628</u>	<u>\$ 5,861,981</u>	<u>\$ 243,353</u>
EXPENDITURES			
Service Operations:			
Personnel	\$ 1,590,364	\$ 1,945,884	\$ (355,520)
Professional Fees	39,700	32,854	6,846
Contracted Services	66,000	48,200	17,800
Purchased Water Service	2,017,480	1,960,413	57,067
Purchased Wastewater Service	503,583	467,034	36,549
Utilities	102,800	128,447	(25,647)
Repairs and Maintenance	939,840	771,485	168,355
Other	<u>277,936</u>	<u>315,925</u>	<u>(37,989)</u>
TOTAL EXPENDITURES	<u>\$ 5,537,703</u>	<u>\$ 5,670,242</u>	<u>\$ (132,539)</u>
NET CHANGE IN FUND BALANCE	\$ 80,925	\$ 191,739	\$ 110,814
FUND BALANCE - JULY 1, 2023	<u>3,529,130</u>	<u>3,529,130</u>	<u></u>
FUND BALANCE - JUNE 30, 2024	<u>\$ 3,610,055</u>	<u>\$ 3,720,869</u>	<u>\$ 110,814</u>

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL – WATER PLANT
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Harris County Fresh Water Supply District No. 51	\$ 2,017,480	\$ 1,960,447	\$ (57,033)
Harris County Fresh Water Supply District No. 285	1,089,203	1,382,862	293,659
Miscellaneous Revenues	<u>9,546</u>	<u>9,546</u>	<u>9,546</u>
TOTAL REVENUES	<u>\$ 3,106,683</u>	<u>\$ 3,352,855</u>	<u>\$ 246,172</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 2,250	\$ 1,735	\$ 515
Contracted Services	18,000	18,300	(300)
Purchased Water Service	2,870,328	3,077,977	(207,649)
Utilities	62,640	82,754	(20,114)
Repairs and Maintenance	114,000	143,235	(29,235)
Other	<u>39,465</u>	<u>28,854</u>	<u>10,611</u>
TOTAL EXPENDITURES	<u>\$ 3,106,683</u>	<u>\$ 3,352,855</u>	<u>\$ (246,172)</u>
NET CHANGE IN FUND BALANCE	\$ -0-	\$ -0-	\$ -0-
FUND BALANCE - JULY 1, 2023	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE - JUNE 30, 2024	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL – WASTEWATER TREATMENT PLANT
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Harris County Fresh Water Supply District No. 51	\$ 503,583	\$ 466,704	\$ (36,879)
Harris County Municipal Utility District No. 53	572,431	597,327	24,896
Harris County Water Control and Improvement District No. 36	367,332	440,325	72,993
Miscellaneous Revenues	<u>67,670</u>	<u>67,670</u>	<u>67,670</u>
TOTAL REVENUES	<u>\$ 1,443,346</u>	<u>\$ 1,572,026</u>	<u>\$ 128,680</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 4,000	\$ 3,575	\$ 425
Contracted Services	37,200	530,949	(493,749)
Utilities	336,000	348,675	(12,675)
Repairs and Maintenance	264,000	395,331	(131,331)
Other	<u>802,146</u>	<u>293,496</u>	<u>508,650</u>
TOTAL EXPENDITURES	<u>\$ 1,443,346</u>	<u>\$ 1,572,026</u>	<u>\$ (128,680)</u>
NET CHANGE IN FUND BALANCE	\$ -0-	\$ -0-	\$ -0-
FUND BALANCE - JULY 1, 2023	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE - JUNE 30, 2024	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
SCHEDULE OF CHANGES IN NET PENSION ASSET AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2024

	Measurement Date 12/31/2023
Total Pension Liability	
Service Cost	\$ 62,628
Interest (on the Total Pension Liability)	4,760
Changes of benefit terms	
Difference between expected and actual experience	
Changes of assumptions	
Effect of economic/demotgraphic (gains) or losses	42
Benefit payments, including refunds of employee contributions	<u> </u>
Net change in total pension liability	\$ 67,430
Total pension liability, beginning	<u> </u>
Total pension liability, ending (a)	<u>\$ 67,430</u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 25,702
Contributions - employee	39,112
Net investment income	641
Benefit payments, including refunds of employee contributions	
Administrative Expense	(36)
Other	<u>3,245</u>
Net Change in plan fiduciary net position	\$ 68,664
Plan Fiduciary net position, beginning	<u> </u>
Plan Fiduciary net position, ending (b)	<u>\$ 68,664</u>
Net Pension Liability/(Asset), Ending = (a) - (b)	<u>\$ (1,234)</u>
Plan fiduciary net position as a percentage of the total pension liability	101.83%
Covered-employee payroll	\$ 558,736
Net pension liability as a percentage of covered employee payroll	-0.22%

A full 10-year schedule will be displayed as it becomes available.

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
JUNE 30, 2024

<u>Fiscal Year</u> <u>Ending</u> <u>June 30</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Employer</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Pensionable</u> <u>Covered</u> <u>Payroll</u>	<u>Actual Contribution</u> <u>as a Percentage of</u> <u>Covered Payroll</u>
2023	\$ 25,702	\$ 25,702	\$ -0-	\$ 558,736	4.60%
2024	\$ 53,720	\$ 53,720	\$ -0-	\$ 1,167,828	4.60%

A full 10-year schedule will be displayed as it becomes available.

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1. NET PENSION LIABILITY - TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation Date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19.8 years (based on contribution rate calculated in 12/31/23 valuation)
Asset Valuation Method	5-year, smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7%, average over career including inflation
Investment Rate of Return	7.50%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions reflected in Schedule*	2015-2022: Not applicable, prior to TCDRS participation 2023: No changes in plan provisions were reflected in the Schedule.

*Only changes that affect the benefit amount and that are effective 2015 and later are shown in Notes to Schedule

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51

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

JUNE 30, 2024

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51

SERVICES AND RATES

FOR THE YEAR ENDED JUNE 30, 2024

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

<input checked="" type="checkbox"/>	Retail Water	<input type="checkbox"/>	Wholesale Water	<input 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 type="checkbox"/>	Security
<input 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 (specify): _____				

2. RETAIL SERVICE PROVIDERS

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

Based on the rate order effective January 11, 2023.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	\$ 16.36	4,000	N	\$ 4.09	4,001-10,000
				\$ 4.50	10,001-20,000
				\$ 4.95	20,000 and up
WASTEWATER:	\$ 15.40	Flat	Y		

District employs winter averaging for wastewater usage?

☐ Yes ☒ No

Total monthly charges per 10,000 gallons usage: Water: \$40.90 Wastewater: \$15.40

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2024

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"	3,379	3,349	x 1.0	3,346
1"	96	89	x 2.5	223
1½"	9	8	x 5.0	40
2"	52	49	x 8.0	392
3"	13	13	x 15.0	195
4"	6	6	x 25.0	150
6"	6	6	x 50.0	300
8"	2	2	x 80.0	160
10"			x 115.0	
Total Water Connections	3,563	3,519		4,806
Total Wastewater Connections	3,537	3,493	x 1.0	3,493

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

Gallons pumped into system:	297,332,000	Water Accountability Ratio: 88.75% (Gallons billed and maintenance/Gallons pumped)
Gallons billed to customers:	980,115,000	
Gallons Purchased:	806,993,000	From: North Channel Water Authority

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 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 extra territorial 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 FRESH WATER SUPPLY DISTRICT NO. 51
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2024

PERSONNEL EXPENDITURES (Including Benefits)	<u>\$ 1,945,884</u>
PROFESSIONAL FEES:	
Auditing	\$ 11,550
Legal	<u>21,304</u>
TOTAL PROFESSIONAL FEES	<u>\$ 32,854</u>
PURCHASED SERVICES FOR RESALE:	
Purchased Water Service	\$ 1,960,413
Purchased Wastewater Service	<u>467,034</u>
TOTAL PURCHASED SERVICES FOR RESALE	<u>\$ 2,427,447</u>
CONTRACTED SERVICES:	
Bookkeeping	<u>\$ 48,200</u>
UTILITIES:	
Electricity	\$ 92,025
Telephone	<u>36,422</u>
TOTAL UTILITIES	<u>\$ 128,447</u>
REPAIRS AND MAINTENANCE	<u>\$ 771,485</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 12,747
Data Processing	103,322
Dues	2,721
Insurance	20,805
Office Supplies and Postage	58,875
Other	<u>15,571</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 214,041</u>

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2024

OTHER EXPENDITURES:

Chemicals	\$ 4,733
Laboratory Fees	32,353
Permit Fees	15,475
Regulatory Assessment	19,151
Uniforms	2,930
Other	<u>27,242</u>

TOTAL OTHER EXPENDITURES	<u>\$ 101,884</u>
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TOTAL EXPENDITURES	<u><u>\$ 5,670,242</u></u>
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Number of persons employed by the District 17 Full-Time 1 Part-Time

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
INVESTMENTS
JUNE 30, 2024

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
TexPool	XXXX0002	Varies	Daily	\$ 3,008,840	\$ - 0 -
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0001	Varies	Daily	\$ 2,581,235	\$ - 0 -
<u>CAPITAL PROJECTS FUND</u>					
TexPool	XXXX0003	Varies	Daily	\$ 1,976,816	\$ - 0 -
TOTAL - ALL FUNDS				<u>\$ 7,566,891</u>	<u>\$ - 0 -</u>

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Debt Service Taxes</u>	
TAXES RECEIVABLE -		
JULY 1, 2023	\$ 182,951	
Adjustments to Beginning Balance	<u>(19,854)</u>	\$ 163,097
Original 2023 Tax Levy	\$ 1,173,828	
Adjustment to 2023 Tax Levy	<u>102,760</u>	<u>1,276,588</u>
TOTAL TO BE ACCOUNTED FOR		\$ 1,439,685
TAX COLLECTIONS:		
Prior Years	\$ 29,543	
Current Year	<u>1,220,458</u>	<u>1,250,001</u>
TAXES RECEIVABLE - JUNE 30, 2024		<u>\$ 189,684</u>
TAXES RECEIVABLE BY		
YEAR:		
2023		\$ 56,130
2022		28,665
2021		17,839
2020		11,611
2019		9,922
2018		8,049
2017 and Prior		<u>57,468</u>
TOTAL		<u>\$ 189,684</u>

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
PROPERTY VALUATIONS:				
Land	\$ 235,078,848	\$ 224,095,137	\$ 178,197,713	\$ 173,642,980
Improvements	928,724,786	787,597,435	672,063,244	583,882,008
Personal Property	29,024,991	28,594,066	23,663,588	23,832,477
Exemptions	<u>(280,980,199)</u>	<u>(230,333,965)</u>	<u>(165,805,519)</u>	<u>(137,909,149)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 911,848,426</u>	<u>\$ 809,952,673</u>	<u>\$ 708,119,026</u>	<u>\$ 643,448,316</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.14	\$ 0.20	\$ 0.23	\$ 0.25
Maintenance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.14</u>	<u>\$ 0.20</u>	<u>\$ 0.23</u>	<u>\$ 0.25</u>
ADJUSTED TAX LEVY*	<u>\$ 1,276,588</u>	<u>\$ 1,619,905</u>	<u>\$ 1,628,674</u>	<u>\$ 1,608,628</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>95.60 %</u>	<u>98.23 %</u>	<u>98.90 %</u>	<u>99.28 %</u>

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

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2024

S E R I E S - 2 0 1 4 R E F U N D I N G			
Due During Fiscal Years Ending June 30	Principal Due August 15	Interest Due August 15/ February 15	Total
2025	\$ 200,000	\$ 52,605	\$ 252,605
2026	525,000	43,502	568,502
2027	740,000	27,621	767,621
2028	730,000	9,165	739,165
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
	<u>\$ 2,195,000</u>	<u>\$ 132,893</u>	<u>\$ 2,327,893</u>

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2024

S E R I E S - 2 0 1 9 R E F U N D I N G			
Due During Fiscal Years Ending June 30	Principal Due August 15	Interest Due August 15/ February 15	Total
2025	\$ 835,000	\$ 64,212	\$ 899,212
2026	535,000	36,812	571,812
2027	275,000	23,363	298,363
2028	295,000	17,662	312,662
2029	315,000	11,169	326,169
2030	305,000	3,813	308,813
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
	<u>\$ 2,560,000</u>	<u>\$ 157,031</u>	<u>\$ 2,717,031</u>

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2024

S E R I E S - 2 0 2 0			
Due During Fiscal Years Ending June 30	Principal Due August 15	Interest Due August 15/ February 15	Total
2025	\$ 100,000	\$ 101,681	\$ 201,681
2026	100,000	98,681	198,681
2027	175,000	94,556	269,556
2028	195,000	89,006	284,006
2029	275,000	83,331	358,331
2030	285,000	77,731	362,731
2031	300,000	71,881	371,881
2032	310,000	65,782	375,782
2033	320,000	59,482	379,482
2034	335,000	52,932	387,932
2035	350,000	46,082	396,082
2036	360,000	38,757	398,757
2037	375,000	30,947	405,947
2038	390,000	22,818	412,818
2039	405,000	14,118	419,118
2040	425,000	4,781	429,781
	<u>\$ 4,700,000</u>	<u>\$ 952,566</u>	<u>\$ 5,652,566</u>

See accompanying independent auditor's report.

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HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2024

ANNUAL REQUIREMENTS FOR ALL SERIES			
Due During Fiscal Years Ending June 30	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2025	\$ 1,135,000	\$ 218,498	\$ 1,353,498
2026	1,160,000	178,995	1,338,995
2027	1,190,000	145,540	1,335,540
2028	1,220,000	115,833	1,335,833
2029	590,000	94,500	684,500
2030	590,000	81,544	671,544
2031	300,000	71,881	371,881
2032	310,000	65,782	375,782
2033	320,000	59,482	379,482
2034	335,000	52,932	387,932
2035	350,000	46,082	396,082
2036	360,000	38,757	398,757
2037	375,000	30,947	405,947
2038	390,000	22,818	412,818
2039	405,000	14,118	419,118
2040	425,000	4,781	429,781
	<u>\$ 9,455,000</u>	<u>\$ 1,242,490</u>	<u>\$ 10,697,490</u>

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JUNE 30, 2024

Description	Original Bonds Issued	Bonds Outstanding July 1, 2023
Harris County Fresh Water Supply District No. 51 Unlimited Tax Bonds - Series 2010A	\$ 1,690,000	\$ 25,000
Harris County Fresh Water Supply District No. 51 Unlimited Tax Refunding Bonds - Series 2014	4,025,000	2,400,000
Harris County Fresh Water Supply District No. 51 Unlimited Tax Refunding Bonds - Series 2019	3,325,000	3,325,000
Harris County Fresh Water Supply District No. 51 Unlimited Tax Bonds - Series 2020	<u>5,000,000</u>	<u>4,800,000</u>
TOTAL	<u>\$ 14,040,000</u>	<u>\$ 10,550,000</u>
Bond Authority:	<u>Tax Bonds</u>	
Amount Authorized by Voters	\$ 29,000,000	
Amount Issued	<u>23,690,000</u>	
Remaining to be Issued	<u>\$ 5,310,000</u>	
Debt Service Fund cash and investment balances as of June 30, 2024:		<u>\$ 2,707,579</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:		<u>\$ 668,593</u>

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

See accompanying independent auditor's report.

Current Year Transactions				Bonds Outstanding June 30, 2024	Paying Agent
Bonds Sold	Retirements				
	Principal	Interest			
					The Bank of New York Mellon Trust Co., N.A. Dallas, TX
\$	\$ 25,000	\$ 500	\$ -0-		
	205,000	57,690	2,195,000		The Bank of New York Mellon Trust Co., N.A. Dallas, TX
	765,000	96,213	2,560,000		The Bank of New York Mellon Trust Co., N.A. Dallas, TX
	100,000	104,680	4,700,000		The Bank of New York Mellon Trust Co., N.A. Dallas, TX
<u>\$ - 0 -</u>	<u>\$ 1,095,000</u>	<u>\$ 259,083</u>	<u>\$ 9,455,000</u>		

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Water Service	\$ 2,514,860	\$ 2,406,825	\$ 1,848,961
Wastewater Service	1,310,076	1,341,919	1,301,832
Service to Other Governmental Entities	1,510,490	1,474,885	1,292,314
Sales Tax Revenues	247,219	237,780	238,334
Investment Revenues	156,359	90,555	5,279
Miscellaneous Revenues	122,977	90,541	74,744
TOTAL REVENUES	<u>\$ 5,861,981</u>	<u>\$ 5,642,505</u>	<u>\$ 4,761,464</u>
EXPENDITURES			
Personnel	\$ 1,945,884	\$ 1,657,088	\$ 1,544,656
Professional Fees and Contract Services	81,054	64,902	64,419
Purchased Services	2,427,447	2,473,371	2,316,336
Utilities	128,447	26,218	45,066
Repairs and Maintenance	771,485	839,124	728,030
Other	315,925	276,753	303,437
Capital Outlay	26,450		
TOTAL EXPENDITURES	<u>\$ 5,670,242</u>	<u>\$ 5,363,906</u>	<u>\$ 5,001,944</u>
NET CHANGE IN FUND BALANCE	\$ 191,739	\$ 278,599	\$ (240,480)
BEGINNING FUND BALANCE	<u>3,529,130</u>	<u>3,250,531</u>	<u>3,491,011</u>
ENDING FUND BALANCE	<u>\$ 3,720,869</u>	<u>\$ 3,529,130</u>	<u>\$ 3,250,531</u>

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2021	2020	2024	2023	2022	2021	2020
\$ 1,731,040	\$ 1,656,722	42.9 %	42.7 %	38.9 %	34.7 %	31.6 %
1,294,923	1,282,733	22.3	23.8	27.3	26.0	24.5
1,657,029	1,966,385	25.8	26.1	27.1	33.2	37.6
226,661	225,214	4.2	4.2	5.0	4.5	4.3
1,849	29,400	2.7	1.6	0.1		0.6
77,821	74,810	2.1	1.6	1.6	1.6	1.4
<u>\$ 4,989,323</u>	<u>\$ 5,235,264</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 1,537,146	\$ 1,482,142	33.2 %	29.4 %	32.4 %	30.8 %	28.3 %
57,725	66,135	1.4	1.2	1.4	1.2	1.2
2,108,052	1,940,088	41.4	43.7	48.7	42.3	37.1
39,817	37,591	2.2	0.5	0.9	0.8	0.7
625,064	1,058,054	13.2	14.9	15.3	12.5	20.2
279,582	297,337	5.4	4.9	6.4	5.6	5.7
469,911	26,246		0.5		9.4	0.5
<u>\$ 5,117,297</u>	<u>\$ 4,907,593</u>	<u>96.8 %</u>	<u>95.1 %</u>	<u>105.1 %</u>	<u>102.6 %</u>	<u>93.7 %</u>
\$ (127,974)	\$ 327,671	<u>3.2 %</u>	<u>4.9 %</u>	<u>(5.1) %</u>	<u>(2.6) %</u>	<u>6.3 %</u>
<u>3,618,985</u>	<u>3,291,314</u>					
<u>\$ 3,491,011</u>	<u>\$ 3,618,985</u>					

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 1,250,001	\$ 1,595,778	\$ 1,596,422
Penalty and Interest	32,890	35,348	23,842
Investment Revenues	108,569	73,705	4,463
Miscellaneous Revenues	30		
TOTAL REVENUES	<u>\$ 1,391,490</u>	<u>\$ 1,704,831</u>	<u>\$ 1,624,727</u>
EXPENDITURES			
Tax Collection Expenditures	\$ 81,579	\$ 83,362	\$ 78,896
Debt Service Principal	1,095,000	1,065,000	1,035,000
Debt Service Interest and Fees	262,983	301,494	340,317
Bond Issuance Costs			
TOTAL EXPENDITURES	<u>\$ 1,439,562</u>	<u>\$ 1,449,856</u>	<u>\$ 1,454,213</u>
NET CHANGE IN FUND BALANCE	\$ (48,072)	\$ 254,975	\$ 170,514
BEGINNING FUND BALANCE	<u>2,747,134</u>	<u>2,492,159</u>	<u>2,321,645</u>
ENDING FUND BALANCE	<u><u>\$ 2,699,062</u></u>	<u><u>\$ 2,747,134</u></u>	<u><u>\$ 2,492,159</u></u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>3,519</u>	<u>3,528</u>	<u>3,530</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>3,493</u>	<u>3,502</u>	<u>3,504</u>

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2021	2020	2024	2023	2022	2021	2020
\$ 1,595,083	\$ 1,505,356	89.8 %	93.6 %	98.2 %	97.5 %	97.2 %
38,611	22,438	2.4	2.1	1.5	2.4	1.4
1,148	21,405	7.8	4.3	0.3	0.1	1.4
<u>\$ 1,634,842</u>	<u>\$ 1,549,199</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 76,937	\$ 70,449	5.9 %	4.8 %	4.9 %	4.7 %	4.5 %
905,000	875,000	78.7	62.5	63.7	55.4	56.5
346,958	258,044	18.9	17.7	20.9	21.2	16.7
<u>\$ 1,328,895</u>	<u>\$ 1,203,493</u>	<u>103.5 %</u>	<u>85.0 %</u>	<u>89.5 %</u>	<u>81.3 %</u>	<u>77.7 %</u>
\$ 305,947	\$ 345,706	<u>(3.5) %</u>	<u>15.0 %</u>	<u>10.5 %</u>	<u>18.7 %</u>	<u>22.3 %</u>
<u>2,015,698</u>	<u>1,669,992</u>					
<u>\$ 2,321,645</u>	<u>\$ 2,015,698</u>					
<u>3,529</u>	<u>3,524</u>					
<u>3,503</u>	<u>3,498</u>					

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2024

District Mailing Address - Harris County Fresh Water Supply District No. 51
P.O. Box 24338
Houston, Texas 77229

District Telephone Number - (713) 637-8835

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended <u>June 30, 2024</u>	Expense Reimbursements for the year ended <u>June 30, 2024</u>	<u>Title</u>
Jerry Dominy	05/24 05/28 (Elected)	\$ 2,652	\$ -0-	President
Michael Bilnoski	05/24 05/28 (Elected)	\$ 1,547	\$ -0-	Vice President
Les LeBlue	05/22 05/26 (Elected)	\$ 2,431	\$ -0-	Secretary
Cary Stephens	05/22 05/26 (Elected)	\$ 2,652	\$ -0-	Assistant Vice President
David Gray	05/24 05/28 (Elected)	\$ 2,802	\$ -0-	Assistant Secretary

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

Submission date of most recent District Registration Form: May 30, 2024

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

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2024

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended June 30, 2024</u>	<u>Title</u>
Allen Boone Humphries Robinson LLP	08/13/03	\$ 21,627	General Counsel
McCall Gibson Swedlund Barfoot PLLC	08/14/24	\$ -0-	Auditor
Mark C. Eyring, CPA, PLLC	08/17/98	\$ 16,860	Former Auditor
McLennan & Associates, LP	09/08/04	\$ 79,453	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, LLP	03/15/99	\$ 12,265	Delinquent Tax Attorney
IDS Engineering Group	06/21/99	\$ 104,500	Engineer
Post Oak Municipal Advisors, LLC	05/09/18	\$ -0-	Financial Advisor
Bob Leared Interest	Prior to 1997	\$ 52,120	Tax Assessor/ Collector
Key Personnel:			
Billy Allen	1981	Salaried Employee	General Manager/ Investment Officer

See accompanying independent auditor's report.

